How infrastructure is keeping us in the fast lane.

Annual Report 2008

Positioning

Building involves change and change involves responsibility. Today we are building an environment which we and our children will live in tomorrow and for years to come. For 140 years now, countless infrastructure projects have stood as an impressive testament to our core competencies in project development and construction management. Our position since then has not changed: PORR is committed to achieving consistently high quality in all activities and decisions, along with sustainable revenue growth and improved performance. And because we want to continue our record of excellence well into the future, we also need solid foundations and meticulous planning. Therefore the same holds true for employees, customers and shareholders in equal measure:

The future is our tradition.

Key Data

in EUR million	2008	Change	2007	2006	2005
Income Statement					
Revenue	2,656.5	+20.0%	2,214.4	1,921.0	1,828.2
Production output	3,182.9	+16.0%	2,743.7	2,322.7	2,258.0
of which domestic	1,861.1	+3.9%	1,791.5	1,632.4	1,553.5
of which foreign	1,321.8	+38.8%	952.2	690.3	704.5
Foreign share in %	41.5	+6.8 PP	34.7	29.7	31.2
EBIT	70.9	+4.4%	67.9*)	58.0*)	57.6*)
EBT	46.7	+21.0%	38.6	35.3	32.4
Profit	37.9	+20.4%	31.5	26.8	25.2
Balance Sheet					
Balance	1,902.7	+2.6%	1,853.2	1,604.2	1,527.6
Non-current assets	956.4	+11.3%	859.2	735.1	706.8
Current assets	946.3	–4.8%	994.0	869.2	820.8
Non-current liabilities	712.6	+5.6%	674.5	572.6	507.9
Current liabilities	821.6	+0.6%	816.5	770.4	768.7
Equity (incl. minority interest)	368.5	+1.7%	362.2	261.3	251.0
Equity as % of total capital	19.4	–0.1 PP	19.5	16.3	16.4
Cash Flow and Investments					
Operating cash flow	79.9	+5.0%	76.1	63.7	77.0
Cash flow from operating activities	52.4	+20.3%	43.6	14.9	64.2
Cash flow from investing activities	–85.8	+99.5%	–43.0	–51.6	–4.3
Cash flow from financing activities	5.6	–87.4%	44.5	2.5	–41.9
Investments	128.6	+138.1%	54.0	83.2	66.7
Depreciation/amortisation	58.6	+9.8%	53.4	41.5	47.8
Operating Data					
Order bookings	3,299.8	+3.9%	3,175.3	2,870.9	2,219.8
Order backlog at year end	2,561.9	+4.8%	2,445.1	2,013.4	1,465.3
Average staffing levels	12,116	+4.9%	11,555	10,615	10,241
of which foreign in %	25.6	+2.1 PP	23.5	21.3	21.5
Value Add					
EBIT margin in %	2.7	–0.4 PP	3.1*)	3.0*)	3.2*)
ROCE in %	9.6	–0.4 PP	10.0*)	8.7*)	8.8*)
ROE in %	10.3	+1.6 PP	8.7	10.3	12.8

*) See Consolidated financial statements, point 6.3. Changes to comparative information

Facts and Figures

Key data regarding shares	2008	Change	2007	2006	2005
P/E ratio (at year end)					
Ordinary shares	12.2	–38.1%	19.7	12.7	10.0
Preference shares	4.8	–78.8%	22.7	12.9	9.0
Earnings per share in EUR	11.1	+2.8%	10.8	10.1	12.4
Dividends per share	2.2*)	0.0%	2.2	1.7	1.7
Dividend yield in % (at Dec 31st)					
Ordinary shares	1.6	+0.6 PP	1.0	1.4	1.4
Preference shares	4.1	+3.2 PP	0.9	1.3	1.5
Payout ratio (as % of profit)	19.9	–0.4 PP	20.3	17.2	14.0
Market capitalisation in EUR million (at year end)					
Ordinary shares	181.1	–36.6%	285.7	171.7	166.4
Preference shares	34.3	–78.3%	157.9	83.5	72.2

*) Proposal to AGM

Key data regarding stock markets in 2008 in EUR	Preference share	Ordinary share
Price at year end 2007 (Dec 31st)	246.0	212.9
Price at year end 2008 (Dec 31st)	53.4	135.0
Year high	(on Jan 8th) 244.0	(on Jan 10th) 212.0
Year low	(on Nov 6th) 42.0	(on Oct 28th) 115.0
Listing on the Vienna Stock Exchange	Official trading standard market continuous*)	Official trading standard market auction
ISIN-Codes	AT 000 060 963 1	AT 000 060 960 7
Security code	POV	POS

*) From April 2009 trading in standard market auction

PORR Corporate Bonds	Volume	Interest	Coupon day	Redemption
Corporate Bond 2007	EUR 70.0m	5.875% p.a.	31.5. & 30.11.	31.5.2012
Corporate Bond 2006 – Austria	EUR 60.0m	5.625% p.a.	29.6. & 29.12.	29.6.2011
Corporate Bond 2006 FRN – Czech Republic	CZK 200.0m	variable	29.6. & 29.12.	29.6.2011
Corporate Bond 2005	EUR 100.0m	4.5% p.a.	29.6.	29.6.2010

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U2 underground line, Vienna

On the right track for the challenges of the future: infrastructure.

The PORR Group has an exemplary track record, having laid countless kilometres of railway lines in its 140-year history. The company does not only focus on building rail networks, but is also constantly on the hunt for innovative solutions. A solid, well-constructed rail network is the only way to ensure environmentally-friendly mobility for local, national and international transport. PORR's experience in this field means that expertise is guaranteed.


Railtrack near Neumarkt Kallham, Upper Austria

U2 underground line, Vienna

ÖBB Inn Bridge, Landeck, Tyrol

St. Pölten Central Station, Lower Austria

Berlin reinforced track system, Germany

One of the most important innovations to come from the PORR think-tank is the patented "slab track" system (Feste Fahrbahn). In this system, embedded monoblock sleepers are encased in rubber. Tests carried out over a long time period have shown that the occurrence of defects is reduced and therefore long-term safety increases. The system also leads to savings on repairs and maintenance. The "slab track" system has been common in Austria since 1995. The fact that it has been used in Germany for tunnels and bridges since 2001 is further proof of the international expertise that the PORR Group has in major infrastructure projects.

Lehrter Station, Berlin, Germany


Pension Insurance Institute, Vienna

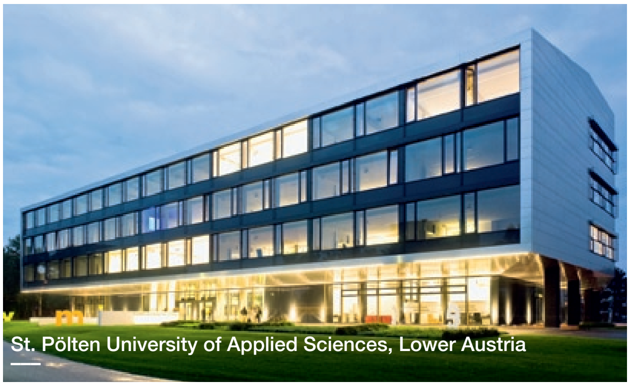
Infrastructure of outstanding quality - no matter how challenging the task.

Infrastructure does not only involve underground structures as its Latin roots suggest (infra=under, structura=structure) but also includes building construction projects. You just need to think of the key buildings on Vienna's Ringstrasse or in the city centre which were built by the company. Or the countless residential buildings, commercial space, hotels and exhibition venues which were built in preparation for the Universal Exhibition, held in Vienna in 1873. The strength of the PORR Group is its comprehensive expertise along with the ability to cover the entire value creation chain in the construction industry. Highly qualified staff work together with clients to realise all building construction activities such as general contractor services, project planning and project development.

Leading areas in recent years have included commercial and office construction, along with residential building. The PORR Group also had high levels of construction in the industrial and civil engineering sectors, building sports and leisure facilities, hospitals and health clinics, spa resorts and pools, as well as the revitalisation, adaptation and renovation of existing buildings. The trust placed in PORR with regard to building renovation is apparent from countless tenders, be they in the recent past or over decades. Albertina, Parliament, Schloss Hof, Theater in der Josefstadt or the ongoing revitalisation of the Finance Ministry, just to mention a few beacon projects, are testament to PORR's decades of experience as well as being a calling card for the challenges of the future.

Parliament renovation, Vienna

Revitalisation and new construction of Skyline, Spittelau, Vienna



St. Pölten University of Applied Sciences, Lower Austria

Fohnsdorf spa, Styria

M6 motorway, Hungary

PORR – always in the fast lane when it comes to infrastructure.

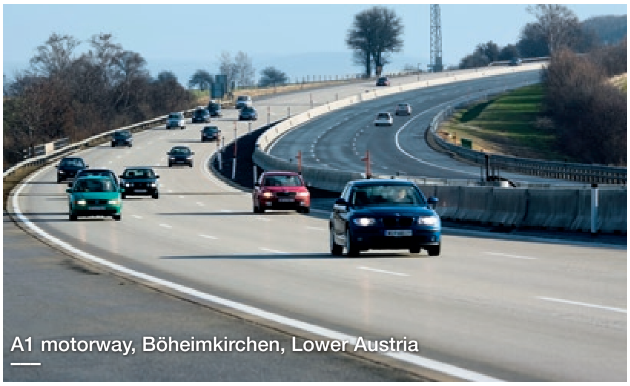
Motorways, carriageways, country lanes or private roads – you are always well underway with infrastructure provider PORR. The company's services range from road oiling and dust control to asphalt recycling and manufacturing highly durable asphalt coverings. Modern road construction is a demanding and multifaceted field that requires exceptional expertise and experience. The PORR Group has its own laboratory team involved in testing, research and development so that there are tailor-made solutions for the most discerning customer. It therefore comes as no surprise that PORR has extended, built and renovated thousands of kilometres of road and dozens of bridges in Austria over the past decades. There were many challenging projects among these, such as building the Großglockner high Alpine road, countless road and bridge construction projects on the Tauern motorway or the ongoing project involving renovation and construction works on the S 33 near Traismauer, where multiple bridges and embankments for noise reduction are being built concurrently.


General renovation of the A1 motorway, Wolfsgraben-Brentenmais viaducts, Lower Austria

The PORR Group has also succeeded in providing infrastructure to the new EU states in recent years. For example, the construction of the Hungarian M6 motorway stretch between Érditetö and Dunaújváros was a key contributor to building up the transport network of our neighbouring country. That this project was a success was confirmed by last year's acquisition to construct another section of the M6. Demand for infrastructure in eastern Europe remains high despite the global economic crisis. The PORR Group has the experience, the expertise and the regional coverage to contribute significantly to linking the east of Europe to central and western Europe now and in the future.


Traismauer Danube Bridge, Lower Austria


Noise barrier on the A4 motorway, Lower Austria


A1 motorway, Böheimkirchen, Lower Austria

There's a rocky road ahead for the economy. Luckily, we're specialists in rocky roads.

Wienerwald Tunnel West, Vienna

Building tunnels is the ultimate in civil engineering. This sector requires considerable skill, as every metre which is driven can present unforeseen challenges which must be dealt with expertly and with the highest regard for the safety of the site, the machinery and, above all, the workers. PORR tunnel builders are fit for every challenge and the company covers every area of tunnel construction (road tunnels, railway tunnels, underground railway construction, municipal infrastructure such as pipelines etc.).

PORR also played a role in developing the “New Austrian Tunnelling Method” and has been the number one specialist in tunnel construction in Austria for decades. But this is not all – many underground railways across the world have a bit of PORR engineering magic in them. The “New Austrian Tunnelling Method” has proven to be especially useful for dealing with challenging geological conditions and for building underground railway lines. Around half of all tunnels, galleries, caverns and underground railways built across the world use this method. As you can see, the PORR Group always finds a way to overcome the most powerful obstacles, which is why customers place their trust in the PORR Group time and time again.

Lötschberg Base Tunnel, Switzerland

Rail Tunnel H3-4 Münster/Wiesing, Tyrol

Lainzer Tunnel, Vienna

International or regional: PORR infrastructure is everywhere.

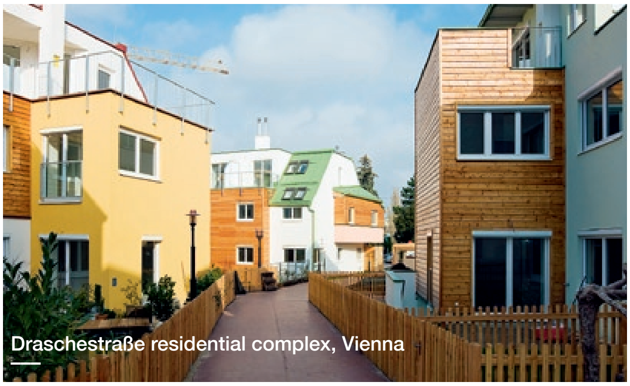
PORR has been an Austrian company for 140 years and is true to its roots. The regional coverage of subsidiaries, affiliates, branch offices and field offices all across Austria is at the heart of PORR's corporate philosophy. Around three quarters of the 12,000-strong workforce are based in Austria. This makes the PORR Group one of the largest and – despite the current economic environment – most stable employers on the Austrian market.

One of the company's key tasks is regional business made up of residential construction and infrastructure projects, such as sports facilities, as these enable value creation to remain inside Austria. This creates jobs, improves regional infrastructure and is an important contributor to economic growth. The PORR Group stands out for its staff expertise, precision and punctuality in execution and the provision of top-quality service.


Bike City residential complex, Vienna


Unterpremstätten sports centre, Styria


Bike City residential complex, Vienna


Draschestraße residential complex, Vienna


Ville Verdi residential complex, Vienna

PORR – energising the economy.

Projects such as the Kaprun power plant and major power plants on the Danube were and remain important contributors to economic prosperity. As one of Austria's largest and longest-established construction groups, PORR has always taken its responsibilities in this field very seriously. PORR has a tradition stretching back decades in power plant construction, whether it comes to CHPs, hydro plants, thermal plants, or those powered by wind or biomass. In total PORR has been involved in the construction of well over a hundred projects.

Rising energy prices and worldwide climate change are making it ever clearer: the future belongs to construction technology and structures which preserve resources, save energy and reduce the environmental footprint. Harmonization with the surrounding area and optimising the use of alternative energy sources are part of PORR's overall approach. The PORR Group is already established as a specialist in the energy and environmental sectors for sophisticated turnkey solutions from one source, thereby contributing to the preservation of the environment.


Pfaffenau waste incineration plant, Vienna


Mittleres Pramtal sewage plant, Upper Austria


Dürnrohr waste incineration plant, Lower Austria


Rjinmond 2 power plant, the Netherlands


Eggendorf gas booster unit, Lower Austria

Number one for infrastructure: PORR.

Wolfgang Hesoun
Chairman of the Executive Board

Born 1960, married, one son.
After completing his studies at the Federal Secondary College of Engineering, Wolfgang Hesoun joined the Kraftwerk Union in 1982. He moved to PORR AG five years later, charged with managing general contractor projects in Germany, the Czech Republic, Poland and Hungary. He worked in the environmental technology division from 1989 and was then responsible for project management, followed by the acquisition of environmental projects in the infrastructure sector. A member of the board of WIBEBA UMWELT AG in 1994, he joined the board of Porr Umwelttechnik AG in 1995 and was appointed chairman three years later. From 1999 to 2003 he was promoted to the board of Porr Technobau und Umwelt AG. In 2003 he was finally appointed to the board of PORR AG and was named as Vice Chairman. in 2004. In May 2007, Wolfgang Hesoun took over as C.E.O. of PORR AG and has been responsible since then for strategy, organisation, human resources, corporate communications, auditing, project development in civil engineering and building construction.

Johannes Dotter
Executive Board Member

Born 1961, married, two daughters.
After graduating in civil engineering from the Vienna Technical University, in 1987 Johannes Dotter joined Stuag Bau AG as an engineer. He was soon promoted to site manager, five years later to head of department and then in 1997 to manager of the Vienna branch office, responsible for civil engineering, building construction, road construction, environmental technology and track construction. After Stuag was taken over by Strabag AG, Johannes Dotter held the post of head of division for three years, before becoming a board member of Porr Technobau und Umwelt AG in 2004. He has been on the board of PORR AG since September 2007 and is responsible for operative construction issues (building construction, civil engineering, road construction), technology management, equipment management and purchasing.

Rudolf Krumpeck
Executive Board Member

Born 1962, married, one daughter, two sons.
After graduating from the Vienna University of Economics and Business Administration, Rudolf Krumpeck began his career in 1987 as a controller at the Girozentrale. He was soon appointed as a management assistant at Quester Baustoffe, then in 1994 as senior controller at the Frantschach Group's Europapier before moving to MAGNA International. In 2005 he joined Porr Solutions GmbH as commercial director and thereafter moved to the board of Porr Projekt und Hochbau AG in 2007. In December 2008 Rudolf Krumpeck was appointed to the board of PORR AG and is responsible for financial management and project financing, capital markets and investor relations, group management, accounting and tax.

Peter Weber
Executive Board Member

Born 1949, married, two daughters.
After receiving his Doctorate in Chemistry as well as a Master of Science in Industrial Management at the Polytechnic Institute of New York, Peter Weber began his professional career at CA-BV in the investments/industry division. His next post was as executive assistant at Semperit AG and business operations manager at Austrian paint group Hoechst AG. In 1987 he moved to Länderbank, and was appointed head of investor management at Bank Austria in 1991 and then in 1992 also took the post of managing director of Bank Austria Handelsholding GmbH. In 1995 Peter Weber became C.E.O. of Immobilien Holding GmbH. He joined the board of PORR AG in March 2003 and is responsible for group structure and information management, real estate portfolio, IT and organisation, resources, controlling, legal affairs and insurance, risk management and quality management.

Foreword by the Executive Board

Dear shareholders and respected business associates,

The business year 2008 was highly satisfactory for the PORR Group. We managed to increase production output by 16.0% to EUR 3.1829bn and our EBT also improved by 21.0% to EUR 46.7m. In contrast, the development of our share price was highly volatile, owing to major uncertainties on the capital markets and the low free float.

Despite the onset of the economic slump in the second half of 2008 caused by the financial crisis, the figures for the PORR Group are good. The strategy of qualitative growth – the concentration on high-margin market segments – has paid off and is reflected in our positive key figures. A further reason for the good results in the previous year was the complex, multi-year projects which led to further increases in revenues and earnings.

In contrast to our 2008 results, the economists' forecasts for 2009 are less pleasing. Economic growth figures for Austria, Europe and the global economy are now being revised downwards on a weekly basis. Furthermore, it is difficult to say with any certainty what the actual consequences of the breakdown in capital markets will be for the real economy. The question of when the capital markets will recover is also unclear, as is the issue of when there will again be sufficient liquidity available for project financing.

The effects of the global crisis on the construction industry were first felt in individual areas. The high order backlogs characteristic of the construction industry mean that while it will primarily be the commercial sector that feels the negative effects on revenues in the current year, the crisis is not expected to materialise significantly in industry until the end of the year. With regard to acquiring new orders, the labour-intensive private building construction sector is most under pressure due to a lack of long-term financing.

European states and international financing institutions have already partially introduced measures to stimulate the economy. Investment in infrastructure, as well as in research and development, will provide a boost to the real economy. Investments in the infrastructure sector, in which we are an established player, represent a major opportunity for the PORR Group to counter the negative effects of the crisis on the real economy in a more effective way than our competitors, and to meet the challenges faced by the European construction industry over the next two years.

The infrastructure segment is heavily weighted towards civil engineering. This is why the next years will see increased construction activities in the areas of road, rail, tunnels, energy and environmental technology. In addition to this, increased investments are expected in public building construction (education, justice, healthcare etc.). In Austria, the main increase will be in the renovation of buildings from the 1960s and 1970s. One government package of key importance not only for the environment, but also for the construction industry, is the thermal upgrading of many federal buildings. This measure is an important step for Austria to meet its Kyoto targets.

Given this backdrop, PORR can only benefit from its status as a full service provider with extensive experience in the infrastructure sector and the competitive advantage this entails. The strengths of the PORR Group lie in the comprehensive expertise and the capacity to cover the entire value creation chain in the construction business. This is equally true, for example, for constructing and operating motorways on the basis of PPP models, or for extending rail networks, where PORR has an established record in innovation with its patented "slab track" system. Other examples in this context include the decades of experience and expertise in tunnel construction or building schools, universities, hospitals, renovating public buildings and in municipal residential construction. The group has been successfully contributing to all areas of the construction business for 140 years now, especially in the field of infrastructure. This all adds up to the fact that our experience, our expertise and our strong standing in the infrastructure and public-sector segments make us particularly well placed to benefit from the economic stimulus packages being made available.

While growth rates have slowed in eastern Europe, moderate growth is still expected for the region. The market environment is not unproblematic; however, additional infrastructure investments from international finance institutions (World Bank, International Monetary Funds, EBRD, EIB etc.) are expected to provide an important boost. Our established, solid position on the eastern European markets means that we can participate strongly in the realisation of projects that are financed by these initiatives. The PORR Group will make the most of this growth opportunity and try to use it to compensate for the decline in demand in western Europe.

Times like these validate the conservative, organic growth strategy of the PORR Group in the eastern European markets. We will also continue the strategy of a 50-50 split between domestic and foreign business in the coming years, with the stable Austrian market acting as a base from which to develop complex high-margin projects abroad, as and when demand exists. The distribution of production output across 16 markets also leads to significant risk diversification and regional fluctuations can be balanced out as far as possible.

The PORR Group has been successfully involved in the high-margin field of environment and energy for many years now. In accordance with the strategy of qualitative growth, the PORR Group's aim is to achieve significant growth in both of these infrastructure segments. The political focus on meeting Kyoto targets, along with the rising need for uninterrupted supply, has resulted in massive demand in the energy and environmental technology sector for the coming years – particularly in the region of south-eastern Europe. Our expertise means that we are exceptionally well equipped to meet the challenges of the market and we predict significant rises in output for this sector in the medium to long term.

In these ever changing times it is essential to be as well prepared as possible for any shift that may come. With this in mind, we are not only carrying out improvements in our internal control systems, but also a significant diversification in the raw materials sector to ensure that we are well equipped even when resources are generally scarce. Another critical success factor is ongoing access to qualified, motivated staff, which is essential in the labour-intensive construction industry. This is why – in comparison to our competitors – the PORR Group was at the forefront of investment in improved recruitment and strategic staff development, on the one hand to recruit new, highly-qualified staff and on the other to ensure that employees remain loyal to the company in the long term.

Despite the difficult market backdrop, the PORR Group achieved excellent results for the past fiscal year. Thanks for this success must also go to our staff, whose dedication, reliability and loyalty has played a key role in achieving these results.
We must also thank our clients and shareholders who have actively supported us over the past years in introducing the necessary steps towards a secure, successful future. One key step was the agreement in the extraordinary general meeting in November last year to release newly authorised capital in order to ensure that the organic growth course of the PORR Group can continue well into the future. We want to reward the trust that you have long shown in us with a good performance and attractive prospects in the coming years.

The next few years will not be an easy time for the real economy. The stimulus packages will however have a key influence on demand in the infrastructure sector. Our positioning as a full service provider means that we are well prepared and we fully intend to make the most of the opportunities available, together with you, our trusted shareholders.

Wolfgang Hesoun

Johannes Dotter

Rudolf Krumpeck

Peter Weber

PORR at a Glance

Building involves change and change involves responsibility. From the North Sea to the Adriatic, from Lake Geneva to the Black Sea, the PORR Group is your perfect partner for infrastructure projects. Whether it's roads or apartment buildings, hotels or office complexes, power plants or stadiums, or even something completely new – as a full service provider the PORR Group has a custom-made solution for every challenge. Just as our motto says:

We build for people.

While that may sound simple, it is actually what drives the PORR Group. It doesn't matter how demanding the technical challenges may be, how difficult the terrain or how complex the construction project, PORR infrastructure solutions are tailor-made to fit what people really need. It is only when a new motorway has made a journey faster and easier, when a residential site has provided security and comfort, when an office tower has contributed to a company's success, or when a power plant has ensured energy supply for thousands of people that PORR has really done its job. This is how the PORR Group has been building infrastructure for a better life for 140 years.

Bringing it all together – PORR buildings

These combine state-of-the-art technology, the latest environmental discoveries, top energy efficiency and durability to last for hundreds of years. The most famous buildings on Vienna's Ringstrasse stand as proof of long-lasting PORR quality. People experience the PORR Group's technological leadership through cutting-edge skyscrapers in Prague and Warsaw or in the Alps' longest tunnels. New ideas, intelligent solutions and innovative ideas – that's PORR.

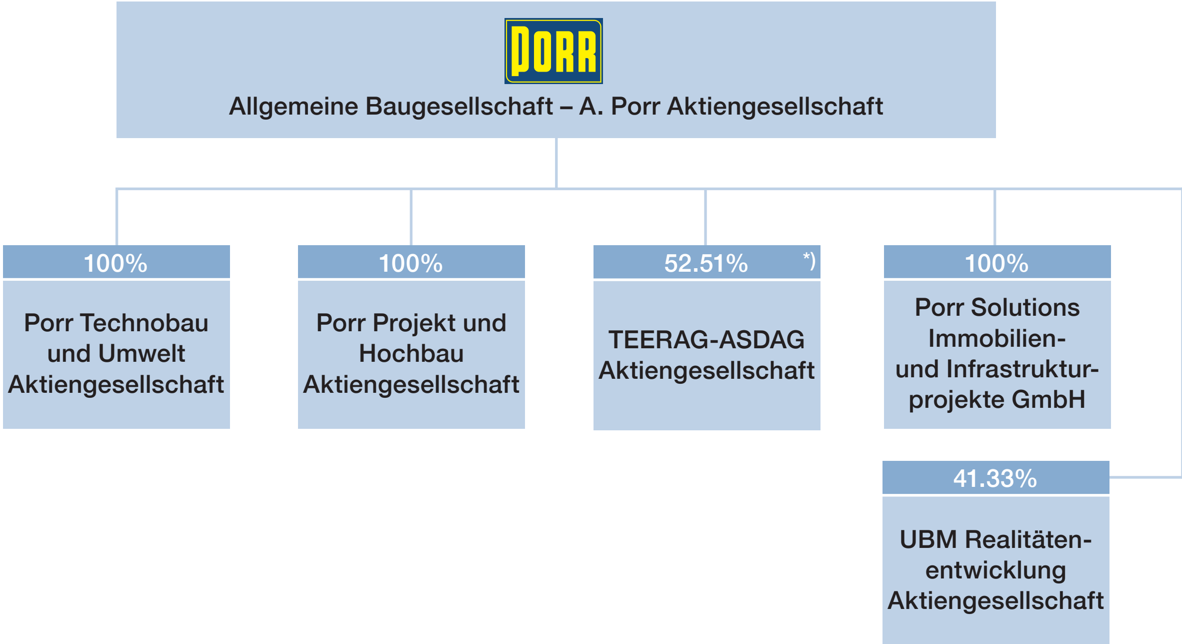
Bringing it all together – PORR structure

From its headquarters in Vienna, the PORR Group builds for more than 250 million people in 16 European countries. PORR considers itself to be not only an Austrian, but also a European company. The PORR structure is a result of the conviction of the people who work within the corporation. Only when PORR is close to its customers it can also meet the most diverse needs. This is why PORR is on-site right beside customers, PORR speaks their language and also understands the challenges in every country in which it operates. Listening, understanding, taking action – that's PORR.

Bringing it all together – PORR staff

Complex supra-regional projects are realised by PORR subsidiaries working together. The expertise of PORR staff has yielded pioneering achievements in every sector of the building industry over the last 140 years. The staff have brought the tradition of technical excellence forward into the future. Thanks to them, PORR combines the durability and security that comes with decades of experience with the opportunities created by cutting-edge technologies. Recognising and developing this potential – that's PORR.

Organisational Structure



As of March 2009

*) indirect share

As a full service provider, PORR is able to realise every construction project in the infrastructure sector. The corporate structure guarantees the best possible flexibility and has yet again proved to be a basis for success in this fiscal year. The holding functions as a strategic ceiling, under which our four most important supra-regional subsidiaries are joined and horizontally ordered. The three traditional segments of civil engineering, building construction and road construction are ideally complemented by project development. The latter encompasses all Austrian and international service providers involved in planning, project development, project management, facility management, infrastructure expertise, licensing models, operational models and Public Private Partnership models.

Across all sectors, responsibility for the customer is handled regionally. All of this adds up to a watertight value creation chain which also allows the realisation of complex projects thanks to the comprehensive expertise of the PORR Group. This matrix structure enables us to react to regional fluctuations and changes in the respective construction sectors in a flexible and customer-oriented manner.

Civil Engineering

Porr Technobau und Umwelt AG

Porr Technobau und Umwelt AG (PTU) is the PORR Group's competence centre for civil engineering activities in engineering construction, environmental technology and resource management, as well as operator and franchise models. The close cooperation between supra-regional specialist departments and regional branch offices enables us to secure acquisitions successfully and guarantee fast, expert execution of construction projects.

PTU is the PORR Group's specialist in the fields of structural engineering, tunnelling, power plant construction, railways, logistics, bridge construction, environmental technology, prestressing technology and pipeline construction. This PORR subsidiary also develops processes and methods for waste processing and cleanup of contaminated sites. PTU operates specialist waste-treatment facilities and is the PORR Group's competence centre for active environmental protection. In order to secure the whole group's access to resources, PTU has operated and invested in numerous landfill, stone and gravel pits, as well as concrete mixing plants, for many years. So, even in times when resources are scarce, PORR's supply remains uninterrupted.

Building Construction

Porr Projekt und Hochbau AG

When it comes to offices, hotels, universities, apartments, industrial plants or revitalising protected architectural treasures, Porr Projekt und Hochbau AG (PPH) is the specialist for all building construction activities within the PORR Group. Through famously broad technical expertise and strict adherence to deadlines, the PPH Group has managed to establish itself over many years as a reliable partner not just in Austria, but also throughout many countries in central, eastern and south-eastern Europe. The broad expertise ranges from conception to economic assessment of the construction task, right through to assisting in the building's operational phase.

The comprehensive solutions offered by PPH do not only require farsightedness, but also maximum expertise and experience. The innovative university and school buildings, industrial plants, municipal facilities, hotels and top-comfort residential concepts realised by PPH are ongoing proof of PPH's specialist know how. Quality, adherence to deadlines, expertise and reliability are the strengths that PORR prides itself on and which are guaranteed to customers and partners. The dense network with other PORR Group companies functions excellently and enables PPH to offer customers an array of complete solutions in addition to the standard core competencies.

Road Construction

TEERAG-ASDAG AG

TEERAG-ASDAG AG (T-A), in which the PORR Group has the majority shareholding and industrial management, is one of Austria's leading road construction companies. The main focus of business activities falls within the field of civil engineering. More than half of T-A's revenues are generated from road construction. The range of services includes asphalt surfacing of pavements, country roads and park areas through to the construction of motorways and carriageways.

T-A's sense of responsibility is apparent through its dealings with customers, staff and communities, displaying strong customer orientation, adherence to deadlines, innovation and consistent quality. Numerous branch offices give T-A comprehensive regional access and enable the company to meet a wide array of customer needs.

T-A has secured its commodities supply for the long term through access to cutting-edge hot mix plants for asphalt production, both owned and syndicated, as well as access to numerous gravel pits and stone quarries.

Project Development

Porr Solutions Immobilien- und Infrastrukturprojekte GmbH

Porr Solutions Immobilien- und Infrastrukturprojekte GmbH (PS) is the project development team of PORR. This PORR subsidiary deals with everything related to real estate and infrastructure project development. Success is based on international expertise and a determination to provide the very highest quality. This is the only way to realise complex real estate and infrastructure projects which are fit to meet the challenges of the future.

The solutions offered by PS cover an extremely wide service range. There are individual competence centres for every area of project development. As part of the PORR Group, PS has access to the entire group's expertise, guaranteeing customers corporate security and top quality.

PS operates across Europe. This strategic approach is based on in-depth market knowledge in western, southern and eastern Europe as well as a broad Europe-wide network including branch offices in Berlin, Hamburg, Warsaw, Zagreb und Bucharest. This makes PS a strong partner for both public and private-sector projects.

Corporate Strategy

PORR – an exceptional success story

Allgemeine Baugesellschaft – A. Porr AG was founded in 1869 and has been in the construction business for 140 years. We believe that our extensive experience in construction has made us into one of the best building groups in Europe, it also allows us to recognise the needs of our customers and to implement tailor-made solutions to meet their requirements.

Building on this core competency, over the last two decades PORR has developed into an international full service provider in the infrastructure sector, covering the entire value chain in infrastructure construction. By extending the service range to include project development, project execution, project management and all other construction-related services, PORR is ideally placed to see ongoing growth in multiple segments. These are the key points to ensure the group's long-term stability and business development.

Allgemeine Baugesellschaft – A. Porr AG is not only one of Austria's longest established building contractors, it is also one of the oldest companies to be listed on the Vienna Stock Exchange. It was already listed in its founding year of 1869, in order to guarantee a broad financing base for the realisation of numerous large-scale projects along Vienna's Ringstrasse. The group has been represented on the capital market for 140 years and this is the catalyst for the growth and dynamism of our group. The PORR Group can look back on decades of tried-and-tested experience in dealing with investors and partners.

Qualitative, organic growth – the strategic aim of the PORR Group

What does PORR mean by the phrase qualitative, result-oriented growth? The focus is on the selective acquisition of high-margin projects, especially large-scale infrastructure projects in civil engineering (e.g. road, rail, tunnel construction) and in building construction (hospitals, schools, detention centres). Also essential is the infrastructure-driven, regional business of TEERAG-ASDAG AG which consistently generates results for PORR, predominantly in Austria and the bordering countries.

The well-established presence of the PORR Group on the CEE and SEE markets has enabled PORR to acquire an ever increasing number of orders in these key regions in recent years. The pressing need to catch up in terms of infrastructure and the top priority accorded to these projects means that interesting construction projects will continue to be implemented even in times of economic turbulence. Our status as a full service provider with a service portfolio covering every sector of the construction industry allows us to pursue a key strategic goal: supra-regional activities enable us to overcome economic fluctuations in national markets or individual business segments within a short time period. PORR has traditionally favoured an approach of steady, qualitative growth rather than an aggressive expansion policy and the current market situation validates this strategy.

Opportunities from counter-cyclical infrastructure investment

Given the current macroeconomic backdrop and the national economic stimulus measures, PORR predicts that there will be an increased focus on operating activities in the infrastructure market segment, as the implementation of these projects seems easier to realise through programmes initiated by international finance institutions, the EU and national governments. PORR is already working together with the World Bank Group to implement infrastructure projects which will make a significant contribution to the development of the SEE region. As regards other financial institutions, PORR is extremely interested in synergetic cooperation. PORR is already exceptionally well positioned in the infrastructure sector and infrastructure projects currently account for well over half of the group's output. Extending this sector still further is part of our corporate strategy.

New opportunities in energy and environment

There is urgent demand in Europe for coal-fired and gas-fired power plants, along with every form of alternative power generation. However, the general public now sees the combination of energy generation and environmental sustainability as being just as important as steady supply. PORR plans to increase its activities in energy generation and environmental engineering, in particular in the south-eastern European markets. While western Europe is moving increasingly towards alternative energy production, SEE countries still have a high demand for coal-fired and gas-fired power plants. The environmental technology and energy sectors offer huge potential in this region. PORR has comprehensive expertise in this field, as shown by numerous construction projects including sewage plants, landfills, waste water treatment plants, public transport and rehabilitating hazardous sites.

Public Private Partnership

Partnerships between private and public legal representatives are the ideal solution for PORR when it comes to large-scale infrastructure projects, as long as the capital market continues to provide the requisite financing opportunities. Private suppliers contribute project management expertise; public institutions secure the long-term perspective as strategic partners.

Staff – 140 years as pioneers

PORR owes a great deal of its success to the 12,000 staff employed. Overcoming the market's skilled labour deficit and ensuring access to a pool of highly-qualified staff requires intensive work in the field of human resource recruitment. We intend to attract new staff to PORR with targeted HR marketing over the coming years, in addition to improving the loyalty and retention of existing staff through professional development measures.

Ongoing knowledge transfer is a key contributor to the group's continuous improvement and to the learning process within the group. PORR is therefore committed to using its employees as a resource for innovative solutions and not only welcomes staff initiative, but actively encourages it. The pioneering performance of the PORR Group in the past provides the foundation for new innovations in forward-looking sectors such as energy and environment.

Success factor – diversifying risk

Efficient risk management can be a key factor in a company's success. In the past this knowledge came solely from an optimum combination of experienced engineers and dedicated junior staff and was passed down through the generations. Steady increases in project size and new markets has meant that organic knowledge transfer alone is no longer sufficient to ensure that technical and operating risks are overcome. An additional systematic and verifiable trace of technical and operating risks has been implemented, which allows management and supervisors to conduct a comprehensive technical analysis at any stage of the project. This method enables the employee responsible for the project to identify the appropriate experts proactively and include them early on in order to address any technical risks.

The group needs a range of resources to carry out construction projects, including steel, gravel, ballast, hard rock, concrete and cement. Focused cost and risk management structures have been introduced in order to prepare for unpredictable price fluctuations in commodities and building materials. In addition, the strategically selected sites for company-owned raw material production (quarries, gravel pits, ballast pits and mixing plants) ensure the long-term availability of these raw materials at fair prices. As regards diesel, PORR has hedged part of the quantity needed through forward transactions. The price risk for other raw materials is hedged through long-term contracts with suppliers.

Sustainability as the top priority

The PORR Group has always aimed towards a responsible atmosphere of cooperation with employees, customers and shareholders. To meet this challenge, PORR develops innovative concepts which promote the harmonious balance between economy, ecology and society. The integrated management system which has been in place for several years allows us to define and maintain our high standards for quality, environment and health and safety across the whole group, ensuring responsible protection of staff and affected parties. This guarantees the optimum realisation of our strategic aim – to achieve consistently high quality in all activities and decisions, along with sustainable revenue growth and performance.

Highlights 2008

German Bridge Building Prize 2008
The Humboldt Harbour Bridge managed to win out among 42 competitors in the road and rail bridge category at the 2008 German Bridge Building Awards. The bridge was built by a joint venture of Porr Technobau Berlin GmbH and Porr Technobau und Umwelt AG, Vienna, in the role of general contractor.

Terminal Tower, Linz
After a construction period of exactly 24 months, the "Terminal Tower" Linz, an exclusive office complex, was completed at the end of March and handed over to the developers. Standing at a height of approx. 98m (28 storeys) with a complex hanging facade and gross floor area of approx 34,000m², the Terminal Tower is not just an imposing eye-catcher near the new station quarter, but also the tallest office building in Upper Austria.

January | February | March | April | May | June

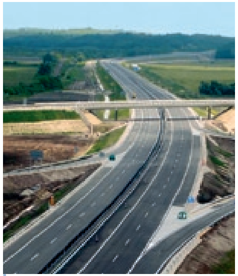
Catamaran Office Complex, Vienna
PORR began construction on the "Catamaran" office complex and underground garage at Vienna's Handelskai as the general contractor. The architecturally futuristic office building in the striking style of a catamaran has a gross floor area of 62,100m² and completion is set for the end of 2009.

Sava Cable-Stayed Bridge, Belgrade
PORR won the tender for a 929m-long and 200m-high cable-stayed bridge over the Sava river in Belgrade. The project will not only improve infastructure but also relieve pressure on existing traffic routes.

EUR 35.0m Multi Loan Facility from IFC
PORR AG received a Multi Loan Facility worth a total EUR 35.0m from World Bank subsidiary, IFC (International Finance Corporation). The loan can be increased to up to EUR 70.0m. This is mainly earmarked for the development of small to medium projects in waste, sewage, commerce and real estate in the CEE and SEE regions.

M6 Motorway, Hungary
PORR AG won the tender as a syndicated partner for the 65km-long mid-section of the Hungarian M6 motorway. Worth EUR 500.0m, the PPP project is one of the largest infrastructure projects in Hungary.

Eurovea Topping-Out Ceremony, Slovakia
Worth over EUR 300.0m, Slovakia's greatest building construction project to date celebrated its topping-out ceremony just twelve months after construction began. Eurovea is an enormous multi-functional complex consisting of a shopping centre, top-quality apartments, an office building, a 5-star hotel, a cinema and numerous oudoor facilities along with all the necessary infrastructure.



Record order bookings	of EUR 3.3bn (+3.9%)
Record order backlog	of EUR 2.6bn (+4.8%)
Increase in output	to EUR 3.2bn (+16.0%)
Revenues	of EUR 2.7bn (+20.0%)
EBT increase	to EUR 46.7m (+21.0%)
Earnings per share:	EUR 11.1
Dividends per share:	EUR 2.2

July **August** **September** **October** **November** **December**

Tauern Tunnel, Austria
In record time of just 22 months of tunnelling and despite challenging geological conditions, the breakthrough of the second Tauern tunnel took place. It is 6,300m long and currently one of the largest individual PORR Group projects. The second tunnel is expected to open in June 2010.

Award from German Railways
At InnoTrans, the international top rail trade fair in Berlin, Deutsche Bahn AG awarded PORR Deutschland GmbH the DB Supplier Title for 2008 in the construction category.

Groundbreaking Ceremony at Finne Tunnel, Germany
Tunneling works on the Finne Tunnel, part of the "German Unity" traffic project are well underway despite challenging geological conditions. As part of the official groundbreaking ceremony, the second TBM was sent on its 6.8km-long journey through the flat mountain ridges of Finne. The project lies on the newly-constructed Erfurt-Halle/Leipzig stretch of the German railway near Jena. The main task is to drive two tunnels, each 6.8km long and with a cross sectional area of 100m².

Locations

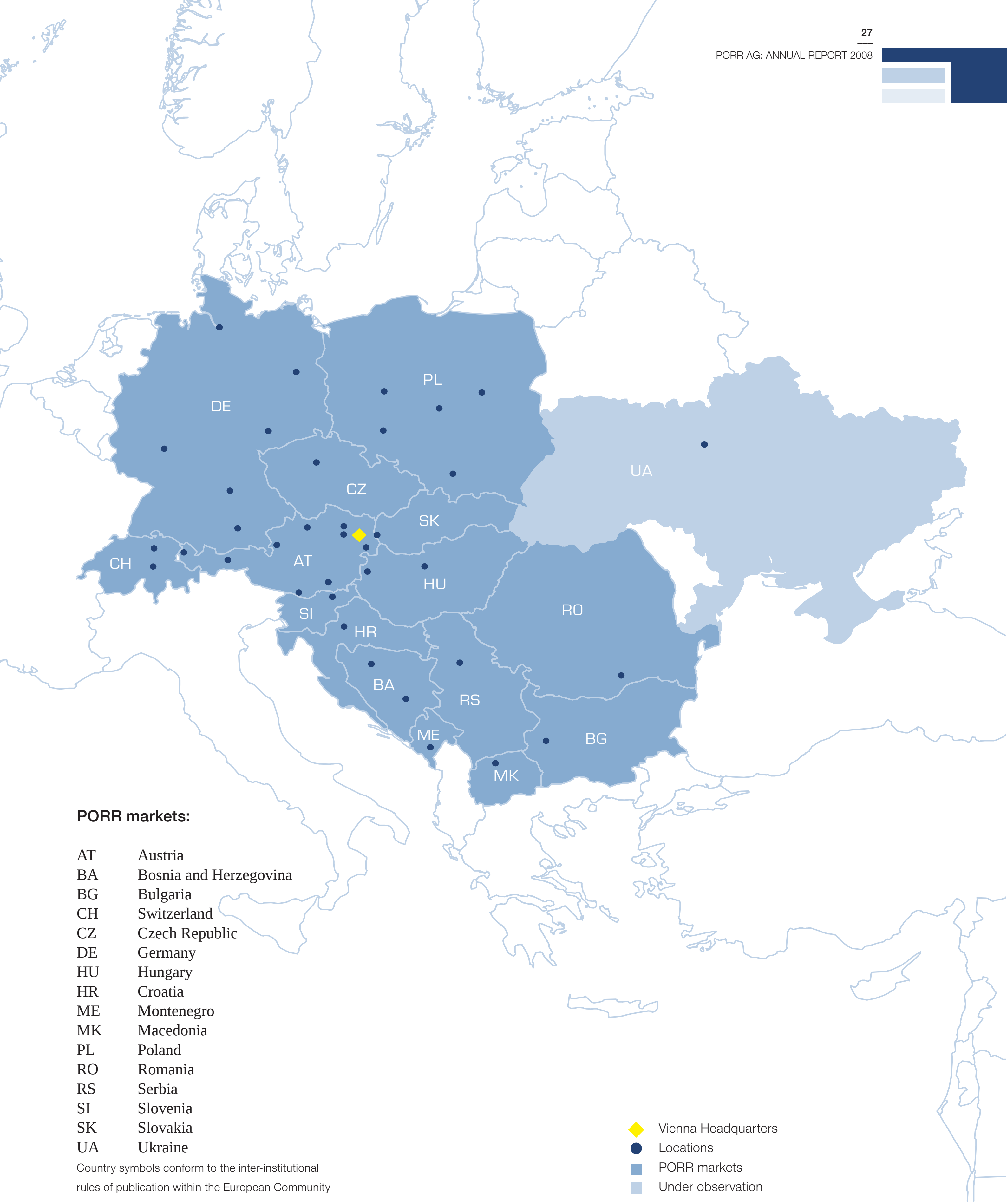
PORR Markets

PORR's market area covers Austria, Germany, Switzerland and countries in eastern and south-eastern Europe as far as the Ukraine. The latter countries in particular have per capita GDP rates which are still far below those of their western neighbours, whereby their growth rates – especially of the respective national construction markets – are expected to remain higher. High growth potential still remains in this region in the long term. In addition to solidifying its position on the core Austrian market, PORR plans to continue to extend its presence in eastern and south-eastern Europe cautiously yet steadily.

Country	Production output (in EUR million)	Change in production output against 2007	Order backlog (in EUR million)	GDP/capita*) (in PPS**) EUR)	Population (in million)	Economic growth (real-terms GDP in %)
Austria	1,861.1	+3.9%	1,233.1	31,400	8.3	1.7*)
Hungary	339.9	+78.0%	307.3	15,900	10.0	0.9*)
Germany	262.2	+39.6%	265.0	29,100	82.2	1.3
Poland	242.9	+44.2%	129.4	14,000	38.1	5.0*)
Czech Republic	238.0	+14.0%	184.7	20,900	10.4	4.2*
Slovakia	79.8	+66.6%	42.5	17,900	5.4	7.1*)
Switzerland	54.8	+33.7%	122.3	34,700	7.6	1.8*)
Romania	35.9	–2.2%	164.0	11,500	21.5	7.8*)
PORR Group	3,182.9	+16.0%	2,561.9			

*) predicted values **) Purchasing Power Standard

Sources: OeNB, Eurostat (all data based on 2008)



PORR markets:

AT	Austria
BA	Bosnia and Herzegovina
BG	Bulgaria
CH	Switzerland
CZ	Czech Republic
DE	Germany
HU	Hungary
HR	Croatia
ME	Montenegro
MK	Macedonia
PL	Poland
RO	Romania
RS	Serbia
SI	Slovenia
SK	Slovakia
UA	Ukraine

Country symbols conform to the inter-institutional rules of publication within the European Community

PORR Shares on the Stock Exchange

International stock markets feel the effects of the financial market crisis

The year 2008 on the stock exchanges was marked by massive drops in value across all international stock markets. Despite a slight recovery at the end of the year, numerous stock exchanges had to accept the sharpest falls seen since the great depression in the first half of the last century.

US mortgage crisis spreads to become international financial market crisis

The financial market crisis, which started out as a US subprime crisis in 2007, defined how the stock markets performed over the course of the last fiscal year. Tighter financing restrictions at financial institutions coupled with falling economic growth and inflation hikes in the first six months all put pressure on the stock markets. After sharp falls in share value at the beginning of 2008, the second and third quarters were marked by high breaks and a sideways shift of the markets. In the first half of September the mood darkened, partly due to the difficulties of US property financiers Fannie Mae and Freddie Mac. These had to be placed under public administration in order to avoid a crash. As a consequence, problems with banks, investment banks and insurance firms grew into a systemic crisis.

Central banks cut interest rates and states launch economic stimulus programmes

Comprehensive federal rescue packages for the finance industry were announced at the end of September and were also partially implemented in order to stabilise the financial markets. At the same time, however, the economic downturn became ever more apparent. Within two months the stock markets – measured by the MSCI World Index – lost around 40% of their value. Support for the banks led to a slight easing of the financial crisis, national banks cut interest rates and governments offered up stimulus measures to combat worsening economic figures, so that in the last weeks of 2008 share values had somewhat recovered against the year lows seen in October.

Stock markets in Europe and Japan see sharper falls than the USA

Although the crisis can be said to have originated in the USA, the falls in share prices there were less pronounced than on the European or Japanese stock markets. One reason for this was the prompt, decisive action taken against the crisis by the US central banking system, the Federal Reserve Banks. The FRB cut the US Federal Funds Rate over the course of 2008 from 4.25% to a target range of between 0.00 and 0.25%. In contrast to this, the European Central Bank, ECB, raised interest rates slightly in summer 2008. Decreasing inflationary pressure and the looming economic downturn in the third quarter of 2008 led the ECB to cut prime rates from 4.25% to 2.50% between mid October and year-end. The US index, Dow Jones Industrial (DJI), fell in 2008 by 33.8%, while the Eurostoxx 50 dropped by 44.3%. Over the course of the fourth quarter the DJI and Eurostoxx 50 showed parallel developments. The Japanese Nikkei 225 Index closed with an annual percentage fall of 42.1%, having also ended 2007 in negative figures.

CECE Eastern European Index falls even more sharply than established markets

As a consequence of increased risk aversion on the part of investors, the emerging markets of eastern Europe experienced even worse falls than established markets. The Eastern European Index, CECE, calculated in euros, fell by 53.5% over the course of the year.

Severe losses on ATX

The unfavourable conditions in 2008 also had a negative effect on the Vienna Stock Exchange. Increased caution from international investors in CEE countries exacerbated this trend. The strong commitment of Austrian companies towards central and eastern Europe resulted in high share-value losses of companies listed on the Vienna Stock Exchange.

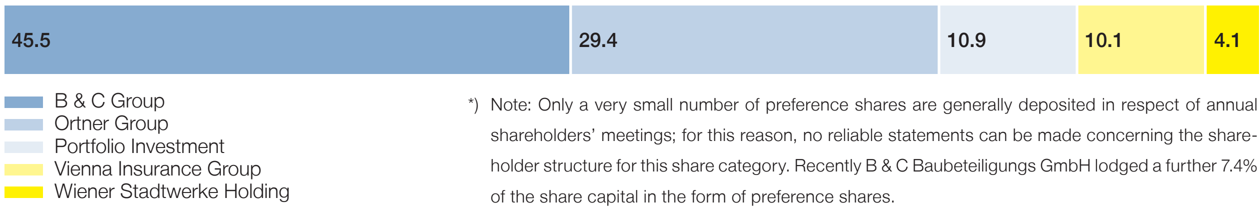
Stock market data

in EUR	2008 Ordinary	2008 Preference	2007 Ordinary	2007 Preference	2006 Ordinary	2006 Preference	2005 Ordinary	2005 Preference
Price as of 31.12.	135.0	53.4	212.9	246	128	130	124	112.5
Year high	212.0	244.0	275	295	135	132	133.1	133
Year low	115.0	42.0	125	126.9	109.3	100	94	70.5
Earnings per share	11.1	11.1	10.8	10.8	10.1	10.1	12.4	12.4
Dividend per share*)	2.2	2.2	2.2	2.2	1.7	1.7	1.7	1.7
Price/earnings ratio as of 31.12.**)	12.2	4.8	19.7	22.7	12.7	12.9	10.0	9.0
Dividend yield as of 31.12. in %	1.6	4.1	1.0	0.9	1.4	1.3	1.4	1.5
Market capitalisation at year-end in EUR million	181.1	34.3	285.7	157.9	171.7	83.5	166.4	72.2
Payout ratio in %***)	19.9	19.9	20.3	20.3	17.2	17.2	14.0	14.0

*) Proposal to Annual General Meeting **) Price/earnings ratio: rate as of 31.12./earnings per share ***) Payout ratio: Dividend per share/earnings per share in %

Development of the price of PORR shares from January 2008 (index) to March 2009 (in %)

PORR shareholder structure (chart showing ordinary shares*) in %)



*) Note: Only a very small number of preference shares are generally deposited in respect of annual shareholders' meetings; for this reason, no reliable statements can be made concerning the shareholder structure for this share category. Recently B & C Baubeteiligungs GmbH lodged a further 7.4% of the share capital in the form of preference shares.

In the first half of the year, the leading Vienna ATX Index experienced a fall of 12.6% – a better performance than the Eurostoxx 50. However, in the second half of 2008 the Vienna Stock Exchange lost its advantage. There were two main factors responsible for the disproportionately sharp fall of 61.2%: the high ratio of bank shares, along with reluctance caused by negative trends in real estate shares which were keenly felt on the Vienna Stock Exchange. Despite this, rates on the Vienna Stock Exchange also recovered in the last weeks of 2008. The ATX climbed from its year low on November 21st by 15.5% to end the year at 1,750.83 points.

Revenues from domestic shares on the Vienna Stock Exchange fell only moderately in 2008 against the record levels of the previous year, namely from EUR 14.7bn to EUR 11.7bn per month.

PORR ordinary shares fall in line with index

PORR shares were unable to buck the worldwide trend of falls in share price. Ordinary shares in PORR AG were worth over EUR 200.0 at the beginning of the year, but had fallen to EUR 175.0 by the start of February. By the beginning of June, ordinary PORR shares saw a sideways movement to EUR 170.0. This trend continued over the course of the summer, with shares falling to EUR 150.0 at the end of June and then ranging between EUR 150.0 and EUR 170.0. When the financial crisis broke completely during September as a result of the investment bank collapse in the USA, ordinary PORR shares hit a low of EUR 115.0 by the end of October. The ordinary shares did manage to recover slightly, however, and finished 2008 at a price of EUR 135.0.

PORR market capitalisation drops

The more widely dispersed preference shares in PORR AG were subject to more volatile fluctuations than the ordinary shares. Starting the year at EUR 244.0, they fell rapidly by mid January to EUR 152.0, although they did temporarily recover to EUR 176.0 at the end of January. From the end of February onwards preference shares dropped continuously. At the beginning of November preference shares hit a low of EUR 42.0. As with the ordinary shares, the preference shares also managed to recover slightly at the end of 2008 and closed at EUR 53.40.

The losses sustained by both ordinary and preference shares led to a fall in the market capitalisation of Allgemeine Baugesellschaft – A. Porr AG from EUR 443.6m at the end of 2007 to EUR 215.4m at year-end 2008.

140 years of PORR AG on the stock exchange

The year 2009 is a particular cause for celebration in the company with regard to the capital market: Allgemeine Baugesellschaft – A. Porr AG has been listed on the Vienna Stock Exchange since 1869 and is therefore one of Austria's longest established firms. In 140 years of dynamic Austrian economic history, PORR has not only distinguished itself with countless infrastructure projects, but has also made a significant contribution to value creation.

PORR on the Vienna Stock Exchange

	ISIN Codes	Number of shares quoting/nominals	First quoted
PORR ordinary shares	AT 000 060960 7	1,341,750	08.04.1869
PORR preference shares	AT 000 060 963 1	642,000	03.11.1986
PORR capital share certificates	AT 000 060 966 4	49,800	22.10.1990
PORR bond 4.5% 05-10	AT 000 049 270 7	EUR 100,000,000.00	29.06.2005
PORR bond 5.625% 06-11	AT 000 0A0 19D6	EUR 60,000,000.00	29.06.2006
PORR bond CZK FRN 06-11	AT 000 0A0 19E4	CZK 200,000,000.00	29.06.2006
PORR bond 5.875% 07-12	AT 000 0A0 5DC4	EUR 70,000,000.00	31.05.2007
ABAP profit participation rights 2007	AT 000 0A8 6F0	EUR 70,000,000.00	03.11.2008

PORR capital share certificates fall

The problematic conditions on the capital markets also led to falls in capital share certificates similar to those seen with PORR shares. Closing at year-end 2007 at EUR 229.0, the rate of PORR capital share certificates closed in 2008 at EUR 120.01.

Authorised capital

In an extraordinary general meeting on November 27th 2008, the shareholders authorised the Executive Board to increase the group's share capital within five years, subject to approval by the Supervisory Board, at a ratio of maximum 2:1 up to EUR 7,208,236.74 by issuing at most 991,875 no-par value shares. The previously existing authorised capital, which was limited to investment in kind, has been annulled. The newly authorised capital now only allows for capital increases in exchange for cash.

Corporate Governance in the pipeline

So far, PORR AG has made no formal declaration committing itself to observance of the Austrian Corporate Governance Code. Despite this, an internal working group has been formed to look at this issue in detail. PORR does however – as it has for many years now – comply with all mandatory regulations and most of the 'comply or explain' regulations from the Corporate Governance Codex.

Observing Austrian Compliance Guidelines

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

Intensification of Investor Relations

The mutual trust in the PORR Group which has been shared by investors and partners for 140 years is considered by the Executive Board to be both a privilege and a responsibility. The basis of the cooperation between all stakeholders which has been so successful in the past lies in ongoing, open communication channels. The authorised capital released in the extraordinary general meeting is an important basis for strengthening the future market capitalisation of the group. As always, all relevant corporate information including downloadable versions of the annual and interim reports can be found on our homepage – www.porr.at>Investor Relations>Group Reports. We are convinced that nothing improves trust more than personal contact and the Investor Relations department is always happy to address any questions or concerns you may have (Tel: +43 (0)50 626-1209, E-Mail: investor.relations@porr.at).

Financial Calendar	
Publication of Annual Report 2008	29.04.2009
Financial results press conference	29.04.2009
Publication of interim report on the 1st quarter 2009	12.05.2009
129th Annual General Meeting, 1pm, 1100 Vienna, Absberggasse 47	20.05.2009
Ex-dividend trading on the Vienna Stock Exchange	25.05.2009
Dividend payment day for fiscal year 2008	26.05.2009
Publication of half-year report 2009	28.08.2009
Publication of interim report on the 3rd quarter 2009	30.11.2009

Supervisory Board Report

2008 was a satisfactory year for PORR, despite the onset of the financial crisis in the second half year. Buoyed by the continuing economic growth in the new CEE and SEE markets in particular in the first half of 2008, significant new orders were acquired. The length of these projects should ensure full capacity utilisation for most of 2009. Incoming orders fell in the fourth quarter, especially in the building construction sector. In 2009 this trend is expected to become more pronounced, particularly in building construction where projects are privately financed.

In order to ensure that the company has the necessary equity base for future organic growth, it was decided in the extraordinary general meeting on November 27th 2008 to issue the maximum share capital permitted by law. Within five years from the decision coming into effect, the Executive Board is authorised to increase the share capital by up to 50% of the current share capital. This measure ensures that the company has the best possible framework in the current problematic market environment.

The Supervisory Board has actively encouraged and supported this 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 six meetings, the Supervisory Board passed the relevant resolutions that were required. The necessary approval for the transactions for which consent is required under § 95 section 5 of the Stock Corporation Act and/or pursuant to the rules of procedure was obtained for the Executive Board; 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 96%.

The Supervisory Board formed a financial audit committee, consisting of the following Supervisory Board members: Friedrich Kadrnoska, Klaus Ortner, Christine Dornaus (from May 29th 2008), Günther W. Havranek (until May 29th 2008), Peter Grandits and Walter Huber. On April 24th 2008, a meeting of the financial audit committee was held in the presence of the auditors, for the purpose of auditing the 2007 financial statements and preparing them for adoption. The personnel committee of the Supervisory Board, consisting of Supervisory Board members Friedrich Kadrnoska, Klaus Ortner and Georg Riedl, dealt with the settlement of the contractual stipulations in connection with changes in the Executive Board.

The annual financial statements of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft prepared as of December 31st 2008, including the notes on the accounts and the (Group) management report, and the consolidated accounts that had been prepared as of December 31st 2008 in accordance with the International Financial Reporting Standards (IFRS) and the (Group) management report, were jointly audited by Deloitte Wirtschaftsprüfungs GmbH of Vienna and BDO Auxilia Treuhand GmbH of 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) management report accords with the annual and consolidated financial statements. The aforementioned audit companies have therefore issued an unqualified audit certificate for the annual and consolidated financial statements.

The audit reports prepared by the auditors and the proposal of the Executive Board regarding the appropriation of profit were dealt with in detail with the auditors on April 23rd 2009 in the financial audit committee and were submitted to the Supervisory Board. The financial audit committee and the Supervisory Board approved the annual financial statements as of December 31st 2008 and the (Group) management report following intensive discussion and auditing. The annual financial statements as of December 31st 2008 have thus been adopted. The financial audit committee and the Supervisory Board also approved the consolidated accounts for 2008 that had been prepared in accordance with the IFRS and the (Group) management report. The Supervisory Board agreed with the proposal of the Executive Board regarding the appropriation of profit.

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 2009, Vienna

Friedrich Kadrnoska *)
Chairman of the Supervisory Board

*) manu propria

Members of the Supervisory Board

Shareholder Representatives

Friedrich Kadrnoska, Chairman
appointed until 129th Annual General Meeting on May 20th 2009, first appointed: March 16th 2000 to June 28th 2001, since May 24th 2007
– Executive Board Member of Privatstiftung zur Verwaltung von Anteilsrechten
– Chairman of the Supervisory Board of:
Österreichisches Verkehrsbüro Aktiengesellschaft
Wienerberger AG
– Deputy Chairman of the Supervisory Board of:
Wiener Börse AG
– Member of the Supervisory Board of:
card complete Service Bank AG
Porr Projekt und Hochbau Aktiengesellschaft
Porr Technobau und Umwelt Aktiengesellschaft
– Member of the Administrative Board of:
conwert Immobilien Invest SE
Wiener Privatbank SE
– Director of the VISA Europe Limited Board
Director of UniCredito Italiano

Klaus Ortner, Deputy Chairman
appointed until 129th Annual General Meeting on May 20th 2009, first appointed: July 30th 1998
– Managing Partner of the Ortner Group
– Chairman of the Supervisory Board of:
ELIN GmbH
– Member of the Supervisory Board of:
Porr Projekt und Hochbau Aktiengesellschaft
Porr Technobau und Umwelt Aktiengesellschaft
TEERAG-ASDAG Aktiengesellschaft
– Member of the Administrative Board of:
Pesort Immobilien AG

Georg Riedl, Deputy Chairman
appointed until 129th Annual General Meeting on May 20th 2009, first appointed June 26th 2003
– Independent Lawyer at the Riedl & Ringhofer Law Firm in Vienna
– Deputy Chairman of the Supervisory Board of:
paysafecard.com Wertkarten AG
– Member of the Supervisory Board of:
AT & S Austria Technologie & Systemtechnik Aktiengesellschaft
bwin Interactive Entertainment AG
FACC AG
Österreichische Salinen Aktiengesellschaft
Porr Projekt und Hochbau Aktiengesellschaft
Porr Technobau und Umwelt Aktiengesellschaft
Salinen Austria Aktiengesellschaft
Wiesenthal & Co. AG

Christine Dornaus
appointed until 129th Annual General Meeting on May 20th 2009, first appointed: May 29th 2008
– Executive Board Member of WIENER STÄDTISCHEN Versicherung AG Vienna Insurance Group
– Deputy Chairman of the Supervisory Board of:
INVEST EQUITY Beteiligungs-AG
– Member of the Supervisory Board of:
ATHENA Wien Beteiligungen AG
Österreichisches Verkehrsbüro Aktiengesellschaft
Porr Projekt und Hochbau Aktiengesellschaft
Porr Technobau und Umwelt Aktiengesellschaft
UBF Mittelstandsfinanzierungs AG (in liquidation)

Martin Krajcsir
appointed until 129th Annual General Meeting on May 20th 2009, first appointed: June 24th 2004
– Deputy Chairman of WIENER STADTWERKE Holding AG
– Deputy Chairman of the Supervisory Board of:
Aktiengesellschaft der Wiener Lokalbahnen
WIEN ENERGIE Gasnetz GmbH
WIENER STADTWERKE Beteiligungsmanagement GmbH
WIENSTROM GmbH
GEMEINNÜTZIGE WOHNUNGS- UND SIEDLUNGS-GESELLSCHAFT DER WIENER STADTWERKE Gesellschaft mbH
– Member of the Supervisory Board of:
Fernwärme Wien Gesellschaft m.b.H.
Immobiliendevelopment WIENER STADTWERKE BMG & SORAVIA Aktiengesellschaft
TEERAG-ASDAG Aktiengesellschaft
Wiener Lokalbahnen Cargo GmbH

Walter Lederer
appointed until 129th Annual General Meeting on May 20th 2009, first appointed: June 27th 2002
– Managing Director of B & C Beteiligungsverwaltungs GmbH
– Chairman of the Supervisory Board of:
Palais am Stadtpark Hotel Betriebs-GmbH
– Deputy Chairman of the Supervisory Board of:
Asset Invest AG
Lenzing Aktiengesellschaft
Ruster Hotel Bau- und Betriebsgesellschaft m.b.H.
Semperit Aktiengesellschaft Holding
Semperit Technische Produkte Gesellschaft m.b.H.
– Member of the Supervisory Board of:
Imperial Hotels Austria Aktiengesellschaft
Porr Projekt und Hochbau Aktiengesellschaft
Porr Technobau und Umwelt Aktiengesellschaft
TEERAG-ASDAG Aktiengesellschaft
UBM Realitätenentwicklung Aktiengesellschaft

Karl Samstag
appointed until 129th Annual General Meeting on May 20th 2009, first appointed: September 16th 1992
– Executive Board Member of Privatstiftung zur Verwaltung von Anteilsrechten
– Chairman of the Supervisory Board of:
Bank Austria Wohnbaubank AG
– Deputy Chairman of the Supervisory Board of:
Flughafen Wien Aktiengesellschaft
– Member of the Supervisory Board of:
UniCredit Bank Austria AG
Oberbank AG
Bank für Tirol und Vorarlberg Aktiengesellschaft
BKS Bank AG
SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft
Österreichisches Verkehrsbüro Aktiengesellschaft

Thomas Winischhofer, LL.M. MBA
appointed until 129th Annual General Meeting on May 20th 2009, first appointed: May 29th 2008
– Member of the Executive Board of the Ortner Group

Heinz Mückstein
first appointed: March 16th 2000; Member of the Supervisory Board until May 29th 2008

Günther W. Havranek
first appointed: March 16th 2000; Member of the Supervisory Board until May 29th 2008

Employee Representatives

Peter Grandits
first appointed: September 13th 2001

Walter Huber
first appointed: September 13th 2001
– Supervisory Board Member (Employee Representative) of:
TEERAG-ASDAG Aktiengesellschaft

Walter Jenny
first appointed: September 1st 2005
– Supervisory Board Member (Employee Representative) of:
Porr Projekt und Hochbau Aktiengesellschaft

Johann Karner
first appointed: June 26th 2003
– Supervisory Board Member (Employee Representative) of:
TEERAG-ASDAG Aktiengesellschaft

Committees

Audit Committee
Friedrich Kadrnoska,
Klaus Ortner,
Günther W. Havranek (until May 29th 2008),
Christine Dornaus (since May 29th 2008),
Peter Grandits,
Walter Huber

Staff Committee
Friedrich Kadrnoska,
Klaus Ortner,
Georg Riedl

As a full service provider with extensive experience in the infrastructure sector, PORR is set to benefit greatly from the economic stimulus initiatives.

Wolfgang Hesoun

Close customer contact, flexibility, the dedication of our staff and continuous efforts to optimise costs – this is how we remain competitive.

Johannes Dotter

Management Report

General Economic Environment

Financial market crisis dominates world economy in 2008

The 2008 slump which affected the entire world economy originated in 2007 in the USA. The crisis was triggered by the bursting of the real estate bubble in the USA which led to a systemic crisis across the whole finance sector. Rising mortgage delinquency rates in the US market brought the banking sector under pressure and spread to world markets within a few short weeks with the breakdown of interbank trading. In 2008 stock exchanges worldwide lost between 30.0% and 70.0% due to plummeting bank values, bringing the real economy down with them. When the US government declined to step in and save the Lehman Brothers investment bank from bankruptcy – against the economy's expectations – the worldwide downward trend became more pronounced. While in 2007 steep price hikes in raw materials still acted as a significant growth barrier because of inflationary pressure, from July to December 2008 crude oil prices nosedived by over 70% within just six months due to low demand caused by economic uncertainty. The majority of other industrial commodities experienced similar downturns.

Global recession expected to deepen in 2009

Despite drastic reductions in prime rates in the USA and EU, along with economic stimulus packages, significant recessions have been forecast for all industrial nations in 2009. Worldwide production is set to stagnate or decline. This also applies to commodities prices which are expected to remain low, with all forecasts predicting that a moderate rise will not be seen until 2010.

European recession prompts ECB to cut interest rates

According to the IFW's (Institute for the World Economy) December 2008 findings, the euro zone has been in a recession since the second quarter of 2008. Falls in consumer spending and investments in particular were keenly felt. In summer, the increasingly strong euro had a negative effect on exports. Furthermore, property markets collapsed in certain countries such as Spain and Ireland. The ECB reacted with a staged reduction in prime rates from 4.25% to 2.0% as of February 5th 2009.

New EU member states contribute to stable growth rates in 2008

The GDP growth of the EU-27 still managed to rise by 1.0% in 2008, mostly profiting from the robust growth rates of the new member states which averaged around 5%. In contrast to the previous year, however, there were pronounced differences in GDP growth in the new EU member states. The countries which still managed to generate strong growth, albeit slightly slower than the previous year, were Poland, the Czech Republic, Slovakia, Bulgaria and Romania, while an increasing number of countries such as Hungary experienced significant slowdowns. Growth rates ranged from a high of 7.1% in Slovakia to just 0.9% in Hungary.

State stimulus packages defuse falls in GDP

In response to the economic crisis, a bank package totalling EUR 1.4 trillion was initiated by the member states of the euro zone to improve liquidity and aid recapitalisation. This amount is unlikely however to prevent a recession. At the time of writing, the IFW predicts that 2009 will see a drop in GDP of 2.7% for the euro zone and a slight rise of 0.5% for the new member states. Overall, a slight GDP increase is expected for 2010, although there is a distinct danger that the recession will continue into 2010 for Italy, Spain, Great Britain and Hungary.

Germany hit hard by recession

Trends in the German economy are an important indicator for Austria and for 2009 Germany's economic environment looks to be severely weakened. Germany has been in a recession since the third quarter of 2008. A fall of 2.7% is expected for 2009 and the IFW does not expect even a moderate recovery before 2010. Exports fell sharply in Germany in 2008, not least because of the euro's strength against the US dollar. In contrast imports rocketed, seeing a 15% increase in the third quarter of 2008 against the same quarter of the previous year. This had a negative impact on the trade balance. The employment market continued to pose problems, with unemployment rates of 7.1% equivalent to the low levels experienced after reunification in 1992. This figure is expected to rise in 2009 and the IFW forecasts an unemployment rate of around 10% in 2010.

Economic development indicators in 2008

in %	Growth rate real-terms GDP	Inflation rate (HVPI basis)	Standardised unemployment rate Nov 2008
European Union	1.0*)	3.7	7.2
Euro zone	0.9*)	3.3	7.8
Germany	1.3	2.8	7.1
France	0.7*)	3.2	7.9
Austria	1.7*)	3.2	3.8
Poland	5.0*)	4.2	6.5
Switzerland	1.8*)	2.3	2.4
Slovakia	7.1*)	3.9	9.1
Slovenia	4.0*)	5.5	4.3
Czech Republic	4.2*)	6.3	4.5
Hungary	0.9*)	6.0	8.3

*) predicted values

Source: IFW, Eurostat, OeNB

Austria also faces recession in 2009

The Austrian Institute of Economic Research (WIFO) estimates Austrian GDP growth of 1.7% for 2008, which is significantly higher than the average of 0.9% for the euro zone overall. This is still, however, almost half that of 2007. Inflation held steady at 3.2% (the same as the previous year) and unemployment also fell to 3.8%.

These positive figures from 2008 – surprising given the crisis – will not be possible to match in the following year. Austria will also experience a recession this year. A study by the European Commission forecasts a fall in GDP of 1.2% in 2009 and predicts that even in 2010 only a moderate rise of 0.6% is likely. The job market is also expected to feel the pressure in 2009, with unemployment of 6.7% expected for the coming year and 7.2% seen as realistic in 2010. Inflation should not be a significant factor this year as it is forecast to rise by less than one percentage point.

Declines expected in Austrian industrial output

Industrial production has been heavily affected, with sharp drops since mid 2008. The reasons for this are reduced demand from abroad and low levels of new orders from Austria. So far, suppliers to the automotive industry and manufacturers of industrial goods have been the hardest hit. The drop in demand is, however, increasingly having an effect on other industry sectors. The slight growth seen in 2008 despite disappointing performance in the last two quarters will not be repeated in 2009. Experts predict further drops in industrial production as soon as the cushion of existing orders has been realised.

Developments in the Construction Industry

Mixed growth in European construction sector 2008

Production output in the European construction sector reached an all-time high in the first quarter of 2008. The American subprime crisis combined with the international financial market crisis also affected the EU. The reluctance of credit institutions to release money to each other caused sharp rises in interest rates in many European countries. According to a Eurostat study In Decemer 2008, construction output in November 2008 in the euro zone fell by 4.7% against the same period in 2007. An Ifo study compares the situation to that of 2002 when uncertainty on the European markets increased rapidly after the terrorist attacks in New York. The crisis can already be seen in the sharp decrease in demand for office buildings.

According to Eurostat, production output in the construction industry had grown in five member states and fallen in eight countries as of November 2008. The sharpest rises were seen in Slovakia (+16.5%), Romania (+13.8%) and Poland (+7.0%), the most pronounced drops were in Spain, Slovenia and Great Britain.

Infrastructure projects mean that the outlook for civil engineering remains positive

New construction played a much more important role in Poland, Slovakia, the Czech Republic and Hungary than in western Europe. Old buildings in these countries were not renovated but were instead replaced with new ones. Building up infrastructure was and is a top priority. Despite all of this, only 5.0% of European construction output was generated in these countries. Germany, Spain, Great Britain, France and Italy remain the most important European construction markets, accounting for around 70%. Construction revenue in Europe in 2008 once again exceeded EUR 1.5 trillion, according to a Euroconstruct study in December 2008, with growth of 4.7% in civil engineering compensating for the fall in building construction. Civil engineering acted as a counterbalance to the bad news from the building construction sector and should hold steady for the coming years thanks to the necessary stimulus packages which heavily subsidise infrastructure projects.

Infrastructure remains key driver of Austrian construction growth

In the first half of 2008 Austria's construction industry showed extremely positive growth, achieving increases of 14.5% in production output against June 2007 to EUR 6.9bn, according to Statistik Austria. Civil engineering recorded increases of 31.9% and building construction rose by 3.7%. This growth was mainly possible because of the full order books and a construction-friendly winter. The mild weather conditions meant that many projects could be built much earlier than planned.

In the building construction sector, the industrial building, engineering construction and residential construction sectors experienced high levels of demand. The highest growth rates in civil engineering were in the fields of water, bridge, flyover and road construction.

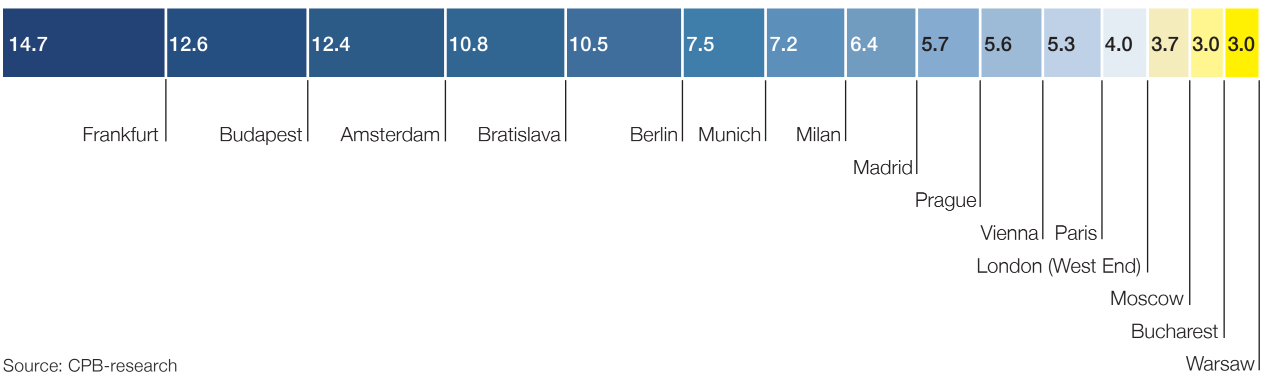
As of year-end 2008, growth in the Austrian construction industry amounted to 2.0% yoy according to WIFO and was therefore above the western European average. High levels of stagnation are forecast for the coming years. Appreciable growth rates are not expected until at least 2011. In Austria, infrastructure will also remain the most important driver in the construction sector thanks to economic stimulus packages.

Developments in the Real Estate Industry

European property markets see falls in demand

The effects of the financial market crisis hit the European real estate sector in the second quarter of 2008, as financing became very difficult to secure, in addition to becoming increasingly more expensive. This led to increased caution on the part of investors. In the boom markets of eastern Europe the effects were felt at the latest by autumn 2008.

Vacancy rates of office properties in Europe (in %)



Source: CPB-research

Demand for new projects dropped off sharply. Some experts believe that it will be relatively easy to weather the real estate crisis thanks in part to improvements in vacancy rates seen in almost all European cities, as well as trends showing top returns on properties. However, previous experience discredits this approach as property slumps in the last decades have generally been followed by long-lasting economic slowdowns.

Major cities experience positive rent increases

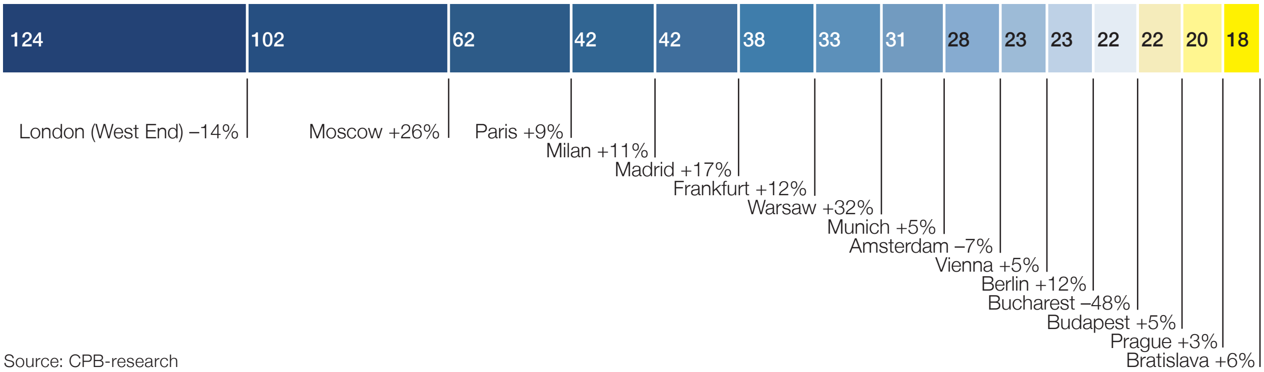
CPB research suggests that trends in top rents were equally positive in most of the major European cities, with growth rates of over 25% in Moscow and Warsaw. Madrid, Milan, Frankfurt and Berlin also recorded double-digit growth rates. Bucharest and central London were the only two places to see serious falls. Germany, considered to be one of the most important indicators for the EU, experienced positive developments despite the currently tense situation and some see this as a sign that pressure on the real estate markets may ease off significantly by the end of 2009.

The situation on the property markets in Great Britain, Spain, France and Ireland remains bleak. Outside Europe, the same holds true for the USA, Canada, Mexico and parts of Asia. Experts predict that the crisis in Europe will last until the third quarter of 2009. The situation may stabilise after this, although this scenario is dependent above all on the market situation in Germany.

Austrian real estate market 2008 – slight growth still visible

According to CPB research, 2008 was still characterised by slight increases on the Austrian property market as well as Vienna's office market. Revenues from rent significantly exceeded those of new buildings, with low levels of new construction starts. Growth in large-surface rents (>10,000m²) was overtaken by growth in medium-to-large rents of up to 5,000m². This trend is set to continue in Austria in 2009, with relocations predicted to outstrip new lets. Interest from international investors – with the exception of Germany – plummeted by almost 80%. The appeal of the Austrian market for German investors rose sharply. Around 40% of investors in Austria came from Germany, 56% were domestic. Transaction revenues amounted to a total EUR 1.8bn.

Top rents in Europe (in EUR/m²) **in 2008, development since 2007** (in %)



Source: CPB-research

Development of Output

Definition of production output

Within the PORR Group, production output is determined from the annual construction output of all operational group companies reconciled pursuant to commercial criteria. As opposed to the gross revenues reported in the income statement, the output of joint ventures involving PORR AG or one of its subsidiaries is included proportionately in the calculation of production output. Only the TEERAG-ASDAG Group, in which PORR has a stake of 52.51% but of which it holds industrial management control, deviates from this share-ownership ratio rule under commercial law in that it is wholly included in the production output figure.

Output volume exceeds EUR 3.0bn for the first time

Despite the effects of the global financial and economic crisis which were felt in Europe in autumn 2008, output volume in 2008 rose by 16.0% or EUR 439.2m yoy. This makes it the most successful year in the company's history and the output volume of EUR 3.1829bn marks the first time PORR has crossed the EUR 3.0bn barrier.

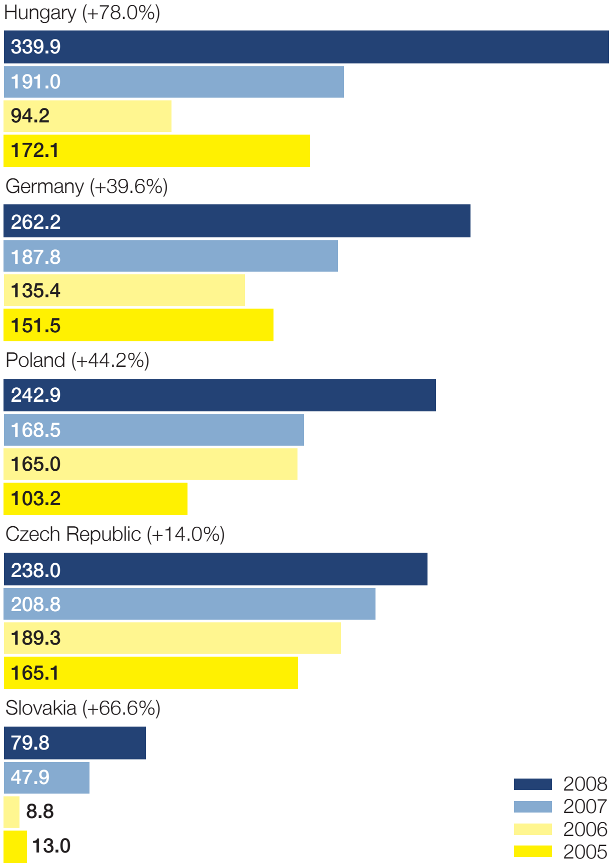
Performance on the domestic market

In the last fiscal year, PORR increased its output within Austria by 3.9% against 2007 to EUR 1.8611bn. When compared against the overall performance of the Austrian construction industry (+2.0%), it is clear that this growth of two times the average is a key indicator of customer satisfaction in Austria. As regards the federal provinces, Vienna, Lower Austria and Styria accounted for around 67.8% of domestic output, with the three provinces totalling EUR 1.261bn.

Performance on foreign markets

The group's strategic focus on central, eastern and south-eastern European markets, combined with high construction demand in Germany, led to an increase in total foreign production output in 2008 of EUR 369.6m, or 38.8% against 2007, to EUR 1.3218bn. Foreign markets now account for 41.5% of group output, compared to 34.7% in 2007.

Foreign production output since 2005
(in EUR million, change 2008 against 2007 in %)



Major motorway projects carried out in Hungary made this neighbour the most important market outside Austria in 2008, with a 78.0% rise in construction output to EUR 339.9m.

Demand in the infrastructure, industrial and hotel construction sectors led to a rise in Germany of 39.6% to EUR 262.2m.

While commercial and office construction was mainly responsible for the 44.2% rise in Poland to EUR 242.9m, in the Czech Republic road construction by the T-A subsidiary, PSVS, was a significant factor alongside commercial and office construction in the increase in production output of 14.0% to EUR 238.0m.

All other markets saw increases, some of which were proportionately high (e.g. Switzerland +33.7%, Slovakia +66.6%), although the overall output volumes remain lower.

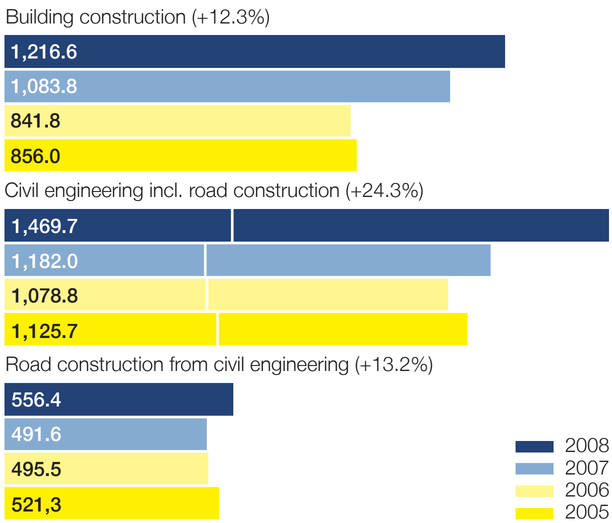
Developments of production output by segment

Production output by construction segment, following the usual classification conventions from Statistik Austria, shows a rise in building construction of 12.3% to EUR 1.2166bn and an increase in civil engineering of 24.3% to EUR 1.4697bn in 2008. These main segments together generated around 84.4% of total group output.

Civil engineering benefited above all from infrastructure projects in rail and road construction. As a result of major motorway projects, bridge and bypass construction almost doubled output volumes to EUR 224.1m. In the rail construction sector (with increases of 49.9% to EUR 101.2m), the rail-line extension in Romania was a key contributor to volume. Projects in Austria were responsible for the rise in tunnel construction of 23.7% to EUR 189.0m. Road construction – currently the best-performing individual segment in the PORR Group – managed to increase production output by a further 13.2% to EUR 556.4m.

Output growth in building construction is mainly due to the rise in office and commercial construction of 9.3% to EUR 376.9m and to the increase of 28.1% to EUR 368.3m in miscellaneous construction. The increasingly important sub-segment of adaptation/renovation in building construction achieved an impressive output volume increase of 56.9% to EUR 64.5m.

Production output by segment
(in EUR million, change 2008 against 2007 in %)



Order Balance

Developments in the PORR Group's order bookings and order backlog reflect the changes across the European construction industry.

While in June 2008 order bookings and backlogs in group-wide building construction showed disproportionately high growth rates compared to new orders in civil engineering, the effects of the economic slump were felt in the second half of the year. The ongoing lack of readiness to invest in the building construction sector, combined with announcements of stimulus packages by numerous governments which led to a whole range of projects in the infrastructure sector, meant that civil engineering finally ended the year with increases in both order bookings and order backlogs. In contrast, after a strong first half year, building construction ended 2008 slightly down against the previous year.

Order Bookings

Order bookings rise by 3.9%

Despite the difficult state of all markets in the fourth quarter of 2008, PORR managed to increase order bookings by 3.9% to EUR 3.2998bn in the year under review, whereby new domestic orders rose by 12.6% to EUR 1.922bn, increasing their importance to the overall volume as they now account for 58.2% (53.8% in 2007).

Gains in important foreign markets

On the foreign markets, order bookings fell by 6.2% to EUR 1.3778bn, compared to EUR 1.4683bn in 2007. PORR did however make gains in key markets such as Germany, up by 28.2% to EUR 297.2m, as well as in Hungary, where motorway projects led to growth of 122.2% to EUR 425.6m, and in Serbia where order bookings doubled to EUR 62.4m, mainly thanks to the Sava Bridge project.

Falls in smaller foreign markets

In the Czech Republic (EUR 254.6m) the high levels of the previous year were almost repeated, with a slight drop of 1.8%, while order bookings in Poland fell by 8.2% to EUR 222.5m.

Order bookings were weaker in Switzerland, Slovakia and Romania, where they were down by more than 50% on 2007 levels. A comparison presents a skewed picture, however, as one-off acquisitions of large-scale projects in these countries in 2007 mean that the previous year's levels were disproportionately high.

The five largest new orders in 2008 were:

- Hungarian motorway project M6 Dunaujvaros-Szekszard BI Nord Pek, with a total volume of EUR 219.5m.
- Leopoldstadt Geriatrics Centre in Vienna worth EUR 54.9m.
- Frame contract for track supporting layers with the Austrian Railways for EUR 47.8m.
- Sava Bridge in Serbia worth EUR 46.4m.
- Poleczki Business Park in Poland, with a value of EUR 28.6m.

Order Backlog

Group-wide order backlog up by 4.8%

At December 31st 2008, the group-wide order backlog amounted to EUR 2.5619bn (up by 4.8%), of which EUR 1.2331bn was in Austria, representing an increase of 5.2%. In terms of segments, building construction on the domestic market saw the sharpest increases, rising by 10.0% to EUR 514.0m. Domestic civil engineering starts 2009 with an order backlog of EUR 491.8m (a drop of 10.6%). 76.5% of the order backlog will be realised in 2009.

Foreign order backlog up by 4.4%

The foreign order backlog amounts to EUR 1.3288bn, which shows an increase of 4.4% on the previous year. Just over EUR 1.0bn of these orders are for 2009. Contrary to the domestic performance, developments in the foreign order backlog paint a different picture: crucial investment in infrastructure meant that the civil engineering sector outside Austria rose by 20.9% to EUR 811.0m, while uncertainties on the international property markets led to a fall in building construction of 14.2% to EUR 408.1m.

Despite general economic turbulence, the following countries recorded significant increases in order backlogs at the end of December 2008:

Germany up by 15.3%; Serbia rises rapidly

There was a 15.3% improvement in the order backlog in Germany to EUR 265.0m, mainly due to the good order situation in building construction. The Sava Bridge contract in Serbia was responsible for an almost fivefold increase in the order backlog to EUR 71.6m (EUR 15.8m in 2007).

Romania grows by over 20%; Hungary up by 38.7%

The increase in Romania (up by 21.5%) to EUR 164.0m was mainly generated by rail construction, although several large-scale building construction orders were also acquired.

Motorway orders in Hungary resulted in a jump of 38.7% to EUR 307.3m. In the Czech Republic there was still a rise of 9.8% to EUR 184.7m, although whilst in the past building construction and civil engineering volumes were generally equal, civil engineering now accounts for a far larger share. Civil engineering activities now account for almost 70% of the existing order backlog.

Drops in Poland, Slovakia and Switzerland

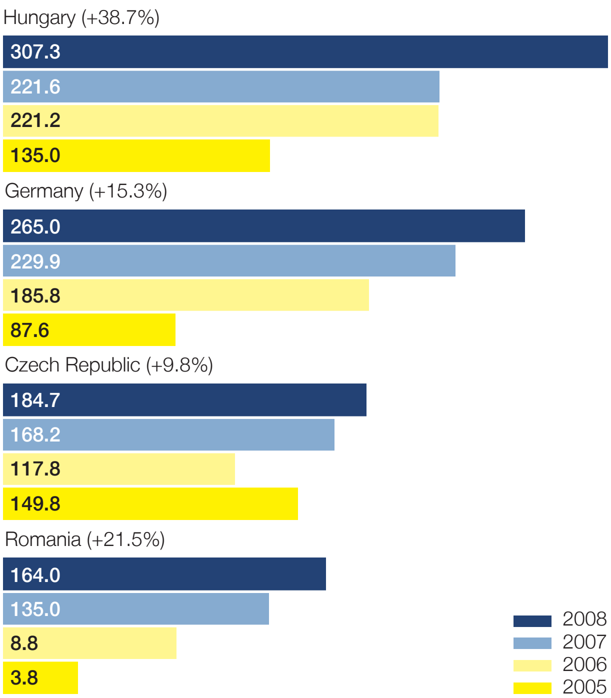
Order backlogs were down in Poland, where they fell by 13.6% to EUR 129.4m and in Slovakia (down by 59.9% to EUR 42.5m). From the whole PORR Group, these two countries are the markets most traditionally driven by building construction and were therefore hardest hit by the negative general trends.

Switzerland also begins 2009 with a volume around 22.5% lower at EUR 122.3m.

Order backlogs up on previous years

While it is true that order bookings and therefore order backlogs display slight downward trends, it is also the case that levels are still higher than in 2006 and 2007. As long as there are no further serious effects on the PORR Group's markets, the order backlogs should continue to provide a solid basis for the group's future growth.

Development of order backlog since 2005
(in EUR million, change 2008 against 2007 in %)



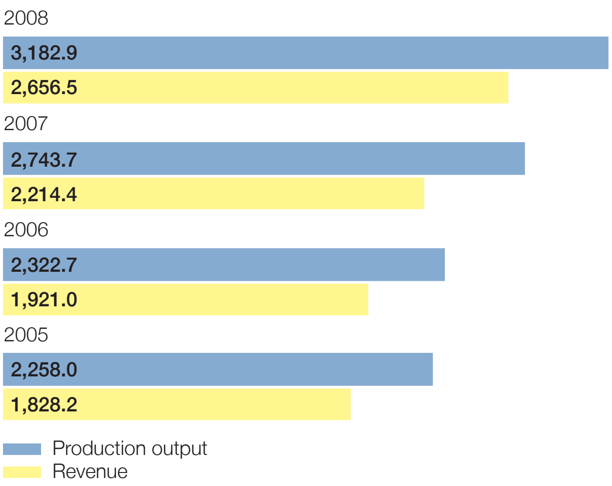
Financial Performance

Due to the holding function of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft the consolidated financial statements have the explicit and the complete right to refer both to the business situation of the PORR Group and of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft. The following statements and figures therefore generally refer exclusively to the financial statements of the PORR Group.

Revenue increase of 20.0% primarily due to organic growth

In the year 2008 the PORR Group managed to increase its consolidated revenue by 20.0% from EUR 2.2144bn in 2007 to EUR 2.6565bn. This sharp increase of EUR 442.1m is primarily based on the organic growth of the group's business in the new target markets of the PORR Group.

Production output and revenue (in EUR million)



Production output, commonly used in the construction industry as an indicator of size, includes output from own construction sites, contributions to syndicates and joint ventures, the group share of services for joint ventures and associated companies, as well as miscellaneous additional revenues. The divergence between the revenue as reported in the income statement and the production output primarily results from the different treatment of joint ventures. In contrast to the production output, the revenue only includes the services and profit transfers settled by the joint venture.

The group's other operating income rose by 32.0% to EUR 47.2m, whereby earnings from the sale of assets contributed significantly to this increase. This rise was mainly from sales related to real estate.

Increase in expenses caused by higher subcontractor outlay

In terms of expenses, cost of materials and other related production services represent the highest cost factor, as is common to the industry. With a rise of 27.7% to EUR 1.8189bn, this figure rose disproportionately, whereby costs for related services were primarily responsible, with an increase of 32.4% to EUR 1.2795bn. This rise is above all the result of an increase in contracting to subcontractors and professionals necessitated by the increase in foreign business. Despite the extremely high purchase costs for certain raw materials and commodities (e.g. petroleum products and steel) during the year under review, the cost of materials was disproportionately low in comparison to the revenue increase, growing by 17.7% on last year and amounting to EUR 539.4m. The sharp rise in subcontractor expenses led to a volume reduction of this figure, as subcontractors provided raw materials which are recorded under subcontractor expenses.

Further increase in staffing levels

This was mirrored by a disproportionately low rise in staff costs. The average staffing levels in 2008 rose by just 4.9% against 2007. However, as this rise was mainly accounted for by better qualified and therefore more expensive staff (salaried employees) for foreign markets, it had the effect of an 8.0% rise in staff costs to EUR 591.5m.

Depreciation and amortisation expense rose by 8.6% to EUR 56.7m, whereby non-scheduled depreciation resulting from impairment amounting to EUR 3.7m is included in this expense for the year under review. In contrast, other operating expenses (office running costs, legal expenses and consultancy fees, travel expenses, buildings and land, taxes and duties, advertising and shares of losses linked to orders processed through joint ventures) saw a disproportionately low rise (+5.2%).

EBIT rises by 4.4% to EUR 70.9m

Despite the sharp rise in the cost of materials and other related production services, the PORR Group still managed to increase earnings before interest and tax (EBIT) from EUR 67.9m by 4.4% to EUR 70.9m, thanks to disproportionately low falls in other cost areas.

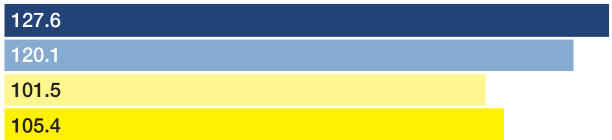
An increase in proceeds from financial assets arose mainly as a result of higher proceeds from shareholdings and interest.

After deducting income tax expense of EUR 8.7m, there is a profit of EUR 37.9m. This EUR 6.4m higher value corresponds to growth of 20.4%, meaning that the percentage increase of revenue is mirrored by the increase in profit.

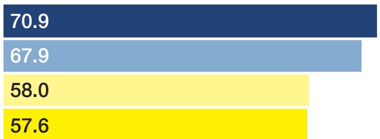
Dividend of EUR 2.20 per share and capital share certificate

On the basis of the results for 2008, the Executive Board intends to propose payment of a dividend of EUR 2.20 to bearers of ordinary and preference shares and capital share certificates at the 129th annual shareholders' meeting taking place on May 20th 2009. This represents an unchanged dividend on the previous year. Therewith a dividend of 30.3% of the share capital is available for payout.

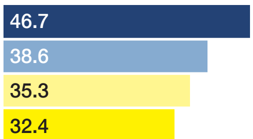
EBITDA (in EUR million)



EBIT (in EUR million)



EBT (in EUR million)



Consolidated profits (in EUR million)

Financial Position and Cash Flows

Balance sheet total up by 2.6% to EUR 1.9027bn

In 2008 the balance sheet total of the PORR Group rose by 2.6% to EUR 1.9027bn, whereby there was a variation in the performance of non-current and current assets (caused by the re-evaluation of terms of maturity).

Non-current assets up by 11.3% to EUR 956.4m

In terms of non-current assets (increase of 11.3% to EUR 956.4m), the most striking changes were in other non-current assets (EUR 37.9m). The reclassification of certain group receivables (project financing) as non-current assets from the former classification as current assets resulted in an increase of EUR 29.7m. First consolidations and improved results from associates led to an 18.2% rise in shareholdings in associates (EUR 120.0m). The value of investment property (EUR 242.6m) increased in the year under review mainly because of first consolidations of project associations and completed projects. Ongoing investment in technical facilities also grew, with property, plant and equipment rising by 4.3% to EUR 405.9m.

Current assets down by 4.8% to EUR 946.3m

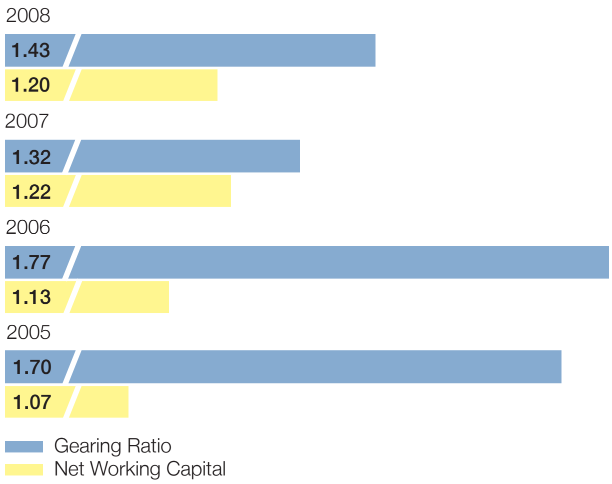
The value of current assets fell by a total of 4.8% to EUR 946.3m. The value of trade receivables fell by 8.8% to EUR 694.2m, partly because of the reclassification of certain group receivables as non-current assets from the former classification as current assets. In contrast, inventories (including additions from property held as current assets) rose by 41.3% to EUR 95.7m. Liquid funds amounted to EUR 88.4m, which was EUR 29.0m less than the comparative value at December 31st 2007; this was due to the proceeds from issue of profit-participation rights shortly before the reporting date in 2007.

Financing Structure

Equity ratio holds steady at 19.4%

At end of December 2008 the PORR Group's equity, including equity from profit-participation rights and minority interests, amounted to EUR 368.5m. The change against 2007 can be explained by the fact that the interest for profit-participation rights had not yet been received as capital under the balance sheet entry for equity from profit-participation rights (minority interest) which amounted to EUR 5.6m. Other factors were the positive profit and the negative development of cash flow hedge reserves. This resulted in an equity ratio of 19.4% (in 2007: 19.5%).

Gearing Ratio & Net Working Capital (in %)



Extending operating activities in the project business had an effect on non-current liabilities, primarily in non-current financial liabilities (+26.0%) in the form of increases in project financing from credit institutions, but also on current liabilities, as reflected in the trade payables (+9.3%).

There was a fall in current financial liabilities of 25.9% to EUR 77.7m against 2007; this was due to the proceeds from issue of profit-participation rights by end 2007 which were primarily used to cover current financial liabilities.

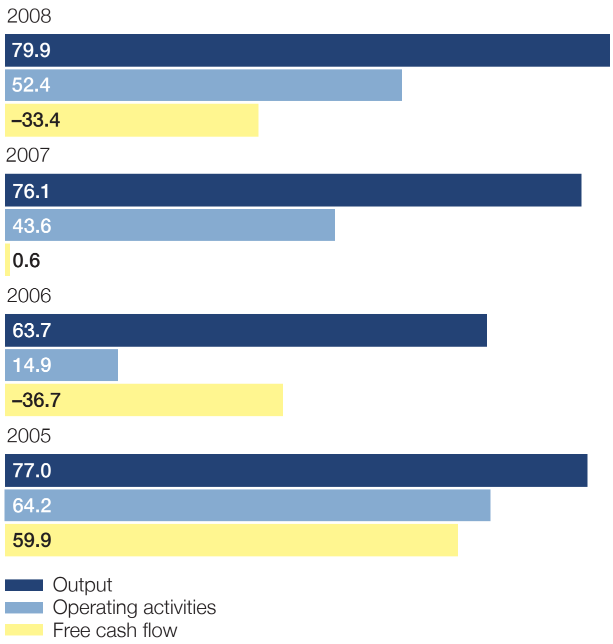
Improved operating cash flow of 79.9m

The profit for the period rose by EUR 6.4m to EUR 37.9m while depreciation and amortisation of fixed assets rose from EUR 53.4m to EUR 58.6m. These were the main factors in the improvement in operating cash flow of 5.0% to EUR 79.9m.

Cash flow from operating activities rose by 20.3% to EUR 52.4m, whereby the main reason for this was the moderate rise in working capital. The increase in working capital came from the rise in steel inventories of around EUR 15m, which were acquired for ongoing projects such as the Campina Predeal railway project in Romania. In addition the group managed to receive higher prepayments in 2008 than in the previous year. Higher income from fixed asset divestments led to higher proceeds.

The reasons for the change in cash flow from investing activities from –EUR 43.0m to –EUR 85.8m were the sharp increase in investments in property, plant and equipment and investment property (up by EUR 45.6m to EUR 87.0m) and in financial assets (up by EUR 31.2m to EUR 37.7m). In contrast to this, there were higher proceeds from the sale of property, plant and equipment and investment property (+39.6%), and proceeds from the sale of financial assets (+181.6%), as well as a reduction to EUR 2.5m in cash outflow for acquiring subsidiaries.

Development of cash flow (in EUR million)



The change in cash flows from financing activities (EUR 5.6m) is a result of the following factors. In 2008 there were higher overall dividend payments (EUR 10.4m), along with issued loans and other financing activities amounting to EUR 16.0m. The cash flow from financing activities in the previous period was positively affected by the issue of profit-participation rights and a bond.

At the balance sheet date, the liquid funds of the PORR Group amounted to EUR 88.4m.

Staff

More than 12,000 staff in 16 countries

Developments on the Austrian market as well as the increase in activities in CEE and SEE presented the human resource team with huge challenges in recruiting, HR marketing and HR development in 2008. The HR-team reacted to these challenges with targeted initiatives and strategic activities.

The focus of the human resource management team is on supporting the strategic and operational goals of the group.

In 2008 the PORR Group employed an annual average of more than 12,000 staff in 16 countries. In the last business year, the PORR management was supported in the recruitment and selection of new staff members in the salaried employee segment and the waged workers sector.

Intensifying recruiting

In order to increase awareness of the available vacancies and to position PORR more prominently on the recruitment market, spring 2008 saw the introduction of a new, uniform layout for human resource announcements which sends out a clearer message to job-seekers. The majority of vacancies are now accessible online.

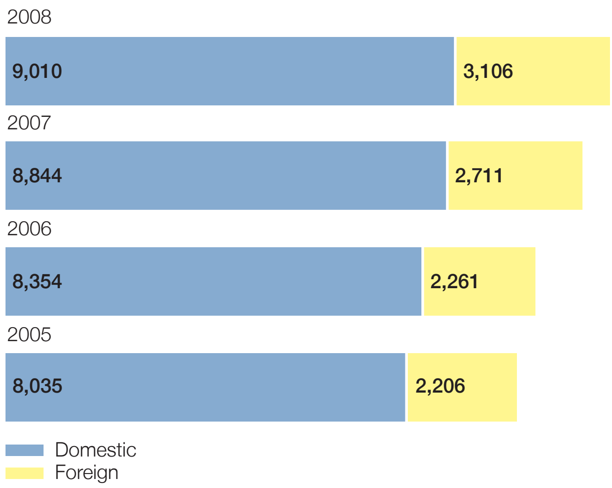
The web-based recruitment management system introduced in Austria in summer 2007 was adjusted throughout 2008 in order to fit the PORR Group's precise requirements and contributed to the fast and efficient processing of around 3,300 applications received. The positive performance of the system led to the decision to roll it out to Germany at the beginning of 2009 and extend it to other international branch offices over the course of 2009.

More human resource marketing at schools and universities

There are numerous human resource marketing projects underway with the aim of turning PORR into an attractive employer brand among the staff of tomorrow. Long-term image building takes precedence over direct recruitment and requires a range of targeted measures directly at educational institutions; schools and universities are obvious focal points.

PORR is steadily building up contacts and networks with pupils and students from a wide range of subjects, supporting them with specific programmes compatible with their studies and is also represented at numerous career-orientation and information fairs. Long-term image building is guaranteed through participation in Austria-wide initiatives. A targeted image folder and a "PORR Careers" micro-site (www.porr.at/karriere) have been designed to help address the needs of potential trainees.

Development of average staffing levels



Development of average staffing levels

		2008	Change	2007	2006	2005
Domestic	skilled workers	6,309	+1.0%	6,244	5,865	5,639
	salaried employees	2,701	+3.9%	2,600	2,489	2,396
	Total	**9,010**	**+1.9%**	**8,844**	**8,354**	**8,035**
Foreign	skilled workers	1,376	+10.1%	1,250	1,162	1,208
	salaried employees	1,730	+18.4%	1,461	1,099	998
	Total	**3,106**	**+14.6%**	**2,711**	**2,261**	**2,206**
Overall	skilled workers	7,685	+2.5%	7,494	7,027	6,847
	salaried employees	4,431	+9.1%	4,061	3,588	3,394
	Total	**12,116**	**+4.9%**	**11,555**	**10,615**	**10,241**

Improvements in human resource development

Increasing international expansion and a rise in competition has led to a rise in demand for the best-trained staff and management who are able to operate in a complex and competitive environment. To meet this challenge head on, PORR offers comprehensive training opportunities.

Around 3,320 staff members took part in almost 320 training sessions. In order to simplify the administrative processes related to training and to improve the events themselves, the newly-integrated human resource seminar management tool “porr_academy” was successfully introduced in autumn 2008.

PORR trainee programme for recent graduates

The PORR trainee programme is aimed at young, top-qualified economic graduates who are on the threshold of their career. During their traineeship (12 or 24 months), the trainees constantly move between different departments in the PORR Group. The ‘on-the-job’ training concept is complemented by technical and professional development seminars as well as team-building events, aimed at supporting subsequent integration into the company.

First PORR staff survey

The first ever survey of all employees was carried out in the PORR Group in May 2008. The anonymous online questionnaire was completed by almost 3,700 staff members who contributed their suggestions, opinions and evaluations to PORR. Individual issues included communication, goal setting, customer orientation, teamwork, quality, corporate culture and company values. The results provide a basis for future initiatives which can be incorporated into the company’s strategy, information and communication processes and therefore contribute to ongoing, long-term improvements, as one would expect from an organisation which is open to learning.

Apprenticeship training: 200 apprentices in 13 vocations

Almost 200 apprentices are currently being trained in 13 different professions as part of our apprenticeship programme. This gives young people the opportunity to begin their career from a solid launch pad. In this way, the PORR Group is making an active contribution to reducing the skilled labour deficit on the employment market. The PORR apprentice calendar was published for the first time in 2008 in order to promote the wide range of training opportunities available with PORR.

Research and Development

Leading role in Austrian Construction Technology Platform

PORR sees technological expertise as a key asset. This is why research and development (R&D) is accorded such importance, especially as regards construction materials and methods. PORR has taken on a leading role in the organisation of the Austrian Construction Technology Platform, whose goal is to contribute to innovation in the construction industry. This enables PORR to participate in forward-looking developments right from the early stages and to secure economic success in many areas through technological leadership.

Cooperation initiatives with universities and research institutes

The PORR Group is involved in long-term, close cooperation with universities and other research institutes in order to implement research projects. Work underway in conjunction with the Christian Doppler Laboratory (CD lab), for example, should optimise asphalt roads in terms of load bearing and lifecycle costs.

Implementing energy-efficient technologies

At the beginning of the search for energy-efficient buildings, the optimisation of the cost-benefit ratio of different technologies was the top priority. The focus is now on implementing these technologies in buildings such as office blocks and hotels within the project development framework of Porr Solutions. This is where the strengths of the PORR Group can be seen most clearly, as there is a huge pool of specialist expertise available, especially when it comes to heating, air conditioning, ventilation and façade technology as well as the use of alternative energies such as geothermal power. Traditional technologies like planning mass storage for solid buildings and natural ventilation and lighting are also being implemented and improved.

Rationalising construction processes

Rationalising construction processes is seen as the focal point of research activities in building-technology circles. While in tunnel construction experts are constantly trying to develop new tunnelling methods with tunnel boring machines, research projects in foundation engineering focus on the more targeted and rationalised manufacture of sealing and foundation elements.

"Slab track" system in use internationally

Innovative developments have contributed significantly to the group’s reputation as a technology-oriented company and have also bought financial success. The ÖBB–PORR “slab track” system (developed by Austrian Federal Railways (ÖBB) and PORR) has been the standard system in Austria since 1995. Since 2001 it has also been integrated into bridges and tunnels in Germany. The ÖBB–PORR “slab track” system is suitable for high-speed tracks up to 300km/h and offers the advantage of a long, maintenance-free lifespan. One prominent example of its application is in Berlin’s central railway station.

Innovative waste treatment with BIOPUSTER

PORR has been dedicated to preserving natural resources for many years. With its expert service provider Porr Umwelttechnik GmbH it has positioned itself on the market in the field of waste treatment, processing, recycling and rehabilitating hazardous sites and landfills. The BIOPUSTER method allows air and oxygen to be pumped into waste sites or contaminated soil. This allows organic substances to be broken down more quickly and reduces dangerous and strong-smelling gases. The PORR Group holds multiple patents related to this technology.

Soil washing plant purifies contaminated particles

A soil washing plant for purifying contaminated ground has been developed on the basis of methodology for “washing grainy substances”. The first project was the successful rehabilitation of the Aldergründe landfill in Vienna and the system has been in use in Ailecgasse in Vienna ever since. PORR also holds a patent related to this technology.

Corporate Social Responsibility

Aspects of Responsible Corporate Management

PORR lives by its slogan “The future is our tradition”. The term sustainable value underpins the group’s mission statement. The economic principle is based on adding value, social responsibility is described as recognising value and environmental awareness is characterised by a commitment to preserve value. As an international group, PORR is keenly aware of its responsibilities to investors, staff and the environment.

These three aspects of sustainability are incorporated into a wide range of initiatives and programmes which are an inherent part of the company culture.

The company operates on a basis of economic, ecological and social criteria which are enshrined in the PORR Group’s company policy along with the programmes to implement them. The company pays special attention to this voluntary commitment when carrying out any business processes. Commitment to social responsibility has been integrated into the company strategy and has become a core feature of the group’s management.

Economy: Adding Value

Acting in an economically responsible manner means promoting sustainable development for the company and ensuring a stable financial position. PORR is committed to a long-term, organic growth strategy which is a key contributor to securing jobs. The company is focused on preserving assets, this is why PORR offers jobs with long-term prospects and great career opportunities. The most conclusive proof of sustainable operations and the responsible perception of the group’s role in society is the company's success which dates back 140 years.

Corporate Governance

PORR views Corporate Governance as a comprehensive concept for responsible company management and auditing aligned towards long-term value add. Principles of good Corporate Governance have a high value here, which is why the executive board and supervisory board work closely together in the interests of the company and are involved in ongoing discussions about the development and strategic direction of the company. Social responsibility also refers to responsible approaches to shareholders and the high number of other stakeholders. Therefore PORR management practices and strategies always incorporate strict adherence to legal regulations as well as ethical standards and clear communication with all interest groups. Ongoing dialogue builds trust in the company’s operations and provides a basis for sustainable company development in the future.

Society: Recognising Value

The company operates as a fair employer – this is an indispensible part of the company culture. Professional development and training is promoted by active HR management. Numerous social benefits have been voluntarily implemented through cooperation with the works council and healthcare programmes have also been drafted.

Representation of interests…

Increased competition through advanced globalisation, technological change and higher mobility – these features define the business world of the 21st century and constantly present employees with new challenges.

The PORR board is aware of what these challenges mean for employees and promotes dialogue with the group’s works council within a modern management system.

…as the basis for a good working environment

Responsible teamwork between the works council, group management and employees is embedded in the PORR company culture and brings benefits for everyone. Avoiding social conflict results in a positive company atmosphere, this in turn increases the motivation of individual staff members and leads to higher output.

The “European Works Council” (EWC) has enabled cross-border representation of employee interests. PORR signed and implemented this EWC agreement in 1999. In addition, the decision-making bodies of the group have concluded further PORR-specific securities for staff, far beyond the legal minimums. The European works council holds a right of access to all national and international workplaces at PORR.

Investing in staff

Skilled employees are the foundation of all company success. This PORR management principle is shown through the exceptionally high number of staff who take part in further development and training initiatives – 3,317 staff took part in a total 316 training sessions in 2008. In 2007, 2,782 employees attended 266 educational events. This significant increase is due in part to the company’s growth and is also proof of increased investment in human resources by the management and the HR development department.

Further training and development opportunities for all staff in the company embody flexibility, mobility, open-mindedness and life-long learning.

Internal training and events fall into the following categories:

- Professional expertise: training and development in construction technology, law, business administration, information technology, languages, secretarial and commercial skills.
- Personal development: leadership skills, soft skills, social and intercultural training.

PORR "Zukunftsfonds"

The PORR “Zukunftsfonds” was founded in 2008 with the aim of improving employee training. The fund supports members of staff who want to complete vocational training in the first phase of their careers. A personal mentor is assigned to the employee, reducing the length of the induction phase significantly and making integration into a large company much easier. With a prevailing skilled labour deficit on the market, PORR invests in employees who may be needed as early as tomorrow.

Apprenticeship programmes: investing in the future

PORR takes its responsibilities towards training young people very seriously and aims to provide a solid basis for future career success through specific educational programmes. In order to counter the skilled labour deficit, PORR offers an attractive range of educational opportunities to train future specialists within the company.

Individually tailored programmes for apprentices help them to gain confidence on the job, as well as acquiring soft skills such as language and teamwork skills. Site managers, foremen and supervisors receive training on their responsibilities and legal obligations as apprenticeship masters.

In 2008 PORR had 172 skilled apprentices (including one female) and 26 commercial trainees (including 18 female) undergoing training. PORR goes beyond the legally stipulated education provisions, offering extra training for apprentices, such as regular training at the Guntramsdorf Construction Academy. Commercial trainees have the option of visiting external computer courses and completing the European Computer Driving Licence.

Expansion requires solid vocational training

The growth of the PORR Group also brings new challenges. Demand is high for well-trained foremen at numerous construction sites across eastern Europe. As there is no comprehensive training for foremen in CEE countries comparable to that in Austria, the demand is increasing. PORR recognised this problem early on and intends to launch the "PORR EU Foremen" training programme. The plan is for PORR specialists from the central European markets to come and train at the Guntramsdorf Construction Academy to qualify as EU foremen. This training is set to take four semesters and to be held during the winter months.

In a growing company there is always a high demand for well-educated management. PORR offers special training to current and potential managers which is tailored to their daily work and builds the long-term problem-solving skills required in a highly complex and competitive environment. The leadership skills of management are constantly enhanced and the complementary training of people from a wide range of areas creates synergies both in the daily work and for the future.

Proactive measures in health care and social security

PORR strives to ensure that every employee has a safe and secure job. One precondition for health and safety at work is access to medical care. In Austria in 2008 there were seven occupational health practitioners working at PORR. In addition to regular access to a doctor, staff also received advice where necessary on medical facilities as well as individual answers to any questions regarding personal health care. The doctors have their own infrastructure at the PORR headquarters, with a comprehensively equipped occupational health office.

There is an ongoing, vivid exchange between doctors, the works council and group management in order to meet the needs of every staff member and initiate improvements.

Health care provision
The health of the company's employees must be subject to ongoing monitoring, on the one hand to determine whether employees are well suited to specific work processes and on the other hand to see whether their health has been affected in the past. Health checks are carried out every month with the approval of the health insurance organisations. Other examinations are specially tailored to individual areas and focus on avoiding accidents, as well as promoting health and safety in the workplace.

Retirement provisions
PORR is the only company in the Austrian construction industry to offer a corporate pension plan to all employees in Austria. PORR's corporate pension plan for all Austrian labourers and salaried employees has been in effect since January 1st 2005 and is the second pillar alongside the state pension for retirement provision. This voluntary social benefit should provide long-term financial security for company staff.

The conditions for joining the corporate pension scheme are the same for both workers and employees, namely a minimum of five years employment within the group.

The Austrian Pension Funds Act (Pensionskassengesetz) prescribes the careful assessment of money in bonds, stocks and real estate for pension funds. The return which is yielded is paid out as a monthly pension upon retirement. The capital and the yield for the duration is therefore highly beneficial to employees. The administrative costs of 4.3% are voluntarily covered by the company in accordance with the company agreement.

In 2008 a total of EUR 1.3m was used here, of which 100% was provided by the employer.

Ecology: Preserving Value

PORR places immense value on minimising the possible negative effects of its construction activities; it therefore works together with affected parties and is committed to finding appropriate solutions in cooperation with them. Acting in an ecologically responsible manner includes preserving resources, reducing emissions, protecting eco-systems and proactive management of all related risks.

With regard to environmental protection, PORR aims to reduce the possible effects of construction activities through economic means. One key instrument for achieving this goal is the environmental management system certified to EN ISO 14001:2004, which PORR integrated into the existing quality management system in 2007 and which provides the basis for sustainable operations:

- Ecological considerations are incorporated into corporate responsibility.
- Environmental protection and ongoing improvements in this field are implemented and monitored in the company in a process-oriented manner.
- Environmental effects can be analysed systematically and environmental performance can be optimised when carrying out construction activities.
- Environmental impact should be reduced as much as possible in accordance with economic, technical, legal and political requirements.
- The potential for environmentally friendly construction should be optimised during the planning stage (before the construction stage). Here ecological “value-add variants” are developed, discussed and implemented in cooperation with the client.
- The implementation of an internationally recognised norm system not only builds trust and improves public perception, it also brings material advantages. Long-term preservation of resources can lead to significant cost savings.

Preserving resources

Every construction activity leaves a creative mark on the environment. PORR is aware of the responsibility this entails and analyses every activity with regard to “environmental aspects” and “effects on the environment” in order to incorporate activities into the targeted programme for reducing environmental effects. During the planning stage, for example, attention is paid to optimum construction design so that space is used to its maximum potential and that as few trees as possible are destroyed. Minimal water consumption is guaranteed at PORR sites thanks to the use of cutting-edge equipment. In terms of logistics, freight services are planned and routes are optimised. Natural resources are preserved and the impact on people and the environment is kept to a minimum.

Waste management in the group

PORR also shows its commitment to the environment through the application of a strict waste management policy. To this end PORR has installed an environmental and waste network. This network ensures a long-term approach to resources and efficient reductions in waste at workplaces and construction sites. During construction projects, valuable waste is processed on site using mobile recycling units and the construction process is carried out with a view to the product lifecycle. For example, in 2008 PORR achieved an asphalt recycling rate of 91%.

Pilot project – gas-fuelled vehicles

The PORR Group has over 3,400 vehicles in its fleet. The subsidiary TEERAG-ASDAG AG is currently testing the use of natural-gas double-cabin flatbed trucks and passenger cars as part of a pilot project. Instead of using petrol or diesel, these cars run on CNG (Compressed Natural Gas) thereby lowering CO_2 emissions. One additional benefit is that natural gas is generally a cheaper fuel and should therefore also relieve pressure on the fuel budget.

In the future PORR also plans to implement measures for the integration of sustainable values into daily business life. Economic, ecological and social principles carry equal weight and the requisite initiatives to ensure their continuation will remain a key component of future policy.

Risk Management

Every economic action is constantly tied to a risk-reward ratio. The aim of risk management is to identify and minimise the risks and simultaneously to maintain the company's reward potential. The primary aim of risk management within the PORR Group lies in the necessary organisational processes which help to identify risks at an early stage and to develop and implement appropriate measures to counteract them. This also gives special significance to the group's newly implemented process of strategic corporate planning and the internal reporting system, along with its continuous evaluation and adjustment. While strategic corporate planning aids the timely identification of potential risks, the reporting system provides an overview during the realisation and execution of the group's business processes.

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.

Staff risks

The high level of competition for qualified staff, arising from the high demand for infrastructure in the CEE/SEE countries, can have a negative effect on business operations. On the one hand the PORR Group continues to be confronted with enticement; on the other hand, it is difficult to find suitably qualified staff locally. The group's future success therefore lies in the long-term retention of existing employees, as well as finding highly qualified staff and specialists.

The group is aware of this risk and has comprehensive measures in place related to human resource marketing, recruiting and professional development and training.

Financial risks

Managing financial risks, in particular liquidity risks, interest rate/currency risks and risks from fluctuating commodities prices, is governed by standard group guidelines. To minimise the risks as far as possible, derivative and non-derivative hedging instruments are used in line with evaluations. Nevertheless, in general only operational risks are hedged, speculative transactions are forbidden.

All hedge transactions are performed centrally by the group financial management, unless in specific cases other group companies are authorised to conclude transactions outside the group financial management. An internal control system designed around current requirements has been implemented to monitor and control risks linked to money market and foreign exchange trading. All group finance management activities are subject to strict risk/processing control, the cornerstone of which is the complete functional separation of commerce, processing and accounting.

Payment risks/default risks

In some sectors, construction contracts require an advance payment by the general contractor which will not be covered by payments until a later date. For safety's sake, an extensive creditworthiness check is carried out and adequate sureties are agreed.

Liquidity risk

The liquidity risk is defined as the risk that liabilities cannot be paid upon maturity.

At December 31st 2008, net debt, defined as the balance from liquid assets, bonds and current and non-current liabilities, amounted to EUR 539.8m.

The current monetary assets exceed the current monetary liabilities by EUR 223.9m. Therefore, if current provisions materialised at the rate of EUR 99.2m, a balance of EUR 124.7m would remain.

The current financial liabilities not including trade payables amounted to EUR 77.7m and were covered by the liquid assets of EUR 88.4m at the end of 2008.

56% of the non-current financial liabilities of EUR 550.5m concern bonds, whereby the first instalment of EUR 100.0m is first up for return in June 2010. The plan is to finance the payback of bonds through primary offering.

At the balance sheet date, there is EUR 264.7m available in bank lines for cash loans, which could be drawn on for immediate refinancing of current financial liabilities.

Interest rate risks

The interest rate risk lies in the danger of rising interest cost or falling interest income in connection with financial items. For PORR this risk results almost exclusively from the scenario of rises in interest rates, especially in the short term. Any future hedge transactions that are required will be concluded by the group's financial management. At the balance sheet date, the management of this risk was exclusively conducted with non-derivative instruments and interest rate swaps.

Foreign currency risks

This risk is treated within the PORR Group as transaction-oriented and results either from construction contracts or from group-internal financing. Group policy is to hedge the operational foreign currency risks. In accordance with the respective functional currency of the group unit which is processing the order, the group aims to conduct local orders in the corresponding national currencies. This happens in every instance in which the services to be rendered are locally generated. If this does not succeed, or if services must be provided in other currencies, the resulting risk is secured by hedging. With regard to derivative financial instruments, the group financial management exclusively use foreign exchange futures (see also the notes to the consolidated financial statements).

Market Risks

The PORR Group currently operates in 16 markets (mainly CEE and SEE markets in addition to Austria and Germany). There are wide variations in levels of demand for the PORR Group, caused by national economic disparities. The cross-sector service portfolio means that fluctuations in national markets and business segments can be equalised to a large extent within the shortest possible time.

In addition to economic parameters, political stability in the PORR markets is another key factor, due to the dominant role that the public sector plays in awarding tenders in the construction industry. The group therefore conducts ongoing, detailed observation of political and economic developments, also with regard to investment security issues.

The PORR strategy focuses on sustainable, organic growth within existing markets in order to exploit the high development potential which exists, especially in the infrastructure segment. This strategy means that in new markets in the development phase the PORR Group is confronted with competitors, to varying degrees, some of whom have more extensive resources at their disposal. Under certain conditions, this can represent a competitive disadvantage for the PORR Group which may have a negative effect on the target margins.

Project risks

These apply to all operational units of the PORR Group and arise from the classic risks related to the construction industry and project realisation. From the tender stage to the conclusion of a contract, all projects are assessed for specific technical, commercial and legal risks. This is carried out in close collaboration between the parties responsible for operations and the respective staff units with standardised risk check lists. 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 at project management level and monitored as part of an ongoing process. Should larger discrepancies occur, the management of the operational subsidiaries immediately takes on an active role.

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. The increasing challenges for the operational areas in recent years are the price increases in the energy and commodities sectors. As long as it is not possible to transfer these costs to the customer, they will 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 contracts.

Risks from changes in commodities prices

In 2008 part of the expected demand for diesel for 2009 was hedged by means of swaps and options. Because of the lack of functioning derivative markets in this area, the price risk of other significant materials purchases could only be assured through conventional, long-term price setting.

Hedge for future diesel purchasing

Around 33% of the expected demand for diesel in 2009 was secured in 2008 in the form of standardised contracts (ULSD 10PPM) and call options which were concluded for a total of more than 9,210 tonnes. Valued at the concluded hedging rate, this corresponds to a total value of around EUR 6.8m.

The fall in diesel prices at year end resulted in a non-realised valuation loss of the hedges amounting to EUR 2.9m, which must – in the absence of an explicit hedge relationship as defined by IAS 39 – be recognised in the income statement.

Hedging of currency risks

At December 31st 2008, the PORR Group had concluded foreign exchange futures amounting to EUR 263.0m. Of these, EUR 117.2m were designated as cash flow hedges and EUR 145.8m as other currency hedges. These are made up of EUR 46.1m for securing group-internal financing and EUR 99.7m for hedging various foreign currency positions.

Cash flow hedges

In the financial year 2008 PORR concluded exchange rate hedges in the form of foreign exchange futures for currency risks from local purchases; these are designated as cash flow hedges. These are concerned with construction contracts in euros, namely in Hungary, Poland, Romania and Croatia, where local purchases and subcontractor payments are expected in the local currency. In this respect they concern hedges up to now classified as unrecognised firm commitments against foreign currency risks on the basis of spot price changes. As the currency exposures are exclusively concluded with foreign exchange futures, namely in view of the planned maturity in each case of the cash flow, they are by definition effective both prospectively and retrospectively. In the fiscal year 2008, a total of EUR 9.5m of equity (hedging reserve) was realised from the change in fair value of the foreign exchange futures from cash flow hedges.

Other currency hedges

For the purposes of centrally performed currency management, exposures from group-internal foreign currency financing are secured by the group treasury. The secured financing volume amounted to EUR 145.8m at the balance sheet date. In the fiscal year 2008, the change in fair value of the foreign exchange futures from these hedges amounting to EUR 2.6m was successfully realised.

Capital risk management

The strategic aim of the PORR Group is to increase the equity ratio. The operational management is oriented towards maximising EBIT margin and EBT margin.

Internal control system

The PORR Group's internal control system incorporates methods and measures to ensure precision and reliability in accounting practices, to safeguard assets, to adhere to the principles of corporate policy and to improve the efficiency of internal group processes.

This monitoring and early identification includes both the assessment of operating risks and the appropriate implementation of organisational norms and processes into the overall reporting and accounting practices of the PORR Group.

Internal audit plays a significant role in this process for the PORR Group. Internal audit is evaluated in accordance with IIA standards (Institute of Internal Auditors) and generally conforms to these internationally recognised guidelines. The internal audit team is therefore not only authorised to carry out checks on business processes, but also to conduct systematic checks with regard to the reliability and completeness of organisational and operational control systems. In addition, the management can instigate ad-hoc checks at any time should they be justified by a possible risk.

The aim of the PORR Group's internal control system is to preserve the group's assets and to support the management in this goal through the use of an effective and reliable reporting and accounting policy. To this end, the PORR Group has introduced necessary measures to ensure that both legally-stipulated and internal guidelines are followed and that possible areas of weakness in operational and organisational processes can be identified early on and corrected.

The PORR Group's internal control system is a key component of all business processes rather than a separate, add-on system. From an organisational standpoint, the PORR Group has numerous decentralised units and therefore the internal control system must also be decentralised, with internal audit then acting as the central frame. Responsibility for organising and carrying out monitoring, along with the required understanding of the implementation of control processes, therefore lies with every individual manager with regard to the respective area of responsibility.

Opportunity Report

Worldwide uncertainty, a lack of readiness to invest and a bleak recession all define today's economic backdrop. However, hard times can also provide an opportunity to emerge from the crisis stronger than ever.

Infrastructure projects to provide momentum

The construction industry is widely expecting that infrastructure projects will be a key driver in the coming years. Significant levels of investment must be made available in the euro zone to finance essential new construction and renovation works in the infrastructure sector. Anti-cyclical economic policy in times of economic turbulence generally leads to increases in construction investment in order to stimulate the economy. Economic experts predict a rise in public construction investment of almost 10% in 2009 and around 20% in 2010.

Continuing to extend traffic infrastructure

Here the extension and renovation of European road and rail networks offers stabilising opportunities. In CEE and SEE countries in particular, the existing traffic networks are insufficient for rising international transit volumes. The same holds true for Alpine transit routes and connections between major European cities.

Essential investment in energy generation

Dependency on oil and gas, along with concerns about the security of supply and general rises in energy demand, has led many countries to invest in alternative energy sources. This trend is further driven by the fact that many power plants are now in the last quarter of their service life and must either be replaced or renovated in the near future. In addition to heavily subsidised power generation from wind and solar power plants, reservoir and hydro-powered plants for generating electricity are also being upgraded, extended or newly built.

In eastern and south-eastern Europe, the upgrade, extension and new construction of waste disposal and sewage systems represents a promising future business segment, both in terms of meeting existing demand and conforming to international environmental standards and regulations. The construction of landfill and waste incineration plants including energy generation will be a key part of public-sector construction in these countries for several years.

Stimulus initiatives in building construction

Economic stimulus measures in building construction, such as the renovation and new construction of universities and schools, hospitals and other public service buildings, should provide a much-needed boost to the industry. Experts even predict slight growth rates in public housing construction in the coming years, as many residential buildings are now reaching the end of their lifespan, along with the fact that demand for housing is on the rise. Construction, extension, revitalisation and thermal upgrades in the public buildings sector should all have a positive effect on the building construction industry. The likely drop in private investment, however, means that a downward trend is likely across the building construction industry as a whole in the next two years.

PORR expertise in the infrastructure segment

The PORR Group enjoys decades of expertise across all sectors and is well represented on the growth markets of eastern and south-eastern Europe thanks to the recent strategic direction. Although the next two years do seem likely to bring widespread stagnation, the company is well placed to exploit its strengths in the infrastructure segment to achieve positive group results. Internal measures towards reducing costs and increasing efficiency, in particular as regards processes and organisational structures, have already been developed and are now being implemented in order to ensure a timely and appropriate reaction to the current economic turbulence.

Forecast Report

Economic developments: major recession

The world economy is in a major recession which does not yet appear to have peaked and current indicators suggest that it may well last beyond 2009. Experts themselves are reluctant to make forecasts as to the effects that the current slump will have on the real economy or to predict when the trend will reverse.

Reticence across all economic sectors

Reluctance to invest from the private sector, restrictive policies from the corporate world and a turbulent financing backdrop are all defining the market. Investments which are not seen as urgent are being postponed or cancelled. A fall in demand is causing industrial companies to cut production. The number of employees being put on short-time or made redundant is rising rapidly.

One critical factor is releasing financing to companies. On the one hand this affects the necessary short-term liquidity, on the other hand, it affects long-term financing which is needed to reawaken a willingness to invest.

Construction industry still benefiting from long-term projects

Most large-scale construction companies still had a high order backlog at the end of the third quarter of 2008. The first effects of the crisis were felt in the fourth quarter, although the long-term nature of orders should also mean that high production output is still possible for 2009. What comes next will depend on the development of order bookings. As private clients are not expected to come up with adequate order volumes owing to liquidity problems, it will be necessary for public awarders to compensate for this drop in demand as far as possible, through stimulus packages and prioritising construction projects.

Moderate growth to continue in Eastern Europe in 2009

According to the German Office for Foreign Trade, the construction sectors in Poland, Czech Republic, Romania and Slovakia will continue to grow at an average rate of 4.8% in 2009. From 2010 these countries should once again experience an increased, ongoing growth period.

Experts predict stagnation in the construction industry in Germany, Switzerland and Austria, with demand remaining at the current levels. However, the civil engineering sector (infrastructure) is also expected to be an important driver in these countries.

Stable output development in 2009

2008 was a year in which the PORR Group saw new record figures in many areas, some of which were at levels far beyond the previous years. Given the problematic economic backdrop, no further increases will be possible for the current year 2009.

At the end of February 2009, production output of EUR 289.1m had been generated in the first two months, falling 10.6% short of the record levels in 2008, albeit still 29.5% above the output volume from the same period in 2007.

Foreign locations set to remain at 2008 levels

While in Austria last year's levels could almost be matched in January and February 2009 with EUR 161.2m (–1.8%), in Hungary output fell by EUR 28.3m due to postponements in major motorway projects caused by billing problems common to the industry. This led to a fall in total foreign production output in the first two months of 2009 of 19.7% to EUR 127.9m, even though the other foreign markets almost achieved the levels of the previous year.

Output and financial performance hard to forecast for 2009 and 2010

The general economic situation means that forecasting is riddled with uncertainties. This is true for the construction industry to an even greater extent, as construction output is heavily influenced by economic conditions. The outlook forecast of the PORR Group is based on the current positive order backlog which should represent a basis for achieving construction output comparable to the levels of the previous year. From the information available today, a further fall in output seems likely for 2010, although such long-term forecasts are hardly possible in the current climate.

Given the changes which have been introduced to the group's processes and structures and the increased use of cross-sector synergy effects, the financial performance should continue to be positive. However, one precondition for this claim is that the market environment does not become even worse.

Current order backlog remains stable

Despite the current fall in investment, the almost unchanged order backlog of EUR 2.5852bn at end of February 2009 (EUR 2.6240bn in 2008) provides a solid basis for the PORR Group's further growth. Whilst the foreign share of group output rose continuously in recent years, the domestic market has now gained in importance once again, accounting for 52.8% (50.2% in 2008).

Major new orders in the first two months of 2009 included the extension of the Ybbs-Amstetten rail line (Austria), worth EUR 28.3m.

Disclosure according to Art. 243a, Commercial Code

1. The share capital comprises 1,341,750 ordinary shares and 642,000 7% preference shares without voting rights. All shares are no-par value bearer shares, each of which participates equally in the share capital of EUR 14,416,473.48. At the balance sheet date, all 1,983,750 shares were in circulation (previous year: 1,983,750).

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

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

   Shareholders' rights regarding the issue of individual share certificates are excluded.

   The company has also issued profit participation rights in the form of 49,800 capital share certificates with a total value of EUR 361,910.71. Where the company raises capital by issuing new shares (granting direct or indirect subscription rights to the shareholders) and/or issues additional capital share certificates, other profit participation rights, other securities with subscription rights or adjustment/convertible bonds, the holders of capital share certificates, through the granting of proportionate subscription rights or other measures at the discretion of the company, must be in a position to retain the economic substance of the rights to which they are entitled. This does not imply subscription rights for new shares, even where the company is able to grant such rights.

   Before the ordinary shares, preference shares and capital share certificates receive a preference dividend or profit share amounting to 7% of the proportionate due capital paid to them. If the preference dividend or profit share of the capital share certificates is not paid (or not paid in full) for one fiscal year, the arrears from the balance sheet profit for the following fiscal years must be paid subsequently. In the event of liquidation, the holders of capital share certificates followed by the holders of preference shares receive any outstanding profit shares from remaining liquidation proceeds along with the proportionate amount of the capital due to them. Ordinary shareholders receive the proportionate amount of the capital due to them. Any remaining liquidation proceeds are distributed to holders of capital share certificates and the shareholders in relation to the number of capital share certificates or shares.

2. The Executive Board is aware of the syndicate contract concluded between the shareholders named under point 3. The content has not been disclosed to the Executive Board.

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

	Voting rights	% of share capital
B & C Group:	45.5%	30.8%
Ortner Group:	29.4%	19.9%
Vienna Insurance Group:	10.1%	6.8%

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

Given the fact that only a very small number of preference shares is furnished at company annual shareholders' meetings, it is not possible to offer reliable statements regarding the shareholder structure for this share category. Recently another 7.4% of the share capital was deposited by B & C Baubeteiligungs GmbH in the form of preference shares.

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

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

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

7. Above and beyond the direct legal provisions, Executive Board members are not specially authorised to issue or repurchase shares. The Executive Board is authorised in accordance with article 4 paragraph 5 of the statute valid until December 10th 2013, to raise the share capital of the company with the approval of the Supervisory Board, in multiple tranches if so wished, to EUR 7,208,236.74 by issuing up to 991.875 no-par value shares, as follows (authorised capital), whereby the class of shares, the issue price, the conditions of issue, the subscription ratio, and, as far as necessary, the exclusion of subscription rights are settled by the Executive Board with the approval of the Supervisory Board:
   i) through issuing shares in exchange for cash without excluding the subscription rights of the shareholder, but also by indirect subscription rights in accordance with article 153 paragraph 6 of the Stock Corporation Act; and
   ii) through issuing shares in exchange for contribution in-kind, with or without excluding the subscription rights of the shareholder.

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

8. In 2006 and 2007, the company issued bonds (debentures) of EUR 60,000,000.00 and CZK 200,000,000.00 (for the period from 2006 to 2011) and EUR 70,000,000.00 (for the period from 2007 to 2012). These incorporate the following agreement: where a change of control takes place which seriously impairs the ability of the issuer to meet its obligations in connection with the debentures, every bond creditor shall be entitled to effect maturity of the debentures and demand immediate reimbursement at the nominal amount, including interest accrued up to the date of repayment.

   As beneficiary, the company also concluded a framework guarantee credit contract for EUR 600,000,000.00 during 2006. Under this contract, the agent and the individual lenders are entitled immediately to rescind the respective shares of the framework tranches and demand security where one or more persons (not Group companies) attain a controlling holding as defined in Article 22 of the Takeover Act in the beneficiary or a major Group company.

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

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

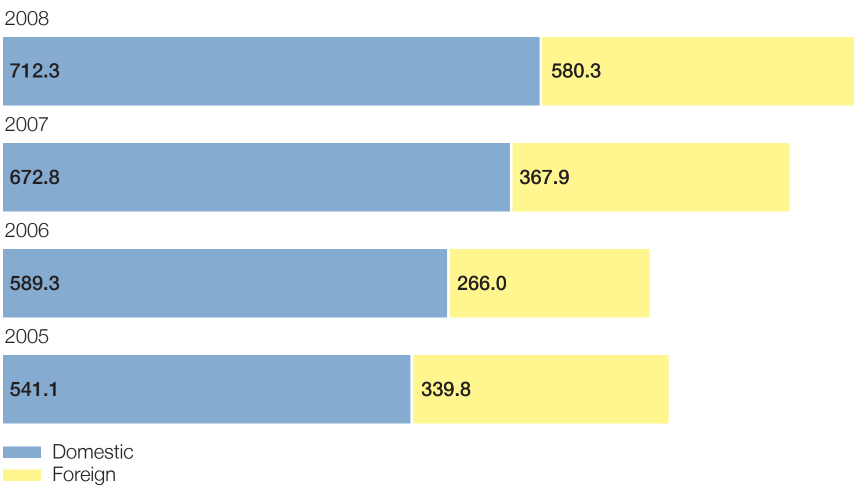
Civil Engineering Segment/ The PTU Group

Key data for the PTU Group	2008	Change	2007	2006	2005
Production output in EUR million	1,292.6	+24.2%	1,040.7	855.3	880.9
Foreign share in %	44.9	+9.6 PP	35.3	31.1	38.6
Order balance at year end in EUR million	1,227.3	–2.2%	1,254,4	1,092.8	663.8
Ø Staffing level	4,961	+6.2%	4,672	3,988	3,562

Key financial data in EUR million	2008	Change	2007	2006	2005
Production output	1,292.6	+24.2%	1,040.7	855.3	880.9
of which foreign	580.3	+57.7%	367.9	266.0	339.8
EBIT	10.6	–65.2%	30.5*)	19.9*)	15.2*)
Investments	32.3	–8.8%	35.4	46.7	17.5
Segment assets	1,733.9	+14.9%	1,509.7	1,323.4	1.291.5
Segment liabilities	1,307.2	+7.6%	1,215.4	1,049.3	999.5

*) See Consolidated financial statements, point 6.3. Changes to comparative information

Production output domestic and foreign (in EUR million)



Production output in 2008 domestic and foreign (in %)

Economic Environment

Two factors had a significant effect on the performance of the civil engineering segment, led by Porr Technobau und Umwelt AG (PTU) in 2008 – the difficult general economic backdrop and the prices of subcontractor services and materials. After extremely high prices at the beginning of the year, particularly for steel and construction materials, prices fell sharply in the final quarter. Uncertainties in the banking sector in the second half of 2008 had a negative effect on the construction industry caused by restrictive credit policies. Large-scale projects were particularly hard hit as a large part of the financing comes from outside sources.

Further organic growth in eastern and south-eastern Europe

The structural changes introduced in the second half of the year helped the PTU Group to grow steadily despite the difficult economic backdrop. They will continue to follow a long-term expansion course in eastern and south-eastern Europe, as the region still represents a promising market thanks to the pressing demand for infrastructure and industrial projects. In all likelihood the growth rates in the construction sector on the CEE and SEE markets will level off but still remain above those of western Europe. For this reason, PTU will continue its growth strategy in the region, albeit with particular attention paid to risk management and currency rate fluctuations.

Both national and international stimulus packages with a focus on infrastructure and research and development are expected on the European markets. Such packages have already been announced for Austria. Similar high-volume, countercyclical measures are also anticipated in the PORR Group's western European markets. As regards the EU member states in eastern Europe, it is still uncertain whether the financial support from the International Monetary Fund (IMF) will not only be complemented by special packages for the real economy from international organisations (World Bank, EBRD, EIB), but that governments themselves will also take appropriate measures to revive the economy. This would not only have the effect of stabilising growth in the building industry, which is high compared to western Europe, but would also keep the economy going.

Investments lead to positive outlook for new orders

Civil engineering is dominated by projects that receive public-sector financing. This means that the medium-term outlook for this sector is stable. PORR, along with subsidiary PTU, is already a well-known player in the infrastructure civil engineering sector. Despite economic turbulence, the announced infrastructure projects brought forward mean that modest growth in order bookings is still expected.

Profile & Business Model

The top priority of the PTU Group is to be Austria's centre of expertise for complexity and innovation in civil engineering and provide the very highest quality standards in this segment. The service range includes civil engineering, rail construction, specialised foundation engineering, tunnel construction, environmental and prestressing technology, as well as resource management.

Cooperation between the supra-regional specialist branches and the local branch offices, as well as teamwork between PTU and PPH has made the PORR Group into a full service provider who is able to offer clients specialist expertise to meet the most diverse requirements. Individual project development, financing and operation of infrastructure projects are also part of the PTU service range. Years of experience and countless references for technically-demanding construction projects provide a sound basis for future tender procurement.

Geographic Presence

Austria

For Porr GmbH (50% PPH, 50% PTU) see Building Construction Segment Report

The PTU Vienna branch office operates in the Vienna region and also supra-regionally on complex large-scale projects in Austria and the neighbouring countries (Slovakia and Hungary). All activities related to civil construction, industrial construction and municipal engineering (such as flood protection projects, underground railways, new bridges, bridge renovation, cut-and-cover tunnels, industrial plants, power plants, waste incineration plants) are processed by the Vienna branch office. The construction of the Waidhofen/Ybbs city tunnel in Lower Austria and the Malzenice power plant in Slovakia were started in 2008. In the field of bridge renovation, the Vienna branch office is almost constantly involved on the A23 Südosttangte and its link roads.

Germany: Prestigious new orders acquired

Civil engineering activities in Germany are carried out by the branch offices of Porr Technobau und Umwelt GmbH and Porr Deutschland GmbH. The main focus of the offices in Berlin, Munich and Frankfurt continues to be on technically demanding, large-scale projects such as the power plant in Dutch Vlissingen or the Irsching steam and gas power plant which was completed in 2008. Other prestigious projects were also acquired or begun: the turnkey erection of an underground substation in Frankfurt, the new construction of the Emscher aperture at the Rhein-Herne Canal in Datteln and foundation work for an office and commercial building in Munich. Thorn Abwassertechnik GmbH is a subsidiary of Porr Umwelttechnik GmbH and works in the shell structure sector in Munich in the areas of cleaning, inspection and renovation.

Switzerland: General contractor projects and civil engineering

PORR SUISSE AG has head offices in Altdorf and Zurich and holds a position in the challenging Swiss market as a general contractor and civil engineering provider with a focus on bridge, rail and road construction. In 2008 it successfully repaired the Lehnen Viaduct in Engelberg, which had sustained flood damage, and also managed the construction of the Biel bypass with the N5 tunnel stretches, successfully realising this important project for the German/West Swiss crossing. Other projects under construction include the residential Jurapark, the “Gstühl Center” in Baden and the workshop for the disabled in Lenzburg. PORR SUISSE AG also won lucrative new orders such as the Geissberg avalanche barriers for the Gurtnellen Council, as well as noise reduction measures at Immensee for the Swiss railways.

Hungary builds more motorways and a power plant

The cross-sector subsidiary Porr Építési Kft. carries out both building construction and civil engineering projects. Following on from the previous sections of the M7 motorway, in 2008 this subsidiary won the tender for one of Hungary’s largest infrastructure projects, the PPP M6 motorway (middle section) project from Dunaújváros to Szekszárd, and the contract to build the Gönyü power plant.

Romania: new concrete works and an additional site

Porr Construct S.R.L. in Romania consolidated in 2008. In addition to ongoing projects such as the Campina-Predeal railway construction, this cross-sector company won tenders in different business areas including the construction of two ski lifts in Gura Humorului. A new plant for concrete production was built in Bucharest, while in western Romania a new office opened to improve market coverage and development in the region.

Eastern and south-eastern Europe: further organic growth

The cross-sector subsidiaries in the CEE and SEE regions expanded their business activities in 2008. The focus continued to be on infrastructure, with PTU acquiring and realising projects such as repair works on the E75 motorway through Belgrade, the reconstruction and modernisation of a two-track rail stretch from Belgrade in the direction of Batajnica-Golubinci on the Croatian border, construction of the Sava Bridge in Belgrade and extension of the road from Risian to Zabljak.

Range of Services

The civil engineering services on offer from PTU cover a massive range including bridge, road, underground railway, parking and industrial construction, as well as building waste incineration plants, sewers, district heating networks and noise barriers. Complex international structural engineering projects are as much a part of the multifaceted service offer as regional and municipal civil engineering projects.

Regional construction projects in Austria are handled by the Vienna Branch Office and Porr GmbH. The Vienna Branch Office and the department for supra-regional civil engineering are responsible for cross-regional activities. In 2008 PTU acquired an array of major orders such as maintenance and improvement works on the E75 motorway in Serbia and works on the Rjinmond 2 Power Plant in the Netherlands.

Rail specialists realise infrastructure projects at home and abroad

The rail construction sector builds new rail-related structures and renovates existing ones. In addition to rail bridges, stations, underpasses, platform and rail-track works, the core competencies of this department also include special track substructures such as the invention of the ÖBB-PORR "slab track" system. In this cutting-edge system embedded monoblock sleepers are encased in rubber. Numerous new orders acquired in this sector include the renovation of the Linz/Kleinmünchen Station, the Danube Bridge in Tulln where the existing rail bridge will be removed and replaced by a new steel construction, track works on Vienna's U2 line for Wiener Linien GmbH & Co KG and repairs and upgrading on a section of the Semmering stretch. In Serbia the company was successful in winning the tender for the rail line from Belgrade to the Croatian border between Batajnica and Golubinci, which is sure to showcase the group's comprehensive infrastructure expertise.

International success with specialised civil engineering

The foundation engineering department deals with a broad range of specialised civil engineering services such as constructing bored piles, slurry walls and diaphragm walls with drilling, grouting and piledriving techniques. One of the many outstanding projects realised in 2008 is the Town Town project in Erdberg, Vienna. The department led the building preparation works with drilled piles and slurry walls. Other projects included the foundation works for the Sava Bridge in Belgrade and foundation works for the M6 in Hungary. One special project in Austria was strengthening the existing bridge girders of the Danube Bridge in Tulln by erecting sheet piles.

Tunnel construction benefits from experience and market leadership

Extensive experience, expertise and a thirst for innovation in every area of tunnel construction – that's what Porr Tunnelbau GmbH is known for. In 2008 new orders such as the Osterberg Tunnel in Germany and the City Tunnel in Waidhofen were acquired. Tunnelling works were completed on time on the projects under construction, for example the Tauern Tunnel and the S35 from Bruck an der Mur to Graz achieved tunnel breakthroughs. Other projects include the Finne Tunnel, the Osterberg Tunnel and the second tunnel for the Schaala by-pass in Rudolfstadt/Germany, the two-lane motorway tunnel in Delnice/Croatia, the LF-Moos project for Zurich's drinking water supply, the Biel by-pass in Switzerland and the Wienerwald Tunnel, the Lainzer Tunnel and lot H3-4 as part of the extension works on Unterinntal stretch. Porr Tunnelbau GmbH is the market leader in Austria for mechanical tunnelling with TBMs (tunnel boring machines).

Environmental technology expands to Poland and Romania

The multifaceted services provided by Porr Umwelttechnik GmbH cover every area of environmental technology and include project development, remediation of contaminated sites, concepts for recycling and waste processing and waste management services. One task is developing innovative solutions in the waste management sector. Another is the operation of cutting-edge waste treatment and decontamination facilities as well as landfills and tips for every category of waste, which PTU operates alone or with partners. In 2008 the service spectrum was also extended abroad, in particular in Poland and Romania. Interesting projects in this field include the renovation of the gas works in Wiener Neustadt and Graz, as well as the demolition of the former post office at Vienna central railway station.

Vorspann-Technik now in Russia

The range of services from Vorspann-Technik GmbH & Co. KG, which was sold in February 2009, includes the distribution and assembly of bonded and non-bonded post-tensioning systems, stay cables, heavy lifting equipment and tie bars. Orders for the Salzburg-based company in 2008 included projects such as cable fitting on the U2/6 Donaumarina, maintaining the stay cables on the A4 Danube Bridge and the ORF transmission mast in Freinberg. An additional project acquired was the post-tensioning works for two further containers in the Shurovo concrete plant in Russia.

Ongoing investment in resources

PTU has been investing for years in building up and extending location-based resources such as landfills, quarries, gravel pits and concrete plants to ensure ongoing independence and guarantee future market opportunities. A leading company in this field is Schotter- und Betonwerk Karl Schwarzl BetriebsgmbH, a wholly-owned PORR subsidiary under the industrial management of PTU. The company has a dense network of mixing plants, gravel pits and quarries in Austria, Germany, Hungary and Croatia.

Research & Development

Strength in innovation and technological expertise in civil engineering characterise PTU's services and are a key factor in the group's economic success. One trailblazing development was the "slab track" system from ÖBB-PORR. The cutting-edge system was developed in conjunction with Austrian Rail and involves embedded monoblock sleepers encased in rubber. This system is suitable for high-speed tracks and is characterised by a longer life span with lower maintenance requirements. While PTU works on innovative solutions for sealing and foundation elements in the specialised foundation engineering sector, research activities are also ongoing in the fields of tunnel driving and tunnel renovation works. Another key area for research and development is the treatment, recycling and disposal of waste as well as remediation of contaminated sites.

Risks

As PTU projects are characterised by a high degree of complexity and rising technical and financial requirements, realising them in the best way possible requires ongoing risk management. This process not only involves pinpointing risks in the execution phase, but also identifying specific problems and opportunities right from the preparation stage. Risk management covers the complete cycle of risks, both in the execution phase and the follow up stages after project completion. The latest findings related to possible risks are directly incorporated into PTU's acquisition process.

Some of the most well-known, cyclical and industry-specific risks in the construction sector include ground risks, weather risks and contract risks. The challenge of supplying the construction project with the necessary resources is a particular risk in the CEE/SEE region, to which the expert staff must pay special attention. On the other hand, it is also necessary to secure an uninterrupted commodities supply for individual projects in the future.

One other key risk is related to the bidding process in CEE/SEE countries: this often involves country-specific processes and therefore sufficient resources have to be allocated during the project planning stage.

Opportunities

The potential of the construction industry will be increased through state stimulus packages, especially in the infrastructure sector. Among PTU's core competencies is the multifaceted, tried-and-tested expertise in specialist areas such as tunnel construction, where the competition faces significant barriers to market entry. One important opportunity comes from PTU's experience in implementing PPP models – the expertise available and the markedly reduced range of bidders may open up new opportunities.

Targeted cooperation with different specialist departments, such as bridge and road construction and foundation engineering, enables PTU to submit highly efficient offers to customers in terms of execution and price.

The field of environmental technology is a key future growth area. PTU has extensive expertise in this sector which now offers a crucial competitive advantage.

Outlook

The high order backlog means that PTU predicts a continuation of normal business for 2009, even in the face of all economic risks. The underlying principles continue to be secure domestic business thanks to the strong position on the Austrian market and a conservative, organic growth strategy on the foreign markets.

Serious effects from the economic crisis are expected to hit the construction industry in 2010. Measures from the public sector could act as a counterbalance to the feared drop in business, provided that they are implemented in good time. Alongside these measures, reorganisation initiatives and an effective cost management system will be introduced in 2009.

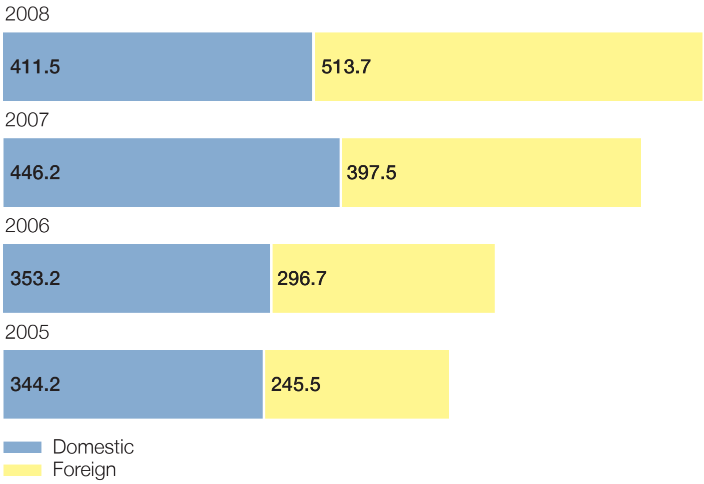
Building Construction Segment/ The PPH Group

Key data for the PPH Group	2008	Change	2007	2006	2005
Production output in EUR million	925.2	+9.7%	843.7	649.9	589.7
Foreign share in %	55.5	+8.4 PP	47.1	45.7	41.6
Order balance at year end in EUR million	870.8	+10.5%	787.7	575.6	452.8
Ø Staffing level	2,401	+14.1%	2,105	1,834	1,867

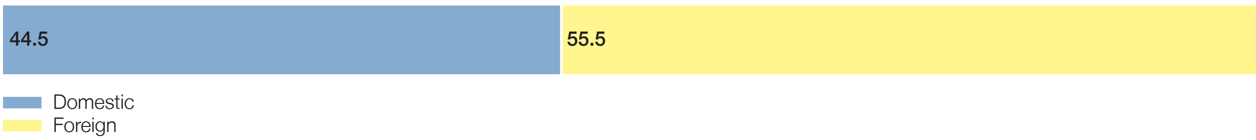
Key financial data in EUR million	2008	Change	2007	2006	2005
Production output	925.2	+9.7%	843.7	649.9	589.7
of which foreign	513.7	+29.2%	397.5	296.7	245.5
EBIT	32.2	+84.0%	17.5[*)]	15.7[*)]	14.6[*)]
Investments	28.1	–18.6%	34.5	5.6	6.5
Segment assets	1,172.7	+18.1%	992.8	725.3	664.4
Segment liabilities	1,065.9	+16.0%	918.6	661.0	609.0

[*)] See Consolidated financial statements, point 6.3. Changes to comparative information

Production output domestic and foreign (in EUR million)



Production output in 2008 domestic and foreign (in %)



Economic Environment

Economic conditions in 2008 were largely favourable in the first half year for the building construction segment, led by Porr Projekt und Hochbau AG (PPH), although the situation worsened significantly in the second half year. Amounting to around EUR 700m, the high level of order bookings achieved by PPH in 2007 was repeated in 2008. However, acquiring new orders became progressively more difficult in the second half of the year, given the general economic backdrop. The bursting of the real estate bubble in the USA and its overlap to Europe also affected project development in building construction. Construction projects in the planning stage – particularly in the privately-financed sector – were put on hold or cancelled. The crisis on financial markets triggered by the property slump resulted in the banks adopting more restrictive credit policies, which had a negative effect on investment in new projects. The knock-on effects that the global slump had on eastern European markets resulted in a ratio of domestic to foreign order bookings of 49% to 51%.

Order backlog from residential and office construction provides a cushion

Around half of the output volume was realised in Austria. The increase in demand for residential and office building in the first half year meant that PPH was able to acquire a string of interesting construction projects, which can now be used as a cushion for 2009. In 2008 the revitalisation, adaptation and renovation of existing buildings was a particularly lucrative source of revenue. The trend towards modern, energy-efficient construction and living continues unabated. Despite the negative economic backdrop, PPH managed to improve its position on the markets in Poland, the Czech Republic and Slovakia and revenues in these countries rose once more, exceeding those from 2007.

Stimulus packages yield new projects

The problematic economic environment will continue throughout 2009. Falls in growth are a possibility in the building construction sector for the current year, because of the financing restrictions in private construction. However, PPH assumes that profitable projects will continue to secure the necessary financing. Given the current macroeconomic situation, PPH will move towards an increased focus on operative activities in the infrastructure segment, as EU and national programmes are expected to make such projects simpler to realise. The building construction infrastructure segment includes schools, hospitals and detention centres – areas in which PPH has been active for a long time and has the necessary expertise to acquire profitable projects. The stimulus package from the Austrian government, including for example extensions, renovations and thermal upgrades of public buildings, offers interesting opportunities in the building construction segment despite the general economic downturn.

Profile & Business Model

PPH is responsible for the building construction activities of the PORR Group in the fields of general contractor services, high rise buildings, hotel and residential construction, office and industrial construction as well as revitalisation, adaptation and renovation works.

The core competencies of the PPH Group lie in top quality building construction, excellent technical expertise and extensive experience in project management for complex building projects in central, eastern and south-eastern Europe. Supra-regional specialist departments work together with local branch offices, enabling the client to benefit from comprehensive expertise, while cooperation with PTU enables PORR to operate as a cross-sector provider. This allows PORR to see off the stiff competition at home and abroad.

Strength in Austria and beyond

Subsidiaries and affiliates at home and abroad contribute to the company's success. Shareholdings in the Polish companies Modzelewski & Rodek Sp.z o.o. for skilled construction work and Stal-Service Sp.z o.o. for processing and supplying construction steel contributed to earnings in 2008.

The subsidiaries of the PORR Group operate a wide network of concrete mix plants and gravel pits at home and abroad, ensuring that access to raw materials remains uninterrupted and accessible at fair market prices.

Geographic Presence

Austria brings countless successful projects such as the EURO 2008 stadiums

Demand in Austria generally remained high in 2008. Investments in construction increased and it was residential construction and revitalisation that profited in the building construction sector. In Vienna, notable projects realised included Siemens-City, St. Pölten Campus University of Applied Science, Vorgartenstraße Geriatric Centre and, as an example of residential construction, the Stadlauerstraße residential complex. The revitalisation and renovation segment continued to perform especially well.

Porr GmbH (50% PTU, 50% PPH) and its branch offices in the provinces of Lower Austria, Upper Austria, Salzburg, Tyrol, Styria and Carinthia continued to grow steadily. In 2008 construction projects acquired included the construction of an R&D administration centre for Novomatic in Gumpoldskirchen, the new construction of a "forest sanatorium" in Perchtoldsdorf and revitalising the Linz/Kleinmünchen station under tender for ÖBB, the Austrian Railways. The football stadiums for EURO 2008 in Klagenfurt, Salzburg and Innsbruck, the renovation and extension of the Upper Austrian Chamber of Labour – a historic building in Art dèco style – as well as numerous orders at Zeltweg airbase were all successfully realised in 2008, along with many other building projects.

Germany achieves solid increase in output

The positive trends seen in the construction industry in Germany in 2007 mostly continued in 2008. Turbulence on the financial markets hardly affected order bookings or revenues in the construction industry in 2008.

Porr Deutschland GmbH, concentrated on Munich, Frankfurt and Berlin, managed to record a double-digit increase in output, mainly thanks to high levels of new orders in building construction and the high order backlog in civil engineering which remained from the previous year. The order backlog in commercial construction, a key economic driver for the construction industry, was up in real terms by around 9% in 2008. The second source of support for the construction industry was the public sector, with an increase of around 4% on the previous year. Increased revenues from business tax were used by the authorities to relieve the investment backlog from previous years and they also made investments which had previously been deferred. As expected, residential construction growth was weaker than in the previous year.

Poland: new regional office in Lodz

PORR (POLSKA) S. A. showed extremely positive developments in the year under review and managed to increase revenues significantly against the high levels of the previous year. They built a string of notable structures in Poland, whereby the focus was on office and hotel building as well as commercial and industrial construction. In contrast, residential building fell slightly. The regional offices in Krakow, Wroclaw and Poznan consolidated their positions on the market and a further regional office opened in Lodz as planned, significantly improving market presence in central Poland.

PORR in the Czech Republic: above-average market performance

In the Czech Republic, Porr (Česko) a.s. achieved massive revenue increases in a market environment characterised by moderate growth. In addition to activities in Prague, the regional offices in Brno and Budweis (České Budějovice) also contributed significantly to the positive results. The main overall focus was on activities in office and commercial construction. Residential, hotel and industrial building complete the range.

Hungary, Slovakia, Ukraine, Croatia, Romania

Porr Építési Kft. has managed to position itself successfully as a cross-sector company for building construction and civil engineering on the Hungarian market. The main building construction activities are in office and hotel building.

In Slovakia, Porr (Slovensko) a.s. increased revenues once again and successfully completed several major projects including a large-scale office construction in Bratislava. The company is currently working on another office construction project as part of a joint venture.

Based in Kiev, TOV "Porr Ukraina" carried out intensive market observation in the year under review. However, the problematic economic backdrop and monetary policy conditions in the Ukraine meant that numerous construction projects were put on hold.

In Croatia demand for residential construction continued to define the market, while demand for office building had already begun to fall in 2007. New orders include the Samobor residential complex and the Post Logistics Centre in Zagreb.

Porr Construct S.R.L. in Romania, established four years ago, can look back on 2008 as a year of consolidation. A cross-sector company, it acquired interesting projects in the fields of building construction, civil engineering and environmental technology. The group currently operates eight holdings in Romania. In addition to extending a concrete production factory in Bucharest, it also opened a new site in the west of Romania (Timisoara), which should improve regional business coverage.

Range of Services

Building construction in central, eastern and south-eastern Europe

The PPH Group is responsible for all of the PORR Group's classic building construction activities in CEE and SEE. The most important service fields remain office and hotel building and residential construction. In 2008 there were also successful acquisitions in industrial and engineering construction, hospital building, spas and pools, sport and leisure facilities as well as the revitalisation, adaptation and renovation of existing buildings. Ongoing building projects were successfully completed on time and on budget.

New construction of residential facilities in Vienna

The division "Neubau Wien" is responsible for executing construction works and general contractor services in all sectors of residential, office and industrial construction, predominantly in the Vienna region. Exceptionally successful projects completed in Vienna in 2008 include the Monte Laa residential complex and the Landgutgasse residential complex, the Franzosengraben office building and the AMS-Laxenburgerstraße, an office and residential building.

Revitalisation of cultural buildings in and around Vienna

The revitalisation department is mainly responsible for carrying out restoration works on buildings in the Vienna region. Years of experience and expertise acquired over a long period mean that the core competencies are the restoration of heritage-protected or listed sites, in particular cultural buildings such as museums, theatres and concert halls. Other strengths include thermal renovation, refurbishing facades, masonry and construction components as well as concrete repairs. Notable projects in 2008 include works on Wüstenrot Versicherungs AG in Vienna, the reconstruction and modernisation of an office/retail/residential complex and the new construction of loft apartments, the Mauerbach Charterhouse – 10 years of reconstruction for the heritage preservation office – and the complete renovation of Theater in der Josefstadt in Vienna.

Major projects in Vienna, Linz and Bratislava

The major projects department predominantly deals with the execution of large-scale projects in office, hotel, high-rise and industrial construction. Outside Austria major projects are developed in cooperation with subsidiaries and group holdings. Many important projects were carried out successfully in 2008 both at home and abroad. Notable projects included the construction of the fourth section of the Office Park Euro Plaza in Vienna in the role of general contractor and the Terminal Tower in Linz. This high-rise office building includes plans for 26 storeys. A key project in Bratislava is the EUROVEA International Trade Centre. This multi-functional project will consist of apartments, office buildings, a hotel, a fitness centre and a cinema complex.

Showcasing building technology

Building technology is a key unit of PPH. As a complete service provider, it is responsible for calculation, projections and construction execution for building construction projects of every kind. Building technology is a far-reaching field of expertise at PPH, covering the areas of heating, cooling, ventilation, sanitation, I&C technology and power and communications engineering. It operates as a European player, making it a strong partner for both private and public-sector projects. Notable projects in 2008 included Erste Bank SLSP Bratislava, where innovations in building technology resulted in the first heating/cooling ceiling of 24,000m². Also worth mentioning is the Riem Arcaden construction project in Munich which began in 2008. The site will meet the "Green Building" standard and will lead to additional points in the Green Building rankings, thanks to the application of existing know how from the PORR departments.

Research & Development

The strengths of PPH lie in complex large-scale construction projects, thanks to years of experience and extensive expertise gained in innovation. When it comes to high-rise buildings, hotels and office buildings, customers experience an advantage right from the moment they receive an offer e.g. for facade construction and/or building technology. The same is true for the revitalisation and renovation sector, where the experience and expertise of PPH brings benefits to the customer both at the tender stage and during execution, saving the customer time and money.

Risks

The strategic decision to increase market activity in CEE and SEE countries carries the risk of varying economic and political conditions; on the other hand, it also offers an opportunity to balance regional and economic influences more successfully. PPH's advanced expertise and flexibility, coupled with a strict cost management system, is the basis for steady improvements in competitiveness. To what extent this will succeed depends on the effects that the financial crisis will have on the eastern and south-eastern European markets. Forecasts currently suggest a downturn in economic growth and PPH therefore expects a slowdown in new projects as customers struggle with rising refinancing costs.

In order to identify risks early on, to evaluate them and to overcome them, the PPH Group is permanently working on optimising risk management. This starts with a standard check of cost and contract risks in the pre-preparatory phase, then goes through to the group's finance management who look at hedging measures, followed by thorough claim management at the building site, regular monitoring processes through ongoing, internal controls using audit and controlling instruments, and finally a feedback process to avoid the repetition of any mistakes related to the project.

Opportunities

PPH has comprehensive technical expertise and extensive experience in complex building construction projects. Customers can be offered complete solutions, as the segment has access to the expertise of other group companies when realising projects.

The national and international stimulus packages which have been announced are expected to lead to higher investment in infrastructure in the building construction segment. These include the new construction and renovation of educational facilities, hospitals, detention centres and other municipal infrastructure and represent a promising opportunity for 2009 and the following years.

Outlook

On the basis of the positive segment results in 2008, along with a satisfactory order backlog, PPH expects stable revenue growth, despite the growing economic risks, as long as the stimulus packages take effect. PPH will intensify its business with regular customers in Austria in 2009 and the Austrian government has also announced high investment in new structures, renovations, refurbishments and thermal upgrades as part of an economic stimulus package. Timely realisation of these projects is urgently needed, although it is not currently clear when they will be implemented. All of these projects are being closely observed by PPH and could increase the order books even further.

On the foreign markets, especially in CEE and SEE, there remains a pressing need to catch up in terms of infrastructure and new residential construction. Preparatory measures in cost management and improvements in project management have been implemented in order to address this demand and PPH is also intensifying its focus on high-margin projects.

The construction industry expects to be more heavily affected by the financial crisis in 2010. Reticence has already been seen in private-sector commercial and new residential construction, although public-sector business should compensate for this. In the foreign markets in eastern and south-eastern Europe in particular, PPH is primarily involved in privately financed projects in building construction. Timely capacity adjustments will be implemented in any countries in which the order backlogs fall short of expectations in the middle of 2009. In contrast, in Austria the public sector plays a more important role in commissioning projects, meaning that PPH may be less affected in this market.

2009 will be a year of following developments in the construction industry carefully, identifying them early on and – where necessary – counteracting them. This will set the course for the continued, profitable growth of PPH.

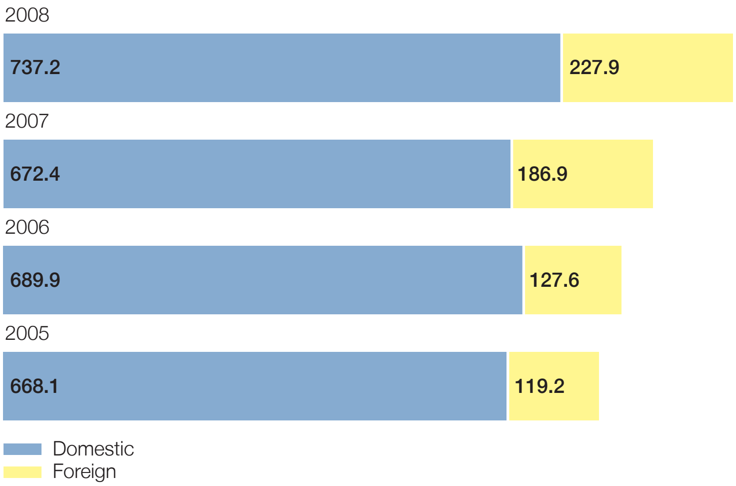
Road Construction Segment/ The T-A Group

Key data for the T-A Group	2008	Change	2007	2006	2005
Production output in EUR million	965.1	+12.3%	859.3	817.5	787.3
Foreign share in %	23.6	+1.9 PP	21.7	15.6	15.1
Order balance at year end in EUR million	463.9	+15.1%	402.9	345.0	349.5
Ø Staffing level	4,754	–0.5%	4,777	4,793	4,812

Key financial data in EUR million	2008	Change	2007	2006	2005
Production output	965.1	+12.3%	859.3	817.5	787.3
of which foreign	227.9	+21.9%	186.9	127.6	119.2
EBIT	28.0	+32.7%	21.1*)	27.0*)	27.8*)
Investments	27.1	+15.8%	23.4	15.1	18.9
Segment assets	742.2	+6.5%	696.7	575.9	514.0
Segment liabilities	399.9	+6.8%	374.3	397.8	345.6

*) See Consolidated financial statements, point 6.3. Changes to comparative information

Production output domestic and foreign (in EUR million)



Production output in 2008 domestic and foreign (in %)

Economic Environment

2008 was a satisfactory year for the road construction segment, led by TEERAG-ASDAG AG (T-A). The order backlog in civil engineering led to growth in the first half year, in which building construction also rose. The economic downturn in the second half year, along with the worldwide collapse on the capital markets, also had a negative effect on the road construction sector. Despite this, road construction increased by 27.7% to EUR 1.77bn (according to Statistik Austria).

T-A Group profits from increased demand

The year 2008 was generally positive for T-A and its subsidiaries. T-A managed to profit from increased demand across all sectors. Because of the extremely selective order policy, the increase in turnover was not as high as overall industry growth. In 2008 T-A focused on acquiring lucrative building projects. Conservative growth and a selective order policy have been part of the T-A's main strategy for years.

The economic situation abroad in 2008 was characterised by high demand, in Poland and the Czech Republic in particular. Numerous building projects were financed with EU funds in order to promote infrastructure improvements. This was also beneficial to the T-A subsidiaries, who managed to generate higher revenues than in 2007 especially in the road construction sector.

Positive order backlog

Despite the economic slump, the order situation developed well in 2008. At December 31st 2008, T-A had 6.9% more orders on its books than the previous year. The value of the T-A Group's orders was also significantly higher than the previous year. This means that around half of revenue forecast for 2009 is already on the books. Foreign business accounts for around 37% of the total orders on hand.

Interest rates rose in the first three quarters of 2008 which had a negative effect on the T-A Group's interest charges. Prime rates were cut in the fourth quarter of 2008 in order to revive the economy and T-A's interest charges also fell. This was not enough, however, to compensate for the high interest rates in the first nine months. There was also a negative effect from the fall in investments, above all in the private sector. This trend is set to continue in 2009. The outlook for the coming year is mostly positive. Given the low number of private clients, along with the numerous stimulus packages in T-A's core markets, the slump in orders should not have a serious effect on the operating profit.

Profile & Business Model

T-A, in which Allgemeine Baugesellschaft – A. Porr AG (PORR) holds 52.5%, is one of Austria's leading companies in road construction. In addition to PORR, the main shareholder who also assumes industrial management, Wiener Stadtwerke Holding AG holds 47.2% of the shares, and the remaining 0.3% are in free float. T-A is a comprehensive, universal provider in road construction and municipal civil engineering with high value creation. In addition to road construction, environmental engineering is also one of the group's core competencies. In recent years T-A has steadily expanded its service range in the sealing, road marking, gardening and landscape sectors. The T-A Group realises both small, private-sector projects and large complex construction projects predominantly for public-sector commissioners.

High competitiveness provides resistance to crisis

T-A's equity, above average when compared to competitors, provides a solid basis for facing the current problematic economic backdrop. The high percentage of regular staff with many skilled workers closely tied to the company is an additional key group strength.

Another significant factor in T-A's success is high value creation and excellent positioning in the core sectors of road construction and environmental engineering thanks to the comprehensive service coverage across Austria and the Czech Republic. Customers are predominantly from the public sector and they appreciate the customer proximity on site, as well as the tried-and-tested execution quality. Many private customers also choose T-A because of the value for money offered, along with the outstanding approach to incorporating customer requests. The goal of providing the market with innovative products and comprehensive solutions is achieved by stringent, ongoing quality checks.

T-A has six wholly-owned and 28 syndicated asphalt mixing plants across the whole country, thus ensuring access to important resources and raw materials. The audited, company-owned laboratory, an internal office for planning and statics and the expertise from specialist departments such as the technical business administration department who provide support with claim management, for example, are available to the whole of the PORR Group. These staff units make a significant contribution to the success of the T-A Group.

Geographic Presence

Core market - Austria

Since T-A's founding in 1914, its core market has been Austria. Here the group is represented in every province and region through its branch offices and subsidiaries. T-A is particularly well positioned on the regional market in Styria, where it has eight regional construction offices.

One of the largest T-A branch offices is situated in Vienna where the headquarters are also found. The Wien-Simmering operation centre, jointly operated by T-A and PORR, boasts approximately 150,000m² of space and houses all office, workshop and storage space of the subsidiaries operating in Vienna, in addition to their entire equipment and machinery park and an onsite asphalt mix plant.

Active across twelve European countries

The T-A Group has dramatically expanded its operative business fields in recent years. The group now extends to the Czech Republic, Poland, Hungary and Slovakia, where T-A is represented by wholly-owned subsidiaries. Furthermore, T-A has affiliates or subsidiaries of the sealing company IAT GmbH in Switzerland, Croatia, Czech Republic, Italy, Germany and Spain. T-A has also entered the Serbian market with one construction project.

New large-scale projects in the Czech Republic and Hungary

In the Czech Republic, the subsidiary Pražské silniční a vodohospodářské stavby a.s. (PSVS) has been operating successfully in the Prague region for years and is also represented in Bohemia and Moravia with branch offices. In 2008 it managed to acquire multiple major construction projects, such as the Nyburk City Bypass, to be realised as part of a joint venture.

TEERAG-ASDAG Építöipari és Kereskedelmi Kft., with its headquarters in Györ and a branch office in Szombathely, mainly services the west of Hungary in the road construction sector. It also deals with sewage construction projects. In 2008 an additional branch office was founded in Tét in the north-west of Hungary. In order to increase value add, the T-A Executive Board decided on the extension of an asphalt mix plant in Zalakomar, which has already gone into operation. Together with PORR, and with a significant role played by TEERAG-ASDAG Kft., the large M0 motorway project was completed in 2008. From 2009 on, 50% of the asphalting on a stretch of the M6 motorway in Hungary will be undertaken in cooperation with sister company Porr Technobau und Umwelt AG.

Poland: group-owned building yard with storage space and asphalt mix plant

TEERAG-ASDAG POLSKA Sp. z o. o. operates in the Warsaw region and has already successfully realised several road construction projects. They are currently working on a construction project for the Plonsk bypass. In 2008 the company established a building yard with storage space near Warsaw and also began operating the company's own asphalt mix plant. This provides the company with a solid location and guarantees the supply of top quality asphalt mix for realising road construction projects.

Slovakia: plans for own asphalt mix plant

T-A has now also gained a foothold in eastern Slovakia with the subsidiary TEERAG-ASDAG Slovakia s.r.o. An asphalt mix plant is planned in Kendice in order to extend regional coverage and to improve the company's value add.

Increasing value add abroad

The factors which affect the competitive situation abroad are different to those which prevail in the competitive environment on the domestic market. International competition in Austria is not as fierce as in some other countries. Even in Austria, major international construction groups do however compete for high-volume projects (e.g. A5 motorway, resurfacing A10 motorway). The Austrian market is mainly made up of numerous small, local construction companies whose strength on the regional markets should not be underestimated. Outside Austria the competitive pressure from international construction groups is tremendous, especially for large-scale projects. This is why T-A has set itself the goal of increasing value add and consolidating its strengths, in order to extend the successful application of the business model to foreign markets.

Range of Services

Road construction generates 45% of output, foreign revenue almost 40%

Road construction, the core business sector of T-A, generated around 45% of total output for the group in 2008. In this sector, T-A realised many projects both at home and abroad: from large-scale, complex projects such as the construction or renovation of motorways and dual carriageways, right through to small-scale asphalting of pavements or driveways in the private sector.

The pressing need to catch up in the infrastructure sector means high demand and this has in turn made T-A highly successful in this sector abroad. Foreign revenues in road construction accounted for almost 40% in 2008.

Environmental engineering accounts for 20% of turnover

Environmental engineering, which includes provision of supply and sewage systems and the construction of sewage treatment plants and noise barriers, was the second most important sector for T-A in 2008, generating almost 20% of revenues.

Numerous projects in concrete construction and bridge building

Many representative projects were developed and newly acquired in 2008 in the concrete construction and bridge building sector, which includes the erection of power stations, concrete roads and avalanche galleries as well as bridge construction, mainly at municipal level, and the renovation of major bridges.

Sealing with innovative systems

T-A is represented in the sealing sector by its subsidiary, IAT GmbH, who predominantly deals with tunnel, landfill and reservoir sealing projects and is one of the leading providers in this field in Austria. The company is also successfully represented abroad with several subsidiaries and affiliates. The broad range of services in this sector also includes gardening and landscaping activities.

Showcasing road markings

Road markings represents one of the T-A Group's leading sectors. Group companies in this field predominantly carry out road track marking, painting and coating works.

Research & Development

The internal group laboratory "ARGE Baustofftechnologie, Entwicklung und Prüfung (ARGE Bautech)" carries out testing and development for the T-A Group and the PORR Group as a whole. In 2008, ARGE Bautech managed to secure the CE marking for all bitumen mix types produced at the production facilities run by ARGE Bautech on the basis of European norms.

T-A's main research interests lie in the testing, improvement and development of techniques, technologies and measurement methods in the asphalt and bitumen sector. This is why T-A, along with Vienna Technical University and other industrial partners, contributed to the foundation of a laboratory in 2002 for "application-behaviour-orientated optimization of flexible road connections" under the patronage of the Christian Doppler Research Association.

Risks

Since the last quarter of 2008, there has been widespread uncertainty with regard to the levels of fall in demand which will result from the current global financial and economic turbulence. In all likelihood the risk from reduced calls for tender from the public sector and lower levels of investment from private customers will only increase in 2009 and 2010. A fall in orders from private clients was already noticeable at the beginning of 2009 and some construction projects have been postponed or cancelled completely.

Another risk here is the possible payment default or even bankruptcy of private customers which could have a negative effect on the bottom line. In order to minimise this risk, more attention will be paid to credit checks and securing payment from principals through bank guarantees.

The high price fluctuations which took place in 2008 led to uncertainties in commodities prices and price trends for fuel, gas, electricity and bitumen, for example. This risk is expected to remain in the coming years.

The risk from bitumen price changes is particularly important in the road construction segment, as bitumen is a key component in manufacturing asphalt mix. It is extremely difficult to predict bitumen price trends and these can only be hedged by including an price change agreement in the contracts. However, private principals tend to insist on fixed-price contracts, which means that in order to remain competitive it is almost impossible to take unforeseeable price increases into account during the calculation stage. If these costs occur, they must be covered by the company itself. As regards public-sector contracts, the awarding authority specifies precisely whether the contract involves a variable or fixed price. In general, construction projects for a period of less than twelve months have a fixed price. Contracts with variable prices are tied to the building-cost index and cost increases can then be passed on to the customer on the basis of an index change.

Opportunities

In the current problematic economic and financial environment, one of the biggest opportunities for the T-A Group is the acquisition of construction projects in Austria which come from additional calls for tender. This chance is increased by the stimulus packages which have been announced and the targeted construction projects which have been brought forward by the public sector. The additional tenders in the construction industry which have been introduced by governments and international financial institutions as a way of stimulating the economy could have a positive effect on this business segment.

As in the past, there remains a high demand in eastern Europe for infrastructure. This is why many projects, in particular in high-ranking road construction (motorways, carriageways), are to be subsidised by the European Union and other international financial institutions. There are opportunities here for T-A's foreign subsidiaries in Poland, Hungary, the Czech Republic and Slovakia to acquire new construction projects. This will lead to a further increase in the strength and economic independence of these subsidiaries.

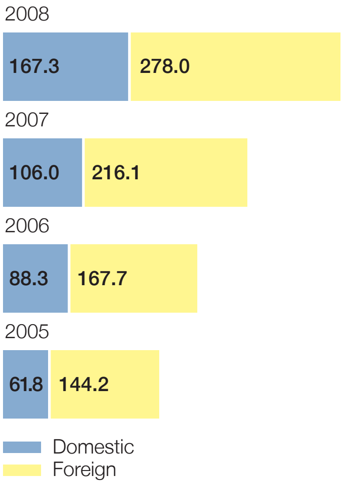
Outlook

In addition to the strategy of sustainably retaining existing market share in Austria by improving the core competencies of road construction and municipal civil engineering, T-A has set a target of conservative organic growth in the existing foreign markets in 2009 and 2010. Taking into account the difficult economic backdrop, the T-A Group has forecast construction output for 2009 similar to 2008 levels. In terms of the domestic/foreign output ratio, T-A also expects no significant change from the current levels.

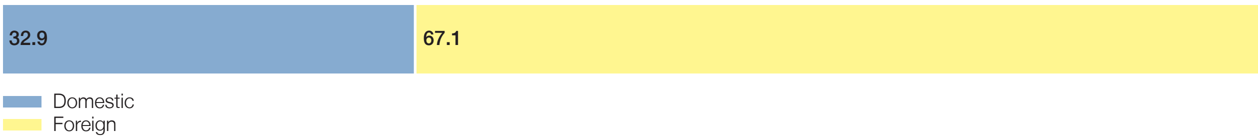
The Porr Solutions Group

Key data for the Porr Solutions Group	2008	Change	2007	2006	2005
Project volume in EUR million	445.3	+38.2%	322.1	256.0	206.0
of which domestic in EUR million	167.3	+57.8%	106.0	88.3	61.8
of which abroad in EUR million	278.0	+28.6%	216.1	167.7	144.2
Ø Staffing level	87	+47.5%	59	43	41

Invested project volume domestic and foreign (in EUR million)



Invested project volume domestic and foreign (in %)



The Porr Solutions Group does not form a separate segment in the financial statements. The projects that the Group develops and realises in the fields of infrastructure, real estate and energy impact mainly on the revenue and profit figures for the PTU and PPH divisions.

Economic Environment

The economic backdrop in 2008 was generally positive in the first half year, with conditions worsening in the second half year. In Austria and Germany, the most important markets for Porr Solutions Immobilien- und Infrastrukturprojekte GmbH (PS), demand for rented space held steady in both the public and private sectors in the first two quarters and real estate transactions continued to show high sales prices despite the start of the financial crisis. Improving infrastructure in the education sector, project development and realisation of major public-sector projects were all at the forefront of the industry.

Backdrop worsens in second half of 2008

The second half of 2008 was more problematic for PS. Once the US financial and property crisis spread to Europe, it also had a significant impact on the economies in the German-speaking world. One of the effects was on ongoing financing for real estate projects; private investors withdrew from planned investments or postponed them.

The economy in eastern Europe grew steadily until the second quarter 2008 due to high investment demand. This upsurge then slowed down in the middle of the year because of the start of the economic crisis.

Steady demand for public-financed projects

The counter-cyclical stimulus measures and generally high demand for improvements in infrastructure (transport, energy, environment) led to steady, secure project demand. Given the difficult market conditions, many projects in the real estate sector were postponed or cancelled. Well-structured projects are, however, expected to continue to be able to secure the necessary financing.

PORR concentrates its activities in the energy sector

Porr Energy GmbH was founded in April 2008 in order to keep abreast of developments on the energy market. This company is the centre of excellence for all of the PORR Group's activities in the energy sector. This strategy led to the successful participation of PS in bidding processes for 32 small hydro power plants in Romania. Further projects in the energy sector are under observation.

2008 was marked by massive changes in the economic environment and the energy sector. PS was able to keep the effects of the slump to a minimum thanks to continuity in the field of project development. However it looks likely that new projects, regardless of the type of client or awarding authority, will not be forthcoming until the second half of 2009 at the earliest.

Profile & Business Model

Austria's leader in project development with large network in eastern Europe

PS ideally complements the three operative segments of the PORR Group and is the centre of excellence for project development and all related issues, making PORR into a full service provider. PS has been established as one of Austria's leading project development specialists since 2005 and the company has a far-reaching network covering all of the PORR Group's markets.

Services cover the entire lifecycle of a project

The project itself is at the heart of PS. Comprehensive solutions, innovative concepts, corporate security, adherence to deadlines and the highest possible execution quality are the top priorities. PS offers customers expertise, creativity and efficient service for the whole lifecycle of demanding projects and the experience gained from similar tasks then flows directly into new projects. PS pays special attention to sustainability right from the project planning stage. This is based on drawing up and marketing a creative utilisation concept, using innovative technology during realisation and bringing together high recoverability and best-possible flexibility in combination with user-friendly features.

All planning and execution stages from one source

PS operates a "one-stop shop" strategy. The service portfolio covers the entire lifecycle of a real estate or infrastructure project – from acquisition and project development, planning, project management and site supervision right through to post-construction activities including ongoing operations and facility management. The broad spectrum of services offered by PS guarantees that the sustainable and professional execution of every task is provided from one source.

Local presence and expertise

One crucial point related to project development is the timely identification of regional or country-specific requirements. The established local presence and highly dedicated teams on site enable PS to plan and implement demanding projects more quickly and efficiently. They also have many strategically placed expert partners, both local and international.

The business fields of PS can be split into the areas of infrastructure, energy, health, and public and private-sector real estate. The following sectors are covered: in the infrastructure sector, the company is represented on the market with transport, environment and energy projects. In the infrastructure building construction sector, public-sector and miscellaneous building projects such as spas, hospitals, rehabilitation clinics, geriatric centres, detention centres and schools are all realised. Other sectors include office, retail, commercial, logistics, hotel and residential properties.

Core competency: Public Private Partnerships

One core competency lies in cooperation with the public sector. By developing well-conceived projects which are carried out in close collaboration with both public and private clients, PS can realise real estate and infrastructure projects more quickly and cost-efficiently, as long as the capital markets make the necessary resources available.

Geographic Presence

The stable core markets of Austria and Germany are at the heart of the activities of PS, as are the dynamic markets in north-eastern and south-eastern Europe. The company's head office is in Vienna, with Austrian branch offices in the west (Salzburg, Tyrol and Vorarlberg) and the south (Styria, Carinthia). As part of the PORR Group, PS is represented in all PORR cross-sector branch offices abroad.

In the field of project development, PS covers the entire lifecycle of a project, thereby enhancing the value chain of the entire PORR Group. There are expert staff available in all markets, who not only speak the language, but also recognise and understand the specific requirements of the different regions.

Range of Services

Major infrastructure projects

2008 was a satisfactory year for PS, who were able to acquire numerous projects in the infrastructure sector. As a syndicate partner, they won the tender to build a further approx. 65km-long stretch on the M6 motorway in Hungary between Dunaujvaros – Szekszárd, with a PPP project worth EUR 520m. Construction work is underway as planned on the M6 in Tolna. As with the M6 Duna stretch, the scope of activities includes the planning, construction and financing as well as maintenance and operations for a period of 30 years.

PS was also active in the field of health-sector infrastructure: they acquired a further four rehabilitation clinics in addition to an existing rehabilitation centre. This was in the framework of a privatisation by the Social Security Institute of Farmers.

When it comes to Public Private Partnerships, there are several major projects in the pipeline, including the Justice Centre in Baumgasse and the "Krankenhaus Nord" hospital, both in Vienna. PS emerged as the best bidder from the processes for the Kindergarten project and the Nordbahnhof School.

Increased commitment to energy and environmental technology

PS bought 32 small hydro power plants in Romania, together with an Austrian partner as part of a privatisation. Measures to improve plant efficiency have already been implemented.

PS is also represented on the environmental technology/energy recovery market as it has a minority holding in biomass power plants in Aschach (Upper Austria) and Gresten (Lower Austria). Sewage treatment and purification is another operating field: examples include the successful running of the main sewage plant in Marburg and the sewage works in Waidhofen an der Thaya.

Real estate project development in 2008 brings success in Austria and Germany

Project development in the real estate sector also brought success in 2008: the Terminal Tower project in Linz was completed and sold off to an Austrian property fund. In spring 2008 the office and gastronomy space in the Skyline office tower in Vienna was also handed over to the tenants. Progress was also made on the project for the University of Natural Resources and Applied Life Sciences. The Simmering Geriatric Centre will celebrate its groundbreaking in early 2009.

In Berlin, PS completed the Frankfurter Allee hotel and commercial building, handed it over to the tenants and sold it to a fund. The hotel on Spittelmarkt opened its doors in September. The office building Fleet Kontor in Hamburg, which was sold to a fund before construction even started, is currently in the final construction stage. The first part of the ASTO Technology Park in Oberpfaffenhofen near Munich had its groundbreaking ceremony in July. Completion of the site, which already has nearly full occupancy rates, is planned for August 2009.

Research & Development

The basic focus of services provided by PS – overseeing a project from the initial concept through the whole lifecycle right through to the final sale or operations stage – creates cost-saving opportunities in almost every area of realisation.

One important feature of PS is the involvement of specialists who pay strict attention to the future running costs of the project, right from the project planning stage. This means that future maintenance costs can be reduced at the development phase through the introduction of innovative energy concepts.

For planning the Skyline project, PS established a working group with Wien Energie-Fernwärme to implement the Vienna City Climate Protection Programme (KLIP). A geothermal system was installed for pre-heating and pre-cooling, and district heating and cooling systems were also connected. This system leads to energy savings on the ventilation system of around 50% in summer and 46% in winter.

Risks

The dramatic downturn in the economy in the second half of 2008 was a clear indicator of which risks are likely to occur in the project development sector both at home and abroad. Solid market analyses and a shift of emphasis in terms of service provision to meet the needs of changing environments are clearly necessary to ensure the continued success of the company.

The crisis on the property and financial markets leads to the assumption that order bookings in the real estate segment are likely to fall. Real estate projects will be postponed or cancelled in their entirety both in western Europe and CEE. The current crisis may also have a negative effect on the marketability of projects now under construction.

Increased risk monitoring

The less favourable conditions caused by the financial crisis have led the company to increase risk monitoring. At the forefront of this are issues such as the creditworthiness of tenants and the duration of rental or leasehold agreements (vacancy risk). To this end, more precise credit assessments are being conducted when selecting tenants, so that sustainable, secure earnings are generated from existing projects and the risk of default is minimised.

Total project costs are a priority for customers of PS. In order to optimise these costs and be able to offer customers added value, PS undertook the extension of the TBE department (technical building equipment) and the development of FMA Gebäudemanagement GmbH. These enable PS to incorporate the expertise from two increasingly important areas – assent and facility management – right from the planning stage. This is especially important for sustainability and contributes to ensuring that projects retain their value in the long term. This has the added benefit of minimising operating risks.

Anticipating implementation of economic stimulus packages

Project development in the infrastructure sector is to a large extent dependent on financing from the public sector. The national and international stimulus packages announced for EU countries lead to the assumption that demand for the project development expertise of PS will remain. The actual rate of order bookings will, however, depend on how quickly the government announcements translate into tangible new projects. Because of the long leadtimes involved in such projects, delays would have a negative effect on the order flow of PS.

Opportunities

Economic stimulus programmes lead to increased demand

From a global viewpoint, the stimulus packages from governments and international financial institutions should have the effect of stabilising or even increasing demand on the markets in eastern Europe. This applies in particular to improving energy and transport infrastructure. PS has already proven that the company has the necessary expertise in these areas, especially in working with public authorities.

Extensive expertise in infrastructure project development is an asset for stimulus programmes

The service portfolio includes project development and financing in the infrastructure segment in general and motorways in particular, along with the additional infrastructure such as service areas or operating sites. Another field of excellence is renewable energy. In 2008, PS took over 32 small hydro power plants in Romania together with a renowned partner and as part of a privatisation initiative. In 2009 the energy sector will be further developed: PS is modernising existing sites and developing new ones in Romania, Bosnia, Serbia and Montenegro. They are currently checking the feasibility of developing biomass power plants in Croatia and Serbia as well as wind park projects in Romania, Bosnia and Croatia.

In the social and municipal infrastructure sector there is significant potential in the demand for leased space by public or semi-public institutions. Increased focus on the public sector and the good standing which the PORR Group enjoys should also lead to the successful continuation of public-sector projects. This applies in particular to education and healthcare infrastructure, where PORR has already been selected as the best bidder for several major projects.

Outlook

Focus on infrastructure and growth in the energy sector

The main focus of PS in the coming years will be on the development and realisation of high-margin projects in the infrastructure sector both at home and abroad. In order to realise the strategic aim of the PORR Group as a full service provider, PS has set the goal of nurturing growth even in areas such as energy infrastructure which were given lower priority in the past.

Possible effects of the economic turbulence

PS is already excellently positioned in the PPP projects sector. Despite general economic decline, long-term projects with the public sector in central, eastern and south-eastern Europe will continue to be financially feasible as long as the capital markets begin to release the necessary financing again. In the infrastructure sector, PS operates in sustainable partnerships on projects with a lifecycle that often lasts for decades; these projects are generally less susceptible to economic fluctuations than individual contracts for private clients.

It is difficult at present to foresee developments in the real estate sector. As the building construction sector – important for real estate projects – is expected to sustain heavy losses as a result of the economic slump, PS will make every effort to maintain the high order backlog. Developments in the first two quarters of 2009 will be the first true indicator as to how strongly the economic downturn will affect the real estate project development sector in the future.

In order to remain competitive across Europe during turbulent times for the economy, well-structured and effective risk management is more important than ever.

Rudolf Krumpeck

In the complex construction business, efficient and sustainable structures provide a decisive competitive advantage.

Peter Weber

Consolidated Financial Statements

Group Income Statement for the period January 1st 2008 to December 31st 2008

in EUR thousand	Notes	2008	2007
Revenue	(7)	2,656,466.7	2,214,375.5
Own work capitalised in non-current assets		821.7	2,414.2
Share of profit (loss) of associates	(20)	17,327.5	14,671.7
Other operating income	(8)	47,169.8	35,747.7
Cost of materials and other related production services	(9)	–1,818,891.1	–1,424,533.3
Staff costs	(10)	–591,545.9	–547,907.0
Depreciation and amortisation expense	(11)	–56,733.1	–52,232.1
Other operating expenses	(12)	–183,761.7	–174,676.5
EBIT		**70,853.9**	**67,860.2**
Income from financial investments and other current financial assets	(13)	15,811.3	8,276.0
Finance costs	(14)	–39,984.3	–37,581.3
EBT		**46,680.9**	**38,554.9**
Income tax expense	(15)	–8,748.7	–7,049.1
Profit (loss)		**37,932.2**	**31,505.8**
of which: attributable to minority interest (subsidiaries)		9,818.4	9,498.3
Share attributable to shareholders of the parent and holders of profit-participation rights		**28,113.8**	**22,007.5**
of which: attributable to holders of profit-participation rights		5,600.0	0.0
Profit (loss) attributable to shareholders of the parent		22,513.8	22,007.5
Earnings per share (in EUR)	**(16)**	**11.07**	**10.82**

Group Cash Flow Statement for the period January 1st 2008 to December 31st 2008

in EUR thousand	2008	2007
Profit (loss)	37,932.2	31,505.8
Depreciation and amortisation of fixed assets	58,643.8	53,389.5
Income from associates	–14,662.9	–11,082.7
Decrease/increase in long-term provisions	–3,748.7	70.3
Deferred tax expenses	1,736.2	2,225.8
Operating cash flow	**79,900.6**	**76,108.7**
Increase/decrease in short-term provisions	–840.4	1,759.5
Gains from fixed asset divestments	–12,318.6	–3,912.7
Increase in inventories	–23,523.1	–5,036.7
Increase in receivables	–6,840.6	–103,441.5
Increase in payables (excluding banks)	10,106.4	77,340.0
Other non-cash transactions	5,961.2	774.8
Cash flow from operating activities	**52,445.5**	**43,592.1**
Proceeds from sale of property, plant and equipment and investment property	25,214.9	18,061.1
Proceeds from sale of financial assets	19,613.4	6,964.6
Investments in intangible assets	–3,882.4	–6,138.2
Investments in property, plant and equipment and investment property	–87,034.3	–41,438.9
Investments in financial assets	–37,665.7	–6,461.6
Proceeds from the sale of consolidated companies	390.0	0.0
Payment to acquire subsidiaries, less acquired liquid funds	–2,460.0	–13,981.8
Cash flow from investing activities	**–85,824.1**	**–42,994.8**
Dividends	–10,399.6	–4,427.4
Proceeds from issue of profit-participation rights	0.0	70,000.0
Proceeds from bonds	0.0	69,540.0
(Re)payment of loans and other financing activities	16,024.1	–90,587.5
Cash flow from financing activities	**5,624.5**	**44,525.1**
Cash flow from operating activities	**52,445.5**	**43,592.1**
Cash flow from investing activities	**–85,824.1**	**–42,994.8**
Cash flow from financing activities	**5,624.5**	**44,525.1**
Changes in liquid funds	**–27,754.1**	**45,122.4**
Liquid funds at January 1st	117,361.7	67,889.2
Currency differences	–1,853.3	443.7
Changes to liquid funds resulting from changes to the consolidated group	652.5	3,906.4
Liquid funds at December 31st	**88,406.8**	**117,361.7**

Group Balance Sheet at December 31st 2008

Assets in EUR thousand	Notes	31.12.2008	31.12.2007
Non-current assets			
Intangible assets	(17)	55,670.0	60,300.5
Property, plant and equipment	(18)	405,863.7	389,276.7
Investment property	(19)	242,580.4	223,018.2
Shareholdings in associates	(20)	120,008.5	101,556.5
Loans	(21)	20,724.5	13,802.2
Other financial assets	(22)	59,717.8	47,917.2
Other non-current assets	(24/25)	37,901.7	8,222.1
Deferred tax assets	(27)	13,926.6	15,090.6
		956,393.2	**859,184.0**
Current assets			
Inventories	(23)	95,652.0	67,702.6
Loans	(21)	535.6	121.6
Trade receivables	(24)	694,206.4	760,972.9
Other receivables and current assets	(25)	67,533.4	47,872.9
Liquid funds	(26)	88,406.8	117,361.6
		946,334.2	**994,031.6**
		1,902,727.4	**1,853,215.6**

Equity and liabilities in EUR thousand	Notes	31.12.2008	31.12.2007
Equity			
Share capital	(28)	14,778.4	14,778.4
Capital reserves	(29)	33,689.5	33,689.5
Other reserves	(29)	167,779.2	169,273.6
Equity attributable to shareholders of parent		**216,247.1**	**217,741.5**
Equity from profit-participation rights (minority interest)	(30)	75,530.0	69,930.0
Minority interest (subsidiaries)	(31)	76,709.3	74,571.8
		368,486.4	**362,243.3**
Non-current liabilities			
Bonds	(33)	309,650.4	309,616.9
Provisions	(32)	104,788.0	108,536.7
Non-current financial liabilities	(34)	240,789.0	191,115.0
Other liabilities	(36)	14,119.4	21,528.5
Deferred tax liabilities	(37)	43,258.9	43,714.0
		712,605.7	**674,511.1**
Current liabilities			
Provisions	(32)	99,180.8	101,053.0
Current financial liabilities	(34)	77,679.3	104,835.0
Trade payables	(35)	438,922.5	401,746.9
Other current liabilities	(36)	201,423.5	204,165.9
Tax liabilities	(37)	4,429.2	4,660.4
		821,635.3	**816,461.2**
		1,902,727.4	**1,853,215.6**

Statement of Changes in Group Equity

in EUR thousand	Share capital	Capital reserves	Revaluation reserve	Foreign currency translation reserve
Balance at Jan 1st 2007 – amended	**14,778.4**	**33,689.5**	**5,495.4**	**226.8**
Total debt securities available for sale	–	–	–	–
Reappraised property	–	–	6,090.9	–
Cash flow hedges	–	–	–	–
Minority interest – cash flow hedges	–	–	–	–
Exchange differences	–	–	–	322.7
Income tax on items directly offset against equity	–	–	–1,731.3	–
Income and expense recognised directly in equity	–	–	4,359.6	322.7
Profit (loss)	–	–	–	–
Total recognised income and expense	–	–	4,359.6	322.7
Issuance of profit-participation rights less transaction fee	–	–	–	–
Dividend payment	–	–	–	–
Acquisition of minority interests	–	–	–	–
Other changes	–	–	–	–
Balance at Dec 31st 2007	**14,778.4**	**33,689.5**	**9,855.0**	**549.5**
Total debt securities available for sale	–	–	–	–
Reappraised property	–	–	2,035.7	–
Cash flow hedges	–	–	–	–
Minority interest – cash flow hedges	–	–	–	–
Exchange differences	–	–	–110.1	–430.2
Income tax on items directly offset against equity	–	–	–224.7	–
Income tax on interest for holders of profit-participation rights	–	–	–	–
Income and expense recognised directly in equity	–	–	1,700.9	–430.2
Profit (loss)	–	–	–	–
Total recognised income and expense	–	–	1,700.9	–430.2
Dividend payment	–	–	–	–
Changes in the basis of consolidation	–	–	–	–
Balance at Dec 31st 2008	**14,778.4**	**33,689.5**	**11,555.9**	**119.3**

Total debt securities available for sale – fair value reserve	Reserve for cash flow hedges	Retained earnings and not retained profit	Equity attributable to equity holders of the parent	Equity from profit participation rights	Minority interest (subsidiaries)	Total
372.1	**–**	**143,467.0**	**198,029.2**	**–**	**63,236.1**	**261,265.3**
–105.9	–	–	**–105.9**	–	98.1	**–7.8**
–	–	–	**6,090.9**	–	1,102.0	**7,192.9**
–	–10,404.6	–	**–10,404.6**	–	–	**–10,404.6**
–	4,502.7	–	**4,502.7**	–	–	**4,502.7**
–	–	–	**322.7**	–	–	**322.7**
12.7	2,601.2	–	**882.6**	–	–	**882.6**
–93.2	–3,300.7	–	**1,288.4**	–	1,200.1	**2,488.5**
–	–	22,007.5	**22,007.5**	–	9,498.3	**31,505.8**
–93.2	–3,300.7	22,007.5	**23,295.9**	–	10,698.4	**33,994.3**
–	–	–	**–**	69,930.0	–	**69,930.0**
–	–	–3,538.4	**–3,538.4**	–	–889.0	**–4,427.4**
–	–	–	**–**	–	940.9	**940.9**
–	–	–45.2	**–45.2**	–	585.4	**540.2**
278.9	**–3,300.7**	**161,890.9**	**217,741.5**	**69,930.0**	**74,571.8**	**362,243.3**
–562.7	–	–	**–562.7**	–	148.8	**–413.9**
–	–	–1,180.4	**855.3**	–	193.3	**1,048.6**
–	939.3	–	**939.3**	–	–	**939.3**
–	–19,065.9	–	**–19,065.9**	–	–	**–19,065.9**
–	–	–	**–540.3**	–	–242.2	**–782.5**
85.4	–234.9	–	**–374.2**	–	–62.7	**–436.9**
–	–	1,400.0	**1,400.0**	–	–	**1,400.0**
–477.3	–18,361.5	219.6	**–17,348.5**	–	37.2	**–17,311.3**
–	–	22,513.8	**22,513.8**	5,600.0	9,818.3	**37,932.1**
–477.3	–18,361.5	22,733.4	**5,165.3**	5,600.0	9,855.5	**20,620.8**
–	–	–4,473.8	**–4,473.8**	–	–5,925.8	**–10,399.6**
–	–	–2,185.9	**–2,185.9**	–	–1,792.2	**–3,978.1**
–198.4	**–21,662.2**	**177,964.6**	**216,247.1**	**75,530.0**	**76,709.3**	**368,486.4**

Notes to the Consolidated Financial Statements 2008

Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft

1. General information

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

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

The reporting currency is the Euro, which is also the functional currency of PORR AG and of the majority of the subsidiaries included in the consolidated financial statements. Results preceded by the abbreviation TEUR are in Euro thousand.

The consolidated financial statements were prepared with the balance sheet date of December 31st 2008 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.

2. Consolidated entity

In addition to PORR AG, 98 (previous year: 90) domestic subsidiaries and 43 (previous year: 36) foreign subsidiaries are included in the consolidated financial statements. Additionally, 29 (previous year: 27) domestic and 9 (previous year: 6) foreign associated companies were valued under the equity method. The effects of acquisitions in the year under review are addressed in point 2.1.

The list of shareholdings (see page 145) shows the subsidiaries and associated companies that are included. Companies that are of minor relevance to the consolidated financial statements are not included; a total of 86 (previous year: 91) subsidiaries were not included in the consolidation.

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

2.1. First consolidations

In the year under review 20 project associations, which started project development at the time of their first consolidation and were founded for this purpose, were included in the PORR Group's consolidated financial statements for the first time. Changes to the consolidated group (without consideration of consolidation book entries) led to a rise in the balance sheet total of TEUR 51,772.0 and an increase in EBT of TEUR 832.8. Other effects of changes to the consolidated group are considered to be marginal. The companies consolidated for the first time are found in the list of shareholdings.

3. New accounting standards

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

IAS 39 – Financial Instruments: Recognition and Measurement and **IFRS 7 – Financial Instruments: Disclosures**
In October 2008 the IASB issued amendments for the reclassification of financial instruments related to IAS 39 – *Financial Instruments: Recognition and Measurement* and IFRS 7 – *Financial Instruments: Disclosures*, which are effective July 1st 2008. The amendments permit the reclassification of certain non-derivative financial instruments out of the fair-value-through-profit-or-loss category (FVTPL) and out of the available-for-sale category to the loans and receivables category, PORR AG will not be exercising this option.

In November 2008 the IASB published a clarification on the applicable date of the amendments to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* introduced in October 2008. The amendments state that any reclassification of a financial asset made in periods beginning on or after November 1st 2008 will take effect only from the date when the reclassification is made. Any reclassification of a financial asset in accordance with the amendments should not be applied retrospectively to reporting periods ended before the effective date. The Group will not be exercising this option.

The International Financial Reporting Interpretations Committee issued interpretations – IFRIC 11 IFRS 2 – *Group and Treasury Share Transactions* and IFRIC 14 IAS 19 – T*he Limit on a Defined Benefit Asset. Minimum Funding Requirements and their Interaction*, which were first applicable in the year under review. Applying these interpretations did not lead to any change in the Group's accounting policy.

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 2008, and the voluntary option to apply them early was also not exercised.

Standards and interpretations already adopted by the European Union

IFRS 8 – Operating segments:
This standard provides a framework for segment reporting. A segment is defined as a component of an entity or group of entities, for which separate financial information is available, which is regularly reviewed by corporate management when making decisions on the allocation of resources and on the assessment of its performance. This standard must be applied compulsorily for business years beginning on or after January 1st 2009, and it will affect the form and content of Group segment reporting.

IAS 23 – Borrowing costs (revised in March 2007):
The previous option of incorporating borrowing costs resulting directly from acquisition, construction or production of assets, whose acquisition or manufacture takes up a considerable time period, either to activate these as part of the acquisition or production costs of this asset or to enter them as an expense in the same way as other borrowing costs thereby incurred, is no longer applicable. These borrowing costs must be compulsorily activated in future. The revised standard is applicable to fiscal years beginning on or after January 1st 2009. The Group already activates borrowing costs in this way and therefore this amendment has no effect on the Group.

IFRS 2 – Share-based payment – Adjustments related to vesting conditions and annulments:
It is clearly stated that vesting conditions exclude service conditions and performance conditions. Additionally, a change is specified whereby the regulation of premature cancellation should be independently valid, whether the share-based payment transactions can be ended by either the company or another party. The changes apply to fiscal years beginning on or after January 1st 2009. As the Group does not have any such transactions, the amendment to IFRS 2 has no effect on the financial statements.

IAS 1 – Presentation of financial statements (revised in September 2007):
The main changes lie in that instead of presenting one statement of changes in shareholders' equity in which transactions with companies resulting in shareholders' equity changes are not included in the expenses and income of the profit and loss accounts, one statement of changes in shareholders' equity is used in which only transactions with companies resulting in shareholders' equity changes are specified. Until now, expenses and income entered directly into equity capital were either presented in a statement of comprehensive income presented in addition to the profit and loss accounts and statement of changes in shareholders' equity, or in a "statement of comprehensive income", which replaces the profit and loss accounts and in addition to profit and loss account entries, also includes consolidated expenses and income entered under "other comprehensive income/loss". In addition, income tax relating to each component of other comprehensive income must be disclosed. The revised standard is applicable to fiscal years beginning on or after January 1st 2009. The standard will be applied by PORR AG for the first time in the fiscal year 2009 and will affect the presentation of the consolidated financial statements in the ways described above.

IFRIC 13 – Customer Loyalty Programmes:
The interpretation addresses the obligation for accounting for future free or discounted services ("awards"). The interpretation, which applies to fiscal years beginning on or after July 1st 2008, will not be relevant to the Group.

IAS 32 – Financial instruments: Presentation and **IAS 1 – Presentation of financial statements:**
In February 2008 the IASB issued amendments to IAS 32 – *Financial instruments: Presentation* and IAS 1 – *Presentation of financial statements*, which are applicable to fiscal years beginning on or after January 1st 2009. The standard regulates the classification of equity and liabilities. The amendment allows puttable financial instruments to be classified as equity, subject to certain criteria being met. These amendments will not affect the consolidated financial statements of the Group.

Improvements to IFRS (revised in 2008):
In May 2008 the IASB issued *Improvements to IFRSs*, a first collection of minor amendments to existing IFRSs, as part of its first *Annual Improvements Process*. This standard includes accounting changes that can effect presentation, recognition, measurement, terminology or editorial changes. Unless otherwise specified in the specific standard, the application of the amendments is compulsory for fiscal years beginning on or after January 1st 2009. These amendments are not expected to affect the consolidated financial statements of the Group.

IFRS 1 – First-time Adoption of International Financial Reporting Standards and **IAS 27 – Consolidated and Separate Financial Statements (revised in 2008):**
The amendment relates to simplifying the accounting methods in the separate financial statements from IFRS first-time adopters. Other changes relate to the removal of the definition of the cost method from IAS 27 and the reorganisation of existing group structures. The amendments are applicable to fiscal years beginning on or after January 1st 2009. These amendments are not expected to affect the consolidated financial statements of the Group.

Standards and interpretations not yet adopted by the European Union

IFRS 3 – Business combinations (revised in 2008):
Changes are related in particular to the accounting of business combinations achieved in stages and the valuation of minority interests, to a lesser extent they relate to the handling of auxiliary acquisition costs and provisional remuneration for a business combination. In the case of business combinations achieved in stages the company value is calculated on the one hand, as the positive difference between the aggregate of the consideration transferred, any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree and, on the other hand, the difference between the acquired assets and liabilities valued at the acquisition-date fair value. With regard to valuing non-controlling interests, different options can now be exercised: They can either be valued at the acquisition-date fair value, or at the value of the proportionate share of the acquiree's net identifiable assets. Acquisition auxiliary costs are to be reported as expenses in the period in which they occur. Pending outlay for acquiring a company is to be stated at the acquisition-date fair value. As a rule, subsequent changes are included in the net income. The standard is applicable to acquisitions which take place on or after the fiscal year beginning on or from July 1st 2009. An earlier application is not currently planned. As the standard is only applied prospectively, in will only be applicable in the case of future acquisitions.

IAS 27 – Consolidated and Separate Financial Statements (revised 2008):
The most significant changes resulting from this revision, which are closely related to the revised version of IFRS 3, are: transactions, which lead to a change in the amount of shares held in subsidiaries but do not lead to a change in control, represent transactions between companies so that the effect of such transactions on the net assets of the group is not entered as income or expense in the income statement, but rather directly into equity capital. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The revisions are applicable to fiscal years beginning on or after July 1st 2009. Earlier adoption is currently not planned. The above mentioned revisions are prospectively applicable, so that non-controlling interests are not revised to include losses not entered in previous years and also transactions which lead to a change in the amount of the share held in subsidiaries before the date of the changes applied for the first time, regardless of the accounting methods used for these transactions, are not adjusted to earnings entries or available for presented comparative information regarding the previous years.

IFRIC 12 – Service concession arrangements:
This interpretation regulates how PPP projects should be shown in the accounts. The interpretation applies to fiscal years beginning on or after January 1st 2008. IFRIC 12 would have been applicable in the fiscal year 2008, however it has not yet been adopted by the European Union. The interpretation is not currently relevant to the Group. It will, however, be used when PPP projects are carried out by subsidiary companies in the future. The first adoption of this interpretation has not yet had any effect on the Group's consolidated financial statements and has therefore not affected conformity with IFRS overall.

IAS 39 – Financial Instruments: Recognition and Measurement (revised 2008):
The amendments to IAS 39 relate to clarification of inflation risks and one-sided risks and are effective for annual periods beginning on or after July 1st 2009, with earlier application permitted, and must be applied retrospectively. These amendments are not expected to affect the consolidated financial statements of the Group.

IFRS 7 – Financial Instruments: Disclosures (revised 2009):
Amendments to IFRS 7 – *Financial Instruments*: Disclosures are primarily concerned with enhanced disclosures about fair value measurements and liquidity risk. The amendments are applicable for annual periods beginning on or after January 1st 2009, however, comparative disclosures are not required in the first year of application. These amendments will affect the disclosures on financial instruments of the Group.

IFRIC 15 – Agreements for the Construction of Real Estate:
The interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 – *Construction Contracts* or IAS 18 – *Revenue* and whether revenue from the construction should be recognised under the percentage of completion method or upon completion of the project. IFRIC 15 is effective for annual periods beginning on or after January 1st 2009 and is to be applied retrospectively. Possible effects on the consolidated financial statements are currently being examined.

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation:
The interpretation concludes that a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. IFRIC 16 is effective for annual periods beginning on or after October 1st 2008. This is not expected to affect the consolidated financial statements of the Group.

IFRIC 17 – Distributions of Non-cash Assets to Owners:
This interpretation addresses how an entity should measure distributions of assets other than cash when it pays dividends to its owners and is effective for annual periods beginning on or after July 1st 2009. This is not expected to affect the consolidated financial statements of the Group.

IFRIC 18 – Transfers of Assets from Customers:
This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). IFRIC 18 is effective for transactions which occur after July 1st 2009. This is not expected to affect the consolidated financial statements of the Group.

IFRIC 9 – Reassessment of Embedded Derivatives and **IAS 39 – Financial Instruments: Recognition and Measurement (revised 2009):**
The amendments clarify the accounting treatment of embedded derivatives. The reclassification amendment allows entities to reclassify particular financial instruments out of the 'fair value through profit or loss' category in specific circumstances. These amendments clarify that on reclassification of a financial asset out of the 'fair value through profit or loss' category, all embedded derivatives have to be assessed and, if necessary, separately accounted for in financial statements, The amendments apply retrospectively and are required to be applied for annual periods ending on or after June 30th 2009. They are not expected to affect the consolidated financial statements of the Group.

4. Consolidation principles

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

All accounts receivable and payable between companies included in consolidation are eliminated during debt consolidation. Group-internal income and expenditure is offset within the framework of consolidation of income and expenditure. Intercompany profits or losses from Group-internal deliveries are eliminated, if these relate to significant amounts and the relevant assets are still accounted for 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 designation “attributable to minority interest (subsidiaries)”.

5. Accounting and valuation methods

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

Valuation principles

Historic acquisition costs form the basis for the valuation in respect of intangible assets and property, plant and equipment (except for investment property) and in respect of loans, inventories, accounts receivable from billed orders and liabilities.

The attributable fair value at the balance sheet date is the basis for the valuation in respect of securities available for sale, derivative financial instruments and investment property, and the attributable fair value at the date of revaluation is the basis for the valuation in respect of real estate used by the group.

Accounts receivable in respect of manufacturing contracts on which a final bill has not yet been raised, which are included under trade receivables, reflect the respective proportion of revenue corresponding to the degree of completion at the balance sheet date 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, where 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 that country in which the company concerned is domiciled.

Balance sheet items of companies included in the consolidated financial statements are translated at the mean rate of exchange at the balance sheet date 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). These annual mean rates of exchange applied to the translation of items of the income statement led to accumulated amounts in the reporting currency, which only deviated slightly from the accumulated amounts, which would have been shown on a translation of the transactions at the rate at the date of each transaction. Differences resulting from the currency translation are reported in equity. These translation differences are reflected in the current result at the date of disposal of the business activities.

In the event of company purchases, adjustments of the book values of the acquired assets and transferred liabilities to the attributable value at the date of purchase 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 reflected in net income. Monetary items not denominated in the functional currency held by companies included in the consolidation are translated at the mean rate ruling on the balance sheet date. Exchange gains or losses resulting from this translation are also reflected in net income.

Intangible assets are capitalised at acquisition cost and written down on a straight-line basis over the probable useful life.

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

The amortisation apportionable to the fiscal year is shown in the income statement under the item “Depreciation and amortisation expense”.

If an impairment is established, the relevant intangible assets are written down to the attainable amount, which is the attributable fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a writeup is performed equivalent to the book value, which would have been determined had the impairment expense not been accrued.

Goodwill is recorded as an asset. In order to assess any impairment demand, goodwill of the payment instrument generating units or groups of payment generating units will be assigned, which benefit from the synergies of the Group amalgamation, as a general rule they will each be a segment. These payment instrument generating units or groups of payment generating units are reviewed once annually for any impairment, as well as at any other time where circumstances exist that indicate there may be a possible impairment.

Property, plant and equipment (except for real estate) is valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and the previously accumulated and regularly applied straightline depreciation during the year under review, the following rates of depreciation being applied:

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

The depreciation rates are based on the probable useful life of the facilities. If an impairment, which is not simply temporary, is established, the relevant tangible assets are written down to the attainable amount, which is the attributable fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a writeup is performed equivalent to the book value, which would have been determined had the impairment expense not been accrued. Fundamental rebuilding work is capitalised, while ongoing maintenance work, repairs and minor rebuilding work are recognised in expenses at the time they arose.

Real estate used for operational purposes is valued according to the revaluation method pursuant to IAS 16.31. External opinions or assessments from internal experts are used as the basis for determining fair values. Revaluations are performed so regularly that the book values do not deviate significantly from the fair values attributable at the balance sheet date. The book value is adjusted to the respective fair value with neutral effect on income by using a revaluation reserve in equity capital. The revaluation reserve is reduced by the applicable deferred tax liability. Regular depreciation of revalued buildings carried out according to the straight-line method, where the depreciation rates lie essentially between 1% and 4%, 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 directly 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 depreciation as a result of impairments. Depreciation 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 shown at their attributable fair values. Gains or losses from changes in value are reflected in the result for the period in which the change in value occurred.

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

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

The Group as lessor
Where the Group is the lessor, the only lease contracts applicable are operating leases. The rental income from these contracts is reflected 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 attributable 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 balance sheet as obligations under finance leases. The lease payments are apportioned between interest paid and reduction of the lease obligation

in such a way as to achieve a constant rate of interest on the remaining liability. Interest paid is recognised in the income statement.

Rental payments on operating leases are allocated to the profit/loss for the period on a straight-line basis over the term of the corresponding lease.

Shareholdings in associates and in joint companies are accounted for at acquisition cost, which is apportioned between the pro rata net assets acquired valued at the attributable fair values and, if applicable, goodwill. The book value is increased or decreased annually by the proportionate annual surplus or deficit, dividends received and other changes to equity capital. The amounts in respect of goodwill are not amortised in scheduled amounts, rather they are assessed for impairment as a part of the relevant shareholding where circumstances exist that indicate there may be a possible impairment.

Shareholdings in joint ventures: Group shares in the profits from joint ventures as well as Group revenues from goods and services to joint ventures are shown in the Group's income statement under revenue, while the shares of the group from losses in joint ventures are shown under other operating expenses. Capital paid into a joint venture is entered under trade receivables (see point 24), together with profit shares and trade receivables for the relevant joint venture and after deductions for withdrawals and general losses. If there is on balance a passive entry, this is included under trade payables (see point 35).

Loans are valued at book value acquisition cost according to the effective interest method, less general 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 also as reliable attributable fair values cannot be determined for these. If an impairment is established, they are written down to the attainable amount.

Securities available for sale are valued at the attributable fair value. Gains or losses from changes to the attributable fair value, with the exception of revaluations due to impairment and gains and losses arising from securities denominated in foreign currencies, are entered directly into equity capital. In the case of write-offs of these kinds of securities, the cumulative gain or loss in equity capital will be entered in the profit/loss for the period. Interest is calculated by the effective interest method and is entered in the income statement.

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

Land intended for sale is valued at the lower of acquisition cost, manufacturing cost and net realisable value.

Manufacturing contracts are accounted for according to the stage of completion of the contract (percentage of completion method). The anticipated revenues from the contracts are shown under revenue according to the respective degree of completion. The degree 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 balance sheet date. Where the result of a manufacturing contract cannot be reliably estimated, the amount of the accumulated contract costs alone shall represent the amount recorded for contract revenues. The contract costs are recorded as an expense for the period in which they are incurred. 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 degree of completion are, to the extent that they exceed the payments on account made by the customer, shown in the balance sheet 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 manufacturing contracts are executed in joint ventures, the realisation of profit is also performed by taking account of the percentage of completion method.

Receivables are fundamentally accounted for in accordance with the effective interest method, whereby the book value generally corresponds to the nominal value. For current receivables, interest due to negligibleness is not applied. Where risks exist regarding recovery, value adjustments have been formed.

Deferred tax items are formed where there are temporary differences between valuations 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 liability or tax relief. In addition, a deferred tax asset for future assets resulting from tax loss carry-forwards is recognised if there is sufficient certainty of realisation. Differences arising from goodwill that cannot be deducted for tax purposes 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%.

Together with TEERAG-ASDAG AG, a subsidiary in which PORR AG has 52.5% indirect participation, and the subsidiaries of TEERAG-ASDAG AG, PORR AG forms a consortium pursuant to § 9 Austrian Corporation Tax Act (öKStG) with the minority shareholders of TEERAG-ASDAG AG as co-participants of the consortium. The tax on the proportion of taxable result corresponding to its share of capital is incumbent upon the minority shareholder, who passes the tax effects onto TEERAG-ASDAG AG in accordance with a tax equalisation agreement. The tax levy is shown in the Group accounts as if it were an original tax expense. The deferred tax items are determined as if 100% of the Group result were subject to tax.

The **provisions for severance payments, pensions and anniversary bonuses** were determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment being performed on each reference date. In the valuation of these provisions, an interest rate for accounting purposes of 5.8% p.a. (previous year: 5.3%) was applied with pay increases of 2.9% (previous year: 2.6%). When determining provisions for severance payments and anniversary bonuses, deductions were made for fluctuations based on statistical data.

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

Other provisions take account of all currently discernible risks and contingent liabilities. They are entered at the level of those amounts which are probably required to meet the underlying obligation.

Financial liabilities are initially valued at attributable fair values, less direct transaction costs. If the amount of the repayment is lower or higher, this is written down or up according to the effective interest method.

Derivative financial instruments are valued at attributable fair values. Gains and losses from changes in market value of foreign exchange 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 directly into equity, as long as they are allotted to the effective part of the hedge transaction. The amounts directly entered into equity are reflected in 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 the profit or loss. Gains and losses allotted to the ineffective share, as well as gains and losses from market value changes of derivative financial instruments, for which the requirements for the balancing as hedge transactions have not been met, are entered in the profit or loss for the period in which they occur. Gains and losses from changes in market value of foreign exchange forwards, which are basically in place with a view to hedging the risk of variability in cash flow of the functional currency from planned transactions in the foreign currency but are not hedging instruments as defined by IAS 39, will be entered as contract costs related to the planned transactions and will be calculated to include these costs.

Revenue is valued at the attributable fair value of the consideration. Discounts, sales taxes and other taxes related to the sale are offset against this amount. Revenues from the sale of assets are recognised on delivery and transfer of ownership. Revenues from manufacturing contracts are recognised according to the degree 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 current value of future cash flow from the financial asset value corresponds to the book value of **dividend income** from financial investments, which is recognised when legal title arises.

Costs of borrowed capital are included at the time that they arose, even if the financing of the acquisition or manufacturing of an asset is directly attributable or in the instance that the acquisition or manufacturing period is accumulated.

6. Key assumptions and key sources of estimation uncertainty

6.1. Key assumptions when applying accounting and valuation methods

PORR AG, with 52.5% indirect participation, holds more than half of the voting rights in TEERAG-ASDAG Aktiengesellschaft (TEERAG-ASDAG AG). PORR AG and a second shareholder of TEERAG-ASDAG AG, who also holds a significant share of voting rights, have made a syndicate agreement which cannot be curtailed until December 31st 2010 at the earliest, in which PORR AG and this second shareholder have formed a syndicate with regard to the shares that both parties hold in TEERAG-ASDAG AG.

In accordance with this syndicate agreement, the voting rights of the syndicate members in the annual shareholders' meeting of TEERAG-ASDAG AG shall be exercised in such a way that the syndicate members specify them in a unanimous decision. The syndicate members each have the right to nominate half of the supervisory board members. In addition, the Executive Board of TEERAG-ASDAG AG is amicably nominated by the syndicate members. Although these regulations from the syndicate agreement seem to refute the assumption that PORR AG has management of TEERAG-ASDAG AG as a consequence of holding the majority of voting rights and suggest that instead there is joint management of TEERAG-ASDAG AG by PORR AG and the other syndicate member, the Executive Board of PORR AG nevertheless believe TEERAG-ASDAG AG to be cotrolled by PORR AG, as PORR AG is acknowledged in the syndicate agreement as having the industrial management of TEERAG-ASDAG AG.

With regard to the accounting treatment of interest derivatives, these are treated as embedded derivatives and are not accounted for separately from loans if, on account of their economic features and risks, they are closely connected to credit contracts as host contracts and the bank issuing the loan and the contract partner for the swap transaction is one and the same.

6.2. Key sources of estimation uncertainty

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

Deferred tax income from tax loss carry-forwards: the usability of tax loss carry-forwards is mostly dependent on the growth in earnings of individual companies. Deferred tax assets were activated in as far as the probable future tax gains could be calculated. The actual tax gains can deviate from these assumptions.

Valuation of gravel and stone deposits: The book values in the Group balance sheet as of December 31st 2008, for gravel and stone deposits at the disposal of the Group, amount to around EUR 100.2m (previous year EUR 101.6m). The Executive Board is convinced that the book values can be realised from selling the deposits, or from mining and selling the yielded material, or from mining and using the material for own construction activities. Nevertheless there is uncertainty regarding the development of the price of these raw materials which is dependent on trends in demand and also the assessment of own future demand for these raw materials. Depreciation will be carried out if future trends necessitate this.

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

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

– Evaluation of manufacturing contracts until project completion, in particular with a view to accounting of addenda, the contract yield valued by the percentage of completion method, and the estimate of the probable operating profit from the contract, based on expectations of the future development of long-term manufacturing contracts. A change in these estimates, particularly as regards contract costs to be paid, degree of completion and the estimated operating profit can have a significant effect on the Group's financial performance.

– Useful life: The useful life of property, plant and equipment and intangible assets to which amortisation/depreciation applies is the estimated time period for which the assets are expected to be usable. A change in frame conditions may require an adjustment to the useful life which can have a significant effect on the Group's financial performance.

– Provisions: The estimated value of severance payments, pensions and anniversary bonuses are based on parameters such as discount factors, salary increases or fluctuations which can lead to higher or lower staff costs and interest costs if changes occur. Other provisions are based on estimates related to the likelihood of an event occurring or the probability of an outflow of funds. Changes to these estimates or the occurrence of an event previously classed as unlikely can have a significant effect on the Group's financial performance.

– Impairment: Impairment tests on goodwill, other intangible assets, property, plant and equipment and real estate held as investment property are primarily based on estimated future discounted net payment flows which are expected from the continuous use of an asset and its disposal at the end of its useful life. Factors like lower revenues or rising expenditure and the resulting lower net payment flows as well as changes to the discount factors used can lead to impairment or, as far as allowed, to a write-up, With regard to the book values of the assets concerned, see points 17 to 19.

6.3. Changes to comparative information

In accordance with IAS 1.38, the following adjustments were adopted:

The share of profits of associates was recorded as part of the Group profit in a different way from previous years, as it concerns profit from shareholdings in operationally active companies. The information shown at the previous year's value of TEUR 14,671.7 was adjusted for the year under review.

7. Revenue

The gross revenues of TEUR 2,656,466.7 (previous year: TEUR 2,214,375.5) include the invoiced construction work of own construction sites, goods and services to joint ventures, shares of profit from joint ventures and other revenues from ordinary activities.

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

in EUR thousand	2008	2007
Business areas		
Road construction – T-A Group	965,065.3	859,323.3
Civil engineering – PTU Group	1,292,645.8	1,040,730.8
Building construction – PPH Group	925,220.6	843,628.8
Total Group performance	**3,182,931.7**	**2,743,682.9**
of which proportional performance from joint ventures, associated companies and subsidiary companies and shareholdings	–526,465.0	–529,307.4
Revenue	**2,656,466.7**	**2,214,375.5**

Revenue can be subdivided as follows:

in EUR thousand	2008	2007
Revenues from manufacturing contracts	2,487,232.3	2,069,737.6
Revenues from sales of raw materials and other services	169,234.4	144,637.9
Total	**2,656,466.7**	**2,214,375.5**

8. Other operating income

in EUR thousand	2008	2007
Income from the sale of property, plant and equipment	11,043.1	4,264.5
Workshop services	2,031.4	3,152.6
Revenue from the provision of staff	2,891.5	2,583.5
Insurance payments	2,903.4	994.4
Rate gains	13,171.6	4,966.5
Income from adjustments to investment property	–435.8	–565.0
Other	15,564.6	20,351.2
Total	**47,169.8**	**35,747.7**

9. Cost of materials and other related production services

in EUR thousand	2008	2007
Expenditure on raw materials and supplies and for purchased goods	–539,348.4	–458,156.4
Expenditure on purchased services	–1,279,542.7	–966,376.9
Total	**–1,818,891.1**	**–1,424,533.3**

10. Staff costs

in EUR thousand	2008	2007
Wages and salaries	–471,191.1	–433,310.6
Social welfare expenses	–114,124.2	–105,018.8
Expenditure on severance payments and pensions	–6,230.6	–9,577.6
Total	**–591,545.9**	**–547,907.0**

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

11. Depreciation and amortisation expense

Amortisation of TEUR 6,082.3 (previous year: TEUR 4,737.3) was applied to intangible assets and depreciation of TEUR 50,164.6 (previous year: TEUR 47,427.1) to property, plant and equipment. In addition, amortisation of TEUR 484.9 (previous year TEUR 67.6) was applied to reappraised real estate. For more detailed information please refer to notes 17 and 18.

12. Other operating expenses

in EUR thousand	2008	2007
Legal and consultancy services, insurance	–31,048.5	–28,208.8
Buildings and land	–26,021.8	–22,787.2
Exchange losses	–19,059.4	–7,840.0
Fleet	–12,160.6	–10,215.3
Advertising	–11,760.2	–10,999.0
Office operations	–10,817.6	–14,613.8
Commission on bank guaranties	–9,284.1	–7,376.3
Syndicate losses	–9,076.1	–11,633.2
Travel expenses	–11,170.0	–9,486.0
Other	–43,363.4	–51,516.9
Total	**–183,761.7**	**–174,676.5**

Other operating expenses essentially comprise taxes and duties, third party services and general administrative costs. They also include rental payments from rental and leasing contracts of TEUR 6,856.1 (previous year: TEUR 5,591.8).

13. Income from financial investments and other current financial assets

in EUR thousand	2008	2007
Profit from shareholdings	1,864.3	86.2
(of which from affiliated companies)	(519.8)	(–329.7)
Income/expenditure from financial assets and current asset securities	3,055.2	1,119.0
Interest	10,891.8	7,070.8
(of which from affiliated companies)	(2,469.4)	(2,512.8)
Total	**15,811.3**	**8,276.0**

Interest exclusively relates to the fair attributable value of financial assets with no effect on net income.

14. Finance costs

in EUR thousand	2008	2007
Interest and similar expenditure relating to bonds	–15,340.1	–13,420.6
Other interest and similar	–24,644.2	–24,160.7
(of which from affiliated companies)	(–72.4)	(–224.3)
(of which interest expenditure from social overhead capital provisions)	(–5,911.5)	(–5,088.3)
Total	**–39,984.3**	**–37,581.3**

15. Income tax expense

Income tax expense is the taxes on income and earnings paid or owed in the individual countries for the year under review, the tax allocation on the part of the co-participants (not belonging to the Group) of a tax group pursuant to § 9 Austrian Corporation Tax Act (öKStG) and the deferred tax items.

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	2008	2007
Current tax expense	7,251.8	4,823.3
Deferred tax expense	1,496.9	2,225.8
Tax expense	**8,748.7**	**7,049.1**

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

in EUR thousand	2008	2007
Profit before income tax	46,680.9	38,554.9
Theoretical tax expense (+)/ income (-)	11,670.2	9,638.7
Differences in rates of taxation	–2,583.1	–1,634.5
Tax effect of non-deductible expenditure and tax-exempt income	2,624.7	923.4
Income/expenditure from associates	–3,665.7	–2,671.4
Changes in deferred tax assets not applied in relation to loss carry-forwards	2,659.9	2,176.2
Effect from taxation changes	572.4	443.5
Tax gains/losses related to other periods	–2,408.6	–2,377.9
Other	–121.1	551.1
Taxes on income and earnings	**8,748.7**	**7,049.1**

In addition to the tax expense recognised in the Group income statement, the tax effect of expenses and income set off directly to equity capital was also recognised directly in equity. The income recognised in equity amounted to – TEUR 436.9 (previous year: TEUR 882.6). Payouts from capital from profit-participation rights classified as equity capital are tax deductible. The resulting tax of TEUR 1,400.0 is recognised directly in equity.

16. Earnings per share

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

in EUR thousand	2008	2007
Proportion of annual surplus relating to shareholders of parent company	22,513.8	22,007.5
Weighted average number of issued shares and capital share certificates	2,033.550	2,033.550
Earnings per share in EUR (basic EPS= diluted EPS)	**11.07**	**10.82**

Likewise the earnings per ordinary share amounts to EUR 11.07 (previous year: EUR 10.82).

As there were no potential diluted transactions for the fiscal years 2007 and 2008, the diluted earnings per share correspond to the basic earnings per share.

17. Intangible assets

in EUR thousand	Concessions, licences and similar rights	Goodwill	Total
Acquisition costs and manufacturing costs			
Balance at January 1st 2007	57,087.0	33,367.4	90,454.4
Additions/disposals due to changes in the consolidated group	11,776.6	–	11,776.6
Additions	5,868.3	270.0	6,138.3
Disposals	–2,402.6	–	–2,402.6
Reclassifications	50.3	–	50.3
Currency adjustments	148.3	–	148.3
Balance at December 31st 2007	72,527.9	33,637.4	106,165.3
Additions/disposals due to changes in the consolidated group	29.7	–	29.7
Additions	3,882.4	–	3,882.4
Disposals	–1,087.0	–1,649.7	–2,736.7
Reclassifications	47.9	9.3	57.2
Currency adjustments	–405.5	–0.7	–406.2
Balance at December 31st 2008	74,995.4	31,996.3	106,991.7
Accumulated amortisation			
Balance at January 1st 2007	20,841.6	21,172.5	42,014.1
Additions/disposals due to changes in the consolidated group	249.0	–	249.0
Additions (planned amortisation)	4,535.6	201.7	4,737.3
Disposals	–1,143.8	–	–1,143.8
Reclassifications	0.9	–	0.9
Currency adjustments	7.3	–	7.3
Appreciation	–	–	–
Balance at December 31st 2007	24,490.6	21,374.2	45,864.8
Additions/disposals due to changes in the consolidated group	8.6	–	8.6
Additions (planned amortisation)	5,178.8	203.5	5,382.3
Additions (non-planned amortisation)	700.0	–	700.0
Disposals	–57.9	–588.9	–646.8
Reclassifications	23.3	5.9	29.2
Currency adjustments	–15.9	–0.5	–16.4
Appreciation	–	–	–
Balance at December 31st 2008	30,327.5	20,994.2	51,321.7
Book values – balance at December 31st 2007	**48,037.3**	**12,263.2**	**60,300.5**
Book values – balance at December 31st 2008	**44,667.9**	**11,002.1**	**55,670.0**

The table shows only purchased intangible assets with a limited useful life. Please refer to the comments shown under accounting and valuation methods with regard to useful lives and methods of amortisation and depreciation. Impairment recognised in net income with regard to goodwill, amounting to TEUR 203.5 (previous year: TEUR 201.7), non-scheduled amortisation due to impairment losses amounting to TEUR 700.0 and regular amortisation of other intangible assets are shown in the income statement under “depreciation and amortisation expense”.

Goodwill resulting from the acquisition of companies is tested for impairment at the level of the segment to which it belongs in each particular case.

in EUR thousand	Balance Jan 1st 2008	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance Dec 31st 2008
Road construction – T-A Group	7,903.4	–	–	–	–35.0	7,868.4
Civil engineering – PTU Group	4,085.1	–	–	–1,060.8	–166.7	2,857.6
Building construction – PPH Group	274.7	–0.2	3.4	–	–1.8	276.1
Total	**12,263.2**	**–0.2**	**3.4**	**–1,060.8**	**–203.5**	**11,002.1**

in EUR thousand	Balance Jan 1st 2007	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance Dec 31st 2007
Road construction – T-A Group	7,938.4	–	–	–	–35.0	7,903.4
Civil engineering – PTU Group	3,981.8	–	270.0	–	–166.7	4,085.1
Building construction – PPH Group	274.7	–	–	–	–	274.7
Total	**12,194.9**	**–**	**270.0**	**–**	**–201.7**	**12,263.2**

The impairment test involves comparing the total of the book values of the assets of the segment to which goodwill was allocated with the attainable amount of the same assets. The attainable amount of the segment corresponds to the attributable fair value less selling costs or the value in use if this is higher. The attributable fair value reflects the best possible estimate of the amount for which an independent third party would acquire the segment at market conditions on the balance sheet date. In cases where no attributable 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 attainable amount. As an attributable fair value could not be established for any of the segments to which goodwill has been allocated, the value in use of these segments was determined in order to establish the attainable amount. The cash flows were derived from budgets for three to five years approved by the Executive Board and current at the time of the implementation of the impairment tests. These forecasts are based on past experience and expectations regarding future market developments. The discounting was carried out on the basis of the segment-specific capital costs. These segment-specific capital costs lay within a range of 6.0% to 8.6% (previous year 5.0% to 8.6%) before tax.

18. Property, plant and equipment

in EUR thousand	Land, land rights and buildings including buildings on land owned by others	Technical equipment and machinery	Other plant, factory and business equipment	Payments on account and assets in the course of construction	Total
Acquisition costs and manufacturing costs and reappraisals					
Balance at January 1st 2007	287,400.0	346,396.7	89,666.2	4,021.6	727,484.5
Additions/disposals due to changes in the consolidated group	0.6	3,141.7	415.9	5,903.6	9,461.8
Additions	5,534.0	32,970.4	15,073.5	31,525.2	85,103.1
Disposals	–3,423.6	–19,476.2	–14,682.2	–889.1	–38,471.1
Reclassifications	–13,435.3	2,879.2	369.1	–5,900.2	–16,087.2
Currency adjustments	509.2	572.8	312.9	87.0	1,481.9
Increase in value arising from revaluation	6,948.2	–	–	–	6,948.2
Balance at December 31st 2007	283,533.1	366,484.6	91,155.4	34,748.1	775,921.2
Additions/disposals due to changes in the consolidated group	5,084.4	22.0	36.8	952.8	6,096.0
Additions	8,914.8	38,943.4	14,461.4	25,222.5	87,542.1
Disposals	–3,414.8	–25,196.0	–13,820.3	–1,887.0	–44,318.1
Reclassifications	14,377.0	–6,999.8	2,092.5	–25,960.5	–16,490.8
Currency adjustments	–505.9	17.2	–785.3	–1,425.3	–2,699.3
Increase in value arising from revaluation	1,549.2	–	–	–	1,549.2
Balance at December 31st 2008	309,537.8	373,271.4	93,140.5	31,650.6	807,600.3
Accumulated depreciation					
Balance at January 1st 2007	63,167.4	243,943.3	66,391.7	8.9	373,511.3
Additions/disposals due to changes in the consolidated group	–	990.0	65.0	–	1,055.0
Additions (scheduled depreciation)	6,628.2	25,665.6	15,133.3	–	47,427.1
Disposals	–2,115.5	–18,621.1	–13,707.6	–	–34,444.2
Reclassifications	–1,977.7	–178.4	178.4	–	–1,977.7
Currency adjustments	37.3	668.8	299.3	–	1,005.4
Appreciation	–	–	–	–	–
Revision arising from revaluation	67.6	–	–	–	67.6
Balance at December 31st 2007	65,807.3	252,468.2	68,360.1	8.9	386,644.5
Additions/disposals due to changes in the consolidated group	119.4	–	12.0	–	131.4
Additions (scheduled depreciation)	9,244.0	24,474.1	13,238.0	208.5	47,164.6
Additions (non-scheduled depreciation)	3,000.0	–	–	–	3,000.0
Disposals	–932.4	–23,671.6	–12,630.0	–	–37,234.0
Reclassifications	7,369.5	–5,218.4	45.0	–	2,196.1
Currency adjustments	–383.0	1.7	–269.6	–	–650.9
Appreciation	–	–	–	–	–
Revision arising from revaluation	484.9	–	–	–	484.9
Balance at December 31st 2008	84,709.7	248,054.0	68,755.5	217.4	401,736.6
Book values – balance December 31st 2007	**217,725.8**	**114,016.4**	**22,795.3**	**34,739.2**	**389,276.7**
Book values – balance December 31st 2008	**224,828.1**	**125,217.4**	**24,385.0**	**31,433.2**	**405,863.7**

The attributable 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 evaluation methods. Namely by derivation from a price which has been achieved 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 and amortisation expense". Non-scheduled depreciation as a result of impairment was included at a rate of TEUR 3,000.0 and was also entered under "depreciation and amortisation expense".

The book value for property, plant and equipment that are pledged for security at the balance sheet date is TEUR 76,182.6 (previous year: TEUR 98,126.0).

The book value for land, land rights and buildings, including buildings on land owned by others would have amounted to TEUR 186,065.9 (previous year TEUR 181,608.7) on application of the acquisition cost model as at December 31st 2008.

Book values of property, plant and equipment and investment property held under finance leases amounted to:

in EUR thousand	2008	2007
Real estate leasing	83,893.4	103,845.4
Equipment leasing	53,902.8	40,285.0
Total	**137,796.2**	**144,130.4**

These are balanced by corresponding liabilities represented by the present value of the minimum lease payments, i.e, of TEUR 111,010.5 (previous year: TEUR 118,839.4).

The terms of the finance leases for real estate are between 5 and 23 years, and those relating to equipment leases between 3 and 10 years.

Operating leases

The Group essentially leases cars and individual items of real estate under operating leases. 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 nonterminable term of the operating leases:

in EUR thousand	2008	2007
Due within 1 year	7,683.4	6,451.9
Due between 1 and 5 years	19,294.1	17,136.1
Due after 5 years	26,275.7	29,742.7

19. Investment property

in EUR thousand	
Attributable fair value	
Balance at January 1st 2007	162,284.1
Additions/disposals due to changes in the consolidated entity	29,334.7
Additions	27,424.4
Disposals	–9,610.4
Reclassifications	14,059.9
Currency adjustments	90.5
Adjustment to attributable value	–565.0
Balance at December 31st 2007	**223,018.2**
Additions/disposals due to changes in the consolidated entity	–10,113.4
Additions	17,269.3
Disposals	–5,903.9
Reclassifications	18,658.9
Currency adjustments	87.1
Adjustment to attributable value	–435.8
Balance at December 31st 2008	**242,580.4**

The attributable fair value is determined according to recognised valuation methods, namely by being inferred from a current market price, by being inferred from a price attained in a transaction with similar items of real estate in the recent past, or mostly, however, for want of suitable market data, by discounting estimated future cash flows that are usually generated in the market by this type of real estate.

The rental income from leased financial real estate amounted to TEUR 7,138.7 (previous year: TEUR 6,189.1). Operating expenses related to real estate held as investment property for which there was no rental income in the year under review amounted to TEUR 1,368.9.

Investment property with a book value of TEUR 93,210.6 (previous year: TEUR 70,684.6) is pledged as collateral for liabilities.

20. Shareholdings in associates

in EUR thousand	2008	2007
Acquisition costs	74,743.3	46,088.4
Share of profit attained since acquisition less dividends received and profit transfers	59,828.4	50,965.4
Earnings/expenses entered directly into equity	–14,563.2	4,502.7
Book value	**120,008.5**	**101,556.5**

The following summaries show condensed financial information relating to the associated companies:

in EUR thousand	2008	2007
Assets	1,275,094.1	1,195,404.9
Liabilities	1,049,705.3	977,629.6
Net assets	225,388.8	217,775.3
Group share of net assets	120,008.5	101,556.5

in EUR thousand	2008	2007
Revenue	463,895.9	429,466.4
Profit	38,183.6	31,929.1
Group share of profit	17,327.5	14,671.7

Non-recognised shares of losses of associated companies for fiscal year 2008 amount to – TEUR 787.4 (previous year: TEUR 0.0) and the accumulated amount as of December 31st 2008 comes out at – TEUR 999.7 (previous year: – TEUR 514.5).

The market capitalisation of the 41.27% shareholding in UBM Realitätenentwicklung AG amounted to TEUR 37,141.4 (previous year: TEUR 61,902.4) at December 31st 2008.

21. Loans

in EUR thousand	2008		2007	
	long-term	short-term	long-term	short-term
Loans to affiliated companies	175.6	–	–	–
Loans to companies in which there is a participating interest	1,176.6	410.0	2,098.5	–
Loans to associated companies	15,053.7	–	7,368.3	–
Other loans	4,318.6	125.6	4,335.4	121.6
Total	**20,724.5**	**535.6**	**13,802.2**	**121.6**

22. Other financial assets

in EUR thousand	2008	2007
Shareholdings in non-consolidated subsidiaries	5,823.6	9,727.2
Other shareholdings	39,196.4	14,383.7
Total debt securities available for sale	14,697.8	23,806.3
Total	**59,717.8**	**47,917.2**

As regards the shareholdings, including shareholdings in non-consolidated subsidiaries, the attributable fair value cannot be determined reliably, meaning that they are recognised at their acquisition costs less any amortisation in respect of 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	2008	2007
Land intended for sale	8,118.2	779.7
Finished and unfinished products and merchandise	5,083.9	4,217.2
Raw materials and supplies	64,336.2	45,862.4
Payments on account	18,113.7	16,843.3
Total	**95,652.0**	**67,702.6**

Inventories are not subject to any restrictions on disposal.

24. Trade receivables

Manufacturing contracts

The manufacturing contracts valued by the percentage of completion method at the balance sheet date but not yet finally settled, are stated as follows:

in EUR thousand	2008	2007
Contract values defined according to POC method	1,501,472.1	896,061.0
Less attributable payments on account	–1,268,313.7	–687,134.5
Total	**233,158.4**	**208,926.5**

Proportional contract values capitalised according to the stage of completion of the contract as of December 31st 2008 are balanced by contract costs valued at TEUR 1,460,002.6 (previous year: TEUR 860,551.4), so that the income from these activities amounts to TEUR 41,469.5 (Previous year: TEUR 35,509.6).

Shares of the profits from joint ventures are shown under receivables from joint ventures. Payments on account including prepayments on partial invoices are shown under liabilities, where these exceed proportional contract values capitalised according to the stage of completion of the contract.

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

in EUR thousand	Dec 31st 2008	Remaining term > 1 year	Dec 31st 2007	Remaining term > 1 year
Receivables from third parties	551,700.3	11,286.3	542,821.4	12,041.7
Receivables from joint ventures	86,895.9	–	107,642.9	–
Receivables from non-consolidated subsidiaries	30,735.5	14,970.9	47,471.7	330.3
Receivables from other shareholdings	24,205.3	–	23,433.5	12,584.8
Receivables from associated companies	30,405.8	14,765.5	39,603.4	2.6
Total	**723,942.8**	**41,022.7**	**760,972.9**	**24,959.4**

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

Trade receivables include contractual retentions of TEUR 74,619.2 (previous year: TEUR 61,483.7).

Ageing structure of receivables:

in EUR thousand	Book value at Dec 31st 2008	Of which not overdue at closing date	Of which overdue at closing date in the following time periods				
			Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Receivables from third parties	551,700.3	362,025.2	91,873.8	15,413.1	37,656.7	25,843.9	18,887.6

in EUR thousand	Book value at Dec 31st 2007	Of which not overdue at closing date	Of which overdue at closing date in the following time periods				
			Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Receivables from third parties	542,821.4	412,550.2	30,629.4	22,135.3	35,659.6	24,639.8	17,207.1

In the above-mentioned overdues, amounts of ongoing invoice checks are also included, which could be settled within 120 days. Provisions for depreciation were included at reasonable amounts.

25. Other receivables and assets

in EUR thousand	Dec 31st 2008	Remaining term > 1 year	Dec 31st 2007	Remaining term > 1 year
Receivables from insurance	10,378.7	1,458.9	10,051.6	2,817.0
Tax assets	13,848.6	–	16,331.8	–
Other receivables and assets	51,471.4	6,706.4	29,711.6	5,405.1
Total	**75,698.7**	**8,165.3**	**56,095.0**	**8,222.1**

Diesel forwards and diesel purchasing contracts from the previous year at the fair attributable value are included under other receivables and assets (see point 41 notes on financial instruments).

26. Liquid funds

The liquid funds include cash at banks amounting to TEUR 87,711.6 (previous year: TEUR 116,818.0) and cash in hand of TEUR 695.2 (previous year: TEUR 543.6). A balance of TEUR 3,000.0 included within cash at banks serves as collateral for obligations taken over in connection with the ABS loan (see point 33) meaning that this balance is not freely available to the Group.

27. Deferred tax assets

The following tax deferments stated on the balance sheet 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 carry-forwards:

in EUR thousand	2008		2007	
	Assets	Liabilities	Assets	Liabilities
Long-term tangible assets, liabilities from financial leasing	32,734.3	54,203.3	22,987.7	44,257.3
Percentage of completion	–	30,653.2	–	22,925.5
Untaxed reserves	–	8,035.6	–	7,757.1
Provisions	8,869.8	7,873.2	8,447.3	9,241.3
Tax loss carry-forwards	29,828.9	–	24,122.9	–
Set-offs	–57,506.4	–57,506.4	–40,467.2	–40,467.2
Deferred taxes	**13,926.6**	**43,258.9**	**15,090.7**	**43,714.0**
Net deferred taxes		**29,332.3**		**28,623.3**

in EUR thousand	2008	2007
Net deferred taxes	29,332.3	28,623.3
Change	–709.0	–1,516.2
of which relating to currency difference	58.2	–465.1
of which relating to expense/income according to income statement	–1,496.9	–2,225.8
of which relating to regrouping from current tax liabilities	–239.4	1,698.1
of which relating to changes to the consolidated group	1,406.0	–1,406.0
of which relating to expenses/ additions directly entered in equity	–436.9	882.6

Deferred tax assets based on loss carry-forwards are capitalised to the extent that these can probably be offset against future taxable profits (see notes in point 6.2.).

The loss carry-forwards for which no deferred tax assets were recognised, amount to TEUR 92,751.2 (previous year TEUR 82,948.2). The loss carry-forwards 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.

28. Share capital

Share capital	No.	EUR
Ordinary bearer shares	1,341,750	9,750,877.53
7% bearer preference shares (without voting rights)	642,000	4,665,595.95
Total share capital	**1,983,750**	**14,416,473.48**
Capital share certificates (profit-participation rights pursuant to § 174 Stock Corporation Act)	49,800	361,910.71
Total share capital and capital from profit-participation rights	**2,033,550**	**14,778,384.19**

The shares are authorised and fully issued no par value shares which are fully paid in. The amount of share capital for each bearer share is approximately EUR 7.27. The amount of profit participation capital for each capital share certificate is also EUR 7.27. There were no changes in the year under review. 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 shareholders' meeting. Bearers of preference shares and capital share certificates are not entitled to any votes at the annual shareholders' meeting.

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

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

The number of ordinary bearer shares, bearer preference shares and capital share certificates did not change in 2008 and 2007.

29. Reserves

The capital reserves result largely from the capital increases, adjustments and statute-barred dividend claims arising from previous years. The capital reserves include an amount of TEUR 33,682.7 which is allocated. It may only be released to compensate for an accumulated loss which would otherwise be shown in the annual financial statements of PORR AG, to the extent that free reserves are not available to cover this.

The retained earnings comprise the revaluation reserves in accordance with IAS 16, the reserves from revaluation of the annual financial statements of subsidiaries in foreign currencies, the reserves for cash flow hedges, other profits or losses to be set off directly against equity, 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 valuation methods used in the consolidated financial statements. Unappropriated retained earnings of TEUR 4,481.2 are available for distribution to the shareholders of PORR AG. In addition the unallocated retained earnings of PORR AG, which come to TEUR 122,786.8 as of December 31st 2008, may be released and distributed to the shareholders of PORR AG. The statutory reserve of PORR AG of TEUR 457.8 may only be released to compensate for an accumulated loss which would otherwise be shown, whereby the release to cover the loss is not impeded by free reserves being available to compensate for the loss.

During the year under review, dividends or profit shares of EUR 4,473,810.00, being EUR 2.20 per share or capital share certificate, were paid to shareholders and holders of capital share certificates in PORR AG. The Executive Board proposes to distribute a dividend from the 2008 unappropriated retained earnings of EUR 2.20 per ordinary share, preference share or capital share certificate, amounting to a total of EUR 4,473,810.00. The proposed dividend is not yet entered in the consolidated balance sheet as a liability as of December 31st 2008. The payment of dividends has no effect on the tax contributions of the Group.

30. Equity from profit-participation rights (minority interest)

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

31. Minority interest (subsidiaries)

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

32. Provisions

in EUR thousand	Severance	Pensions	Anniversary	Other staff provisions	Buildings	Other	Total
Balance at Jan 1st 2008	51,546.2	49,366.3	7,624.2	44,595.9	51,506.7	4,950.4	209,589.7
Transfer	6,862.8	515.7	328.2	22,600.5	27,113.0	840.8	58,261.0
Appropriation/liquidation	5,243.3	5,765.6	446.5	16,736.3	33,550.5	2,139.7	63,881.9
Balance at Dec 31st 2008	**53,165.7**	**44,116.4**	**7,505.9**	**50,460.1**	**45,069.2**	**3,651.5**	**203,968.8**
of which non-current	53,165.7	44,116.4	7,505.9	–	–	–	104,788.0
of which current	–	–	–	50,460.1	45,069.2	3,651.5	99,180.8

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

The other staff provisions consist in particular of provisions for holidays not taken and for bonuses. A claim on the group arising from these obligations can be anticipated, in which case the bonuses will also be payable in the following year; however, the time taken to use up holidays not taken may extend over a period of more than one year.

At TEUR 18,375.6 (previous year: TEUR 19,663.6), provisions for buildings mainly represent provisions for impending losses arising from the backlog of orders and, at TEUR 7,885.1 (previous year: TEUR 8,680.0) 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, in which case the recognised amount corresponds to the best possible estimate of the amount of the claim. As building contracts can take several years to be carried out, and any claim possibly precedes a long ongoing legal dispute, the time of the claim is uncertain but will as a rule lie within the relevant operating cycle.

Pension plans

Defined benefit plans
Provisions for severance pay were created for employees (on wages and salaries) who have claims to severance payments pursuant to the Employee Act, the Wage Earners' Severance Pay Act or works agreements. Employees whose employment is subject to Austrian law, if the relevant employment began prior to January 1st 2003, have a claim to severance pay where the employment is terminated upon the employee's reaching the statutory age of retirement. The amount of the severance pay depends on the amount of the pay at the time of termination and of the length of the employment. These employee claims should therefore be treated as claims under defined benefit pension plans, in which case plan assets do not exist to cover these claims. Similar considerations apply to employees to whom severance pay is due pursuant to the Wage Earners' Severance Pay Act and for severance pay payable pursuant to works agreements.

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

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

The movements within provisions for severance pay were as follows:

in EUR thousand	2008	2007
Present value of severance obligations (DBO) at Jan 1st	51,546.2	49,360.2
Prior service cost	2,842.8	2,645.0
Interest paid	2,610.8	2,210.9
Severance payments	–5,243.3	–5,187.3
Actuarial profits/losses	1,409.2	2,517.4
Present value of severance obligations (DBO) at Dec 31st	**53,165.7**	**51,546.2**

For the year 2009, an interest payment of TEUR 2,949.5 and a prior service cost of TEUR 2,140.4 are planned. Please refer to the notes on the accounting and valuation methods with regard to the actuarial assumptions underlying the calculation.

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

in EUR thousand	Present value of severance obligations at Dec 31st
2008	53,165.7
2007	51,546.2
2006	49,360.2
2005	48,867.6
2004	38,872.1

The movements within pension provisions were as follows:

in EUR thousand	2008	2007
Present value of pension obligations (DBO) at Jan 1st	49,366.3	51,694.9
Prior service cost	386.6	454.9
Interest paid	2,721.6	2,351.6
Pension payments	–5,765.6	–6,218.1
Actuarial profits/losses	–2,592.5	1,083.0
Present value of pension obligations (DBO) at Dec 31st	**44,116.4**	**49,366.3**

For the year 2009, an interest payment of TEUR 2,444.8 and a prior service cost of TEUR 252.9 are planned. Please refer to the notes on the accounting and valuation methods with regard to the actuarial assumptions underlying the calculation.

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

in EUR thousand	Present value of pension obligations at Dec 31st
2008	44,116.4
2007	49,366.3
2006	51,694.9
2005	53,063.6
2004	47,072.0

In the year under review experience-based adjustments to the pension and severance obligations for the year under review correspond to the actuarial profits and losses of the period.

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. The Group is obliged to pay contributions of 1.53% of the wage or salary to an employee welfare fund fore these employees, except for those to whose employment the Construction Workers' Leave and Severance Pay Act is applicable.

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, 37% of the wage of relevant employees is payable to the holiday pay fund and 4% to the severance pay fund. This contribution covers employees' 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 employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act.

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.

33. Bonds

As of the value date May 31st 2007, one bond with the following conditions was issued by Allgemeine Baugesellschaft – A. Porr AG:

Nominal amount	EUR 70,000,000.00
Tenor	2007 – 2012
Denomination	EUR 500.00
Nominal interest rate	5.875% p.a.
Coupon	May 31st/November 30th semi-annually
Redemption	May 31st 2012 at 100%
Closing rate Dec 31st 2008	96.5
ISIN	AT0000A05DC4
Book value	EUR 70,000,000.00

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

As of the value date June 29th 2006, two bonds with the following conditions were issued by Allgemeine Baugesellschaft – A. Porr AG:

Nominal amount	EUR 60,000,000.00
Tenor	2006 – 2011
Denomination	EUR 500.00
Nominal interest rate	5.625% p.a.
Coupon	June 29th/December 29th semi-annually
Redemption	June 29th 2011 at 100%
Closing rate Dec 31st 2008	96.79
ISIN	AT0000A019D6
Book value	EUR 60,000,000.00

Nominal amount	CZK 200,000,000.00
Tenor	2006 – 2011
Denomination	CZK 2,000,000.00
Nominal interest rate	6-Month PRIBOR + 190BPS
Coupon	June 29th/December 29th semi-annually
Redemption	June 29th 2011 at 100%
ISIN	AT0000A019E4
Book value	EUR 7,650,407.00

The bonds were issued for subscription on the Austrian capital market.

As of the value date June 29th 2005, one bond with the following conditions was issued by Allgemeine Baugesellschaft –A. Porr AG:

Nominal amount	EUR 100,000,000.00
Tenor	2005 – 2010
Denomination	EUR 500.00
Nominal interest rate	4.5% p.a.
Coupon	June 29th annually
Redemption	June 29th 2010 at 100%
Closing rate December 31st 2008	96.88
ISIN	AT0000492707
Book value	EUR 100,000,000.00

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

As of the value date April 29th 2005, Porr Financial Services AG, Altdorf, Switzerland (a fully consolidated 100% subsidiary of Allgemeine Baugesellschaft – A. Porr AG) issued an ABS bond as follows:

Nominal amount	EUR 72,000,000.00
Tenor	2005 – 2012
Denomination	EUR 50,000.00
Nominal interest rate	3.9675% p.a.
Coupon	April 30th/October 31st semi-annually
Redemption	April 30th 2012 at 100%
Book value	EUR 72,000,000.00

The bond was issued on the Austrian capital market for subscription by institutional investors. This bond is not quoted on the stock exchange. It can be assumed, however, that its market value corresponds approximately to its book value. Receivables from customers with a first-class credit rating with a book value at the balance sheet date of TEUR 77,400.2 (previous year: TEUR 76,533.7) serve as security.

34. Financial liabilities

in EUR thousand	2008	2007
Bank loans and overdrafts		
subject to interest at variable rates	153,036.4	146,190.8
subject to interest at fixed rates	28,739.1	20,467.9
Lease obligations		
subject to interest at variable rates	111,010.5	118,839.4
Derivative financial instruments	12,779.2	10,451.9
Other financial liabilities		
subject to interest at variable rates	12,903.1	–
Total	**318,468.3**	**295,950.0**

Bank borrowings 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 1-month EURIBOR rate averaged out at 4.276%, the 3-month EURIBOR rate at an average 4.644% and the 6-month EURIBOR rate at an average 4.727%. The margins averaged 1.31%.

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 3.25% and 6.89%. The interest component of the lease payments is usually continuously adjusted to the market interest rate. There are no agreements about conditional rental payments.

Derivative financial instruments include currency futures contracts, diesel purchasing contracts and interest rate hedges, which are valued at attributable fair values at the balance sheet date (see note 41 notes on financial instruments).

in EUR thousand	Dec 31st 2008	Remaining term			of which
		< 1 year	> 1 year < 5 years	> 5 years	secured by collateral
Bank loans and overdrafts	181,775.5	51,262.4	71,956.1	58,557.0	76,325.0
Lease obligations	111,010.5	22,128.5	42,248.4	46,633.6	111,010.5
Derivative financial instruments	12,779.2	4,288.4	8,490.8	–	–
Other financial liabilities	12,903.1	–	–	12,903.1	–
Total	**318,468.3**	**77,679.3**	**122,695.3**	**118,093.7**	**187,335.5**

in EUR thousand	Dec 31st 2007	Remaining term			of which
		< 1 year	> 1 year < 5 years	> 5 years	secured by collateral
Bank loans and overdrafts	166,658.7	85,438.0	46,720.6	34,500.1	53,257.8
Lease obligations	118,839.4	16,621.0	37,483.0	64,735.4	118,839.4
Derivative financial instruments	10,451.9	2,776.0	7,675.9	–	–
Total	**295,950.0**	**104,835.0**	**91,879.5**	**99,235.5**	**172,097.2**

Liabilities secured by credit institutions are all property related. Group obligations under finance leases are secured by the leased assets amounting to a book value of TEUR 137,796.2 (previous year: TEUR 144,130.4) which are the property of the lessor under civil law.

in EUR thousand	Minimum leasing payments		Proportion of principal repayment of leasing payments	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
With a remaining period up to one year	27,367.5	22,036.7	22,128.5	16,621.0
With a remaining period of more than one year and less than five years	56,373.7	53,295.6	42,248.4	37,483.0
With a remaining period of more than five years	61,362.7	86,473.3	46,633.6	64,735.4
Total	**145,103.9**	**161,805.6**	**111,010.5**	**118,839.4**
To be deducted: future financing costs	–34,093.4	–42,966.2	–	–
Present value of minimum leasing payments	**111,010.5**	**118,839.4**	**111,010.5**	**118,839.4**
Entered in the consolidated financial statements as:				
Short-term liabilities	–	–	22,128.5	16,621.0
Long-term liabilities	–	–	88,882.0	102,218.4
			111,010.5	**118,839.4**

35. Trade payables

in EUR thousand	Dec 31st 2008	Remaining term			of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Payables to third parties	359,345.8	342,215.2	15,562.6	1,568.0	–
Payables to joint ventures	53,489.3	53,489.3	–	–	–
Payables to non-consolidated subsidiaries	4,748.3	4,549.5	183.6	15.2	–
Payables to associated companies	13,710.6	11,292.1	2,418.5	–	–
Payables to other shareholdings	7,628.5	7,601.0	24.5	3.0	–
Total	**438,922.5**	**419,147.1**	**18,189.2**	**1,586.2**	**–**

in EUR thousand	Dec 31st 2007	Remaining term			of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Payables to third parties	320,056.1	305,159.5	13,415.0	1,481.6	–
Payables to joint ventures	66,821.1	66,821.1	–	–	–
Payables to non-consolidated subsidiaries	1,568.0	956.1	136.6	475.3	–
Payables to associated companies	7,417.4	7,417.4	–	–	–
Payables to other shareholdings	5,884.3	5,398.1	58.6	427.6	–
Total	**401,746.9**	**385,752.2**	**13,610.2**	**2,384.5**	**–**

Trade payables are classified as current as they are to be settled within the enterprise's normal operating cycle.

36. Other liabilities

This item mainly comprises tax liabilities, apart from income taxes, liabilities relating to social security and employees as well as accrued and deferred items.

With regard to manufacturing contracts, it also includes payments on account including preliminary payments on invoices for partial delivery amounting to TEUR 64,672.2 (previous year: TEUR 70,417.2), where these exceed proportional contract values capitalised according to the stage of completion of the contract.

37. Tax liabilities

Current income tax payables are shown under tax liabilities.

38. Contingent liabilities

The contingent liabilities relate largely to loan guarantees and surety bonds. At the balance sheet date, the Group mainly provided guarantees in respect of associated companies. Apart from that the Group is jointly and severally liable for all joint ventures in which it participates. Claims arising from these liabilities are not likely.

39. Notes on segment reporting

Segment reporting is by business area, reflecting the internal organisational structure of the PORR Group. The exchange of goods and services between segments demonstrates relationships between the business areas relating to goods and services. Amounts were offset at prices usually generated in the market. Intra-group income and expenses and interim profits are eliminated when reconciling to consolidated data. Intragroup receivables and liabilities in particular are eliminated as part of the consolidation of debts when reconciling segment assets or liabilities.

The segment ‘Road construction – T-A Group’ mainly comprises the TEERAG-ASDAG AG sub-group. The companies within the sub-group work mainly in road construction. The spectrum of services performed by the companies in this segment also covers sealing work, concrete construction and bridge building, environmental protection technology and road markings.

The segment ‘Civil engineering – PTU Group’ comprises Porr Technobau und Umwelt AG, and its subsidiaries as well as PORR AG, which perform mainly civil engineering work. Further services are rendered by companies in this segment in the areas of railway construction, tunnel construction, environmental technology and the supply of raw materials.

The segment ‘Building construction – PPH Group’ comprises the Porr Projekt und Hochbau AG sub-group. The companies within this sub-group work mainly in building construction, project planning and development.

	Road Construction T-A Group		Civil Engineering PTU Group	
in EUR thousand	2008	2007	2008	2007
Production output (Group)	**965,065.3**	**859,323.3**	**1,292,645.8**	**1,040,730.8**
Segment revenue	**1,044,915.7**	**894,843.2**	**1,397,337.7**	**1,133,117.3**
Revenue share attributable to minority interest	2,264.7	2,684.6	8,540.3	7,373.3
Cost of materials and other related production services	–720,394.3	–587,811.9	–1,004,619.5	–756,677.2
Staff costs	–232,894.4	–221,999.9	–250,710.0	–229,020.8
Depreciation and amortisation expense	–16,395.9	–16,854.7	–33,728.5	–29,530.9
Other operating expenses	–49,542.8	–49,723.4	–106,206.2	–94,811.9
EBIT (Segment earnings before interest and tax)	**27,953.0**	**21,137.9**	**10,613.8**	**30,449.8**
Income from financial investments and other current financial assets				
Finance costs				
EBT (Earnings before tax)				
Income tax expense				
Profit (loss)				
of which: attributable to minority interest (subsidiaries)				
Share attributable to shareholders of the parent and holders of profit-participation rights				
of which: attributable to holders of profit-participation rights				
Profit (loss) attributable to shareholders of the parent				
Segment assets at Dec 31st	**742,151.4**	**696,749.8**	**1,733,854.0**	**1,509,653.1**
Segment liabilities at Dec 31st	**399,852.0**	**374,337.7**	**1,307,234.4**	**1,215,373.1**
Investment in property, plant and equipment	**27,063.7**	**23,357.6**	**32,333.0**	**35,380.3**
Staff	**4,754**	**4,777**	**4,961**	**4,672**

Building Construction PPH Group		Segment totals		Reconciliation		Group	
2008	2007	2008	2007	2008	2007	2008	2007
925,220.6	**843,628.8**	**3,182,931.7**	**2,743,682.9**	**–**	**–**	**3,182,931.7**	**2,743,682.9**
812,274.6	**668,508.0**	**3,254,528.0**	**2,696,468.5**	**–544,272.1**	**–443,931.1**	**2,710,255.9**	**2,252,537.4**
6,522.5	4,613.8	17,327.5	14,671.7	–	–	17,327.5	14,671.7
–634,860.4	–515,058.3	–2,359,874.2	–1,859,547.4	540,983.2	435,014.1	–1,818,891.0	–1,424,533.3
–107,941.5	–96,886.3	–591,545.9	–547,907.0	–	–	–591,545.9	–547,907.0
–6,608.8	–5,846.5	–56,733.2	–52,232.1	–	–	–56,733.2	–52,232.1
–37,203.2	–37,875.6	–192,952.2	–182,410.9	3,392.8	7,734.4	–189,559.4	–174,676.5
32,183.2	**17,455.1**	**70,750.0**	**69,042.8**	**103.9**	**–1,182.6**	**70,853.9**	**67,860.2**
						15,811.3	8,276.0
						–39,984.3	–37,581.3
						46,680.9	**38,554.9**
						–8,748.7	–7,049.1
						37,932.2	**31,505.8**
						9,818.4	9,498.3
						28,113.8	**22,007.5**
						5,600.0	–
						22,513.8	22,007.5
1,172,666.6	**992,808.7**	**3,648,672.0**	**3,199,211.6**	**–1,745,944.6**	**–1,345,996.0**	**1,902,727.4**	**1,853,215.6**
1,065,915.8	**918,627.8**	**2,773,002.2**	**2,508,338.6**	**–1,238,761.3**	**–1,017,366.3**	**1,534,240.9**	**1,490,972.3**
28,145.5	**34,482.0**	**87,542.2**	**93,219.9**			**87,542.2**	**93,219.9**
2,401	**2,106**	**12,116**	**11,555**			**12,116**	**11,555**

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

in EUR thousand	Production output by customer base 2008	Assets by company base 2008	Production output by customer base 2007	Assets by company base 2007
Domestic	**1,861,086.9**	**2,945,402.7**	**1,791,469.4**	**2,565,475.1**
Hungary	339,850.2	83,900.7	191,029.0	46,463.6
Germany	262,178.4	246,988.5	187,807.3	249,400.7
Poland	242,883.7	69,026.0	168,519.7	50,545.2
Czech Republic	237,995.7	127,337.7	208,833.8	114,564.1
Slovakia	79,787.0	13,560.3	47,942.2	2,124.8
Switzerland	54,775.4	113,085.3	40,984.9	111,673.8
Romania	35,874.7	23,056.3	36,654.5	11,835.3
Croatia	17,978.7	22,760.5	25,307.1	20,984.6
Other Foreign	50,521.0	3,554.0	45,135.0	26,144.4
Foreign total	**1,321,844.8**	**703,269.3**	**952,213.5**	**633,736.5**
Segment total	**3,182,931.7**	**3,648,672.0**	**2,743,682.9**	**3,199,211.6**

40. Notes on the cash flow statement

The cash flow statement is broken down into separate cash flows from operating, investing and financing activities, in which the cash flow from operating activities is derived according to the indirect method. The financial fund comprises exclusively cash on hand/at bank and corresponds to the value shown in the balance sheet for liquid funds.

Interest received and dividends received are recorded in the cash flow from operating activities, as is interest paid. In contrast to this, dividends paid are shown under the cash flow from financing activities. Income tax of TEUR 7,251.8 (previous year: TEUR 4,823.3) is included under operating cash flow.

41. Notes on financial instruments

41.1. Capital risk management

On the basis of the current capitalisation the company aims to stabilise and extend the equity ratio from its present level. This development will be achieved by operational management targets to maximise the EBIT margin and EBT margin.

41.2. Categories of financial instruments

41.2.1. Book values, valuation rates and attributable fair values

in EUR thousand	Valuation category in accordance with IAS 39	Book value at Dec 31st 2008	Valuation in acc. with IAS 39			Fair Value at Dec 31st 2008
			(continuing) Acquisition costs	Fair Value not affecting net income	Fair Value affecting net income	
Assets						
Loans	LaR	21,260.1	21,260.1			21,260.1
Other financial assets (1)	AfS (at cost)	45,020.0	45,020.0			n/a
Other financial assets	AfS	14,697.8		14,697.8		14,697.8
Trade receivables	LaR	723,942.8	732,942.8			732,942.8
Other assets	LaR	75,078.6	75,078.6			75,078.6
Derivatives (without hedges)	FAHfT	2,634.7			2,634.7	2,634.7
Derivatives (with hedges)		352.4		352.4		352.4
Liquid funds		88,406.8	88,406.8			88,406.8
Liabilities						
Bonds						
at fixed interest rates	FLAC	302,000.0	302,000.0			294,504.0
at variable interest rates	FLAC	7,650.4	7,650.4			7,650.4
Bank loans and overdrafts						
at fixed interest rates	FLAC	28,739.1	28,739.1			28,260.3
at variable interest rates	FLAC	153,036.4	153,036.4			153,036.4
Lease obligations (2)		111,010.5	111,010.5			111,010.5
Other financial liabilities						
at variable interest rates	FLAC	12,903.1	12,903.1			12,903.1
Trade payables	FLAC	438,922.5	438,922.5			438,922.5
Other liabilities	FLAC	54,786.8	54,786.8			54,786.8
Derivatives (without hedges)	FLHfT	2,961.5			2,961.5	2,961.5
Derivatives (with hedges)		9,817.7		9,817.7		9,817.7
by category:						
Loans and Receivables	LaR	820,281.5	820,281.5			820,281.5
Liquid funds		88,406.8	88,406.8			88,406.8
Available-for-Sale Financial Assets (1)	AfS (at cost)	45,020.0	45,020.0			n/a
Available-for-Sale Financial Assets	AfS	14,697.8		14,697.8		14,697.8
Financial Assets Held for Trading	FAHfT	2,634.7			2,634.7	2,634.7
Financial Liabilities Held for Trading	FLHfT	2,961.5			2,961.5	2,961.5
Financial Liabilities Measured at Amortised Cost	FLAC	998,038.3	998,038.3			990,063.5

in EUR thousand	Valuation category in accordance with IAS 39	Book value at Dec 31st 2007	Valuation in acc. with IAS 39 (continuing) Acquisition costs	Fair Value not affecting net income	Fair Value affecting net income	Fair Value at Dec 31st 2007
Assets						
Loans	LaR	13,923.8	13,923.8			13,923.8
Other financial assets (1)	AfS (at cost)	24,110.9	24,110.9			n/a
Other financial assets	AfS	23,806.3		23,806.3		23,806.3
Trade receivables	LaR	760,972.9	760,972.9			760,972.9
Other assets	LaR	39,012.3	39,012.3			39,012.3
Derivatives (without hedges)	FAHfT	219.2			219.2	219.2
Liquid funds		117,361.6	117,361.6			117,361.6
Liabilities						
Bonds						
at fixed interest rates	FLAC	302,000.0	302,000.0			299,970.0
at variable interest rates	FLAC	7,616.9	7,616.9			7,616.9
Bank loans and overdrafts						
at fixed interest rates	FLAC	20,467.9	20,467.9			18,424.4
at variable interest rates	FLAC	146,190.8	146,190.8			146,190.8
Lease obligations (2)		118,839.4	118,839.4			118,839.4
Trade payables	FLAC	401,746.9	401,746.9			401,746.9
Other liabilities	FLAC	74,307.7	74,307.7			74,307.7
Derivatives (without hedges)	FLHfT	47.3			47.3	47.3
Derivatives (with hedges)		10,404.6		10,404.6		10,404.6
by category:						
Loans and Receivables	LaR	813,909.0	813,909.0			813,909.0
Liquid funds		117,361.6	117,361.6			117,361.6
Available-for-Sale Financial Assets (1)	AfS (at cost)	24,110.9	24,110.9			n/a
Available-for-Sale Financial Assets	AfS	23,806.3		23,806.3		23,806.3
Financial Assets Held for Trading	FAHfT	219.2			219.2	219.2
Financial Liabilities Held for Trading	FLHfT	47.3			47.3	47.3
Financial Liabilities Measured at Amortised Cost	FLAC	952,330.2	952,330.2			948,256.7

(1) These are related to Group shareholdings. The attributable fair value cannot be reliably determined and there is no active market so that the acquisition costs less possible impairment are applied. There are currently no concrete plans to sell.

(2) Lease obligations fall under the application of IAS 17 and IFRS 7.

The fair value of receivables from trade receivables corresponds to the book value, as the majority of these are current. Every financial instrument is categorised as available for sale if it does not fall into any other valuation category under IAS 39. The fair value valuation for other financial assets and bonds 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 2008 was used for the discounting of the cash flow.

41.2.2. Net results by valuation category

in EUR thousand		From interest/ dividends	From subsequent valuation at Fair Value	From subsequent valuation Value adjustment	From divestiture	Net income 2008
Loans and Receivables	LaR	11,216.6	–	–	–	11,216.6
Available-for-Sale Financial Assets	AfS	4,601.4	–	1,879.0	195.4	2,527.0
Financial Liabilities Measured at Amortised Cost	FLAC	–28,558.7	–	–	–	–28,558.7

in EUR thousand		From interest/ dividends	From subsequent valuation at Fair Value	From subsequent valuation Value adjustment	From divestiture	Net income 2007
Loans and Receivables	LaR	7,313.4	–	–	–	7,313.4
Available-for-Sale Financial Assets	AfS	2,771.1	-	1,300.0	–	1,471.1
Financial Liabilities Measured at Amortised Cost	FLAC	–27,959.5	–	–	–	–27,959.5

41.3. Aims of financial risk management

Managing financial risks, in particular liquidity risks, interest rate/currency risks and risks from fluctuating raw material prices, are governed by standard Group guidelines. The managements 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 complete functional separation of commerce, processing and accounting.

41.4. Liquidity risks

The liquidity risk is defined as the risk that liabilities cannot be settled upon due date.

As of December 31st 2008 net liabilities, defined as the balance of liquid funds, bonds and current and non-current financial liabilities, amounted to EUR 539.8m (previous year EUR 488.1m).

The short-term monetary assets exceed the short-term monetary liabilities by EUR 223.9m. If the short-term provisions amounting to EUR 99.2m materialise, a debit balance of EUR 124.7m remains.

The short-term financial liabilities amount to EUR 77.7m (previous year: EUR 104.8m) and are more than covered by liquid funds totalling EUR 88.4m (previous year: 117.4m).

EUR 309.7m of the long-term financial liabilities concern bonds, whereby the first instalment of EUR 100.0m is first up for return in June 2010. The plan is to finance the payback of bonds through primary offerings.

As of the balance sheet date, there is EUR 264.7m (previous year: 311.8m) available in unused bank lines for cash loans, which could be drawn on for immediate refinancing of short-term financial liabilities.

41.4.1. Table of liquidity and interest rate risks

in EUR thousand	Average interest rate	Non-discounted payment flow			
		Until March 2009	April to Dec 2009	2010 to 2013	From 2014
Bonds					
at fixed interest rates	4.92%	–	14,844.1	327,557.0	–
at variable interest rates	5.65%	–	390.7	8,123.8	–
Bank loans and overdrafts					
at fixed interest rates	3.16%	294.0	3,858.3	24,907.1	3,007.1
at variable interest rates	4.19%	19,614.3	53,568.3	49,285.2	56,808.9
Lease obligations	4.97%	13,148.0	14,219.5	56,373.7	61,362.7
Trade payables to third parties	interest-free	323,903.6	18,661.6	15,562.6	1,568.0

41.5. Interest rate risk management

The interest rate risk is defined as the risk from rising interest cost or falling interest income in connection with financial items. For the PORR Group this risk results almost exclusively from the scenario of rises in interest rates, especially in the short term. Any future hedge transactions that are required will be concluded by the Group's financial management. As of the balance sheet date, the management of the risk was conducted with non-derivative instruments and interest rate swaps totalling EUR 21.2m, of which EUR 19.4m are designated as cash flow hedges, EUR 1.8m relate to other interest rate hedges.

An analysis of the floating interest rate position, which amounted to around EUR 328.4m at December 31st 2008, showed the following sensitivities which would occur under the scenarios of interest rate increases of 0.25% and 0.50%. The extent of the interest rate increases is based on the average volatility of the 3-month and 6-month EURIBOR in 2008. An interest rate increase of 0.25% therefore falls statistically within a probability band of 67% and an increase of 0.50% is respectively 99%.

in EUR million	Higher payable interest for the year 2009	Higher payable interest (p.a.) at linear extrapolation from 2010
At interest rate rise of 0.25%	0.76	0.83
At interest rate rise of 0.50%	1.52	1.66

41.6. Risks from changes to raw material prices

At December 31st 2008 around 33% of the predicted demand for diesel had been hedged by means of options and swaps. Because of the lack of functioning derivative markets in this area, the price risk of other significant materials purchases could only be assured through conventional, long-term price setting.

In the fiscal year 2008, swaps and options in the form of standardised contracts (ULSD 10PPM) were concluded for a total of more than 9,210 tonnes. These hedge the purchase price to meet the expected demand for diesel in 2009. Valued at the concluded hedging rate, this corresponds to a total value of around EUR 6.8m.

Because of the fall in the price of diesel at year end, there is an unrealised valuation loss from hedges amounting to around – EUR 2.9m, which – in the absence of designation as hedge purchases in accordance with IAS 39 – will be appropriated into the income statement affecting net income.

41.7. Foreign currency risks

The foreign currency risk is treated within the PORR Group as transaction-oriented and results either from construction contracts or from financing in connection with such contracts. Group policy is to hedge the operational foreign currency risks completely. In accordance with the respective functional currency of the Group unit which is processing the order, PORR aims to conduct local orders in the corresponding national currencies. This happens in every instance in which the services to be rendered are locally generated. If this does not succeed, or if services must be provided in other currencies, the resulting risk is secured by hedging. With regard to derivative financial instruments, the Group financial management exclusively uses foreign exchange futures and first generation currency options (see point 41.8).

As of December 31st 2008, active and passive currency positions, which primarily result from Group-internal 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 million	Local currency	FX position in local currency (in million)	VAR*) in EUR million
–16.9	HUF	4,509.5	–1.300
–9.9	HRK	72.8	–0.100
–2.7	RON	10.7	–0.100
–1.8	PLN	7.6	–0.200
0.9	CHF	–1.4	–0.040
–0.6	RSD	56.2	–0.030
–1.0	various		–0.005
			–1.775

*) VAR = Value At Risk at a one-sided 99-percent 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 10 days is currently around EUR 1.8m.

41.8. Hedging currency risks

The PORR Group had concluded foreign exchange futures of EUR 263m (previous year: 162.2m) at December 31st 2008. Of these, around EUR 117.2m (previous year: 136.0m) are designated as cash flow hedges and around EUR 145.8m (previous year: 25.9m) as other currency hedges. This share is made up of EUR 46.1m in hedges for Group-internal financing and EUR 99.7m for hedging various foreign currency positions.

From July 1st 2008 hedge accounting is no longer used for foreign exchange futures amounting to EUR 73.2m, instead the derivatives are entered in the balance sheet as stand-alone derivatives. The changes to market value included in cash flow hedge provisions until June 30th 2008 will only be recognised in profit or loss when the hedge transaction has actually occurred in accordance with IAS 39.101.

Cash flow hedges

In the financial year 2008, the PORR Group concluded exchange rate hedges in the form of foreign exchange futures, foreign currency swaps and currency options for currency risks from local purchases; these are designated as cash flow hedges.

These are concerned with construction contracts in Euros, namely in Hungary, Poland, Romania and Croatia, where local purchases and subcontractor payments are expected in local currency. In this respect they concern hedges up to now classified as unrecognised firm commitments against foreign currency risks on the basis of spot price changes.

As the currency exposures are exclusively concluded with foreign exchange futures, namely in view of the planned maturity in each case of the cash flow, they are by definition effective both prospectively and retrospectively in accordance with IAS 39.

In the fiscal year 2008, a total of around EUR 1.4m (previous year: – EUR 10.4m) of equity (hedging reserve for cash flow hedges) was realised from the change in fair value of the foreign exchange futures from cash flow hedges.

Other currency hedges

Under the centralised currency management approach, exposures from Group-internal foreign currency financing and various foreign currency positions are hedged by the Group treasury. These hedges amounted to around EUR 145.8m (previous year: EUR 25.9m) at the reporting date.

In the fiscal year 2008 around EUR 2.6m was entered into net income resulting from the change in the attributable fair value of foreign exchange futures from these hedges.

The following table shows the predicted contractual due dates for payments as estimated on December 31st 2008, i.e. when payments from the underlying transactions are expected:

	Cash Flows in EUR million					
Due date	RON	HUF	PLN	HRK	CZK	Total
Jan. 2009	3.0	56.1	6.5		3.5	69.1
Feb. 2009	2.4	–0.7	–0.4	0.5	2.4	4.2
Mar. 2009	15.9	–4.0	–2.3	0.4		10.0
Apr. 2009	2.8		–0.3	0.5		3.0
May 2009	2.9	3.1	–0.2	0.5		6.3
Jun. 2009	2.6		–0.1	1.2	–2.5	1.2
Jul. 2009	3.6		–0.7			2.9
Aug. 2009	3.9					3.9
Sep. 2009	3.6					3.6
Oct. 2009	3.6					3.6
Nov. 2009	3.4					3.4
Dec. 2009	3.0				–2.4	0.6
1st Quarter 2010	1.6					1.6
2nd Quarter 2010	5.9					5.9
3rd Quarter 2010	8.6					8.6
4th Quarter 2010	5.7					5.7
1st Quarter 2011	0.1					0.1

41.9. Derivative financial instruments

The following table shows the attributable 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	Book value Dec 31st 2008	Book value Dec 31st 2007
Assets		
Derivatives		
without hedges	2,634.7	219.0
with hedges	352.4	
Equity and liabilities		
Derivatives		
without hedges	2,961.5	47.3
with hedges	9,817.7	10,404.6

41.10. Credit risk

The risk in the case of accounts receivable from customers may be classified as low because of the broad dispersion and continual checks for creditworthiness.

The risk of default in the case of other original financial instruments stated on the assets side of the balance sheet is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The book value 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 value adjustments. There are no occurrences of concentration of risk arising from significant outstanding amounts from individual debtors.

At December 31st 2008 the credit risk amounted to TEUR 980,636.6 (previous year: TEUR 995,726.8) and consists mainly of loans, other financial assets, other assets, trade receivables and liquid funds.

42. Average number of employees

	2008	2007
Salaried employees		
Domestic	2,701	2,600
Foreign	1,730	1,461
Waged workers		
Domestic	6,309	6,244
Foreign	1,376	1,250
Total staff	**12,116**	**11,555**

43. Business connections to related companies and persons

Transactions between Group companies included in the consolidated financial statements were eliminated on consolidation and are not examined any further. Transactions between Group companies and their associated companies are disclosed in the following analysis.

in EUR thousand	Associated companies
Sales of goods and services	
2008	23,331.3
2007	23,245.6
Purchases of goods and services	
2008	33,877.6
2007	40,546.2
Receivables	
2008	36,510.9
2007	23,433.5
Liabilities	
2008	13,710.6
2007	7,417.4

Supplies to or from related companies or persons

The volume of transactions during the fiscal year between, on the one hand, Group companies included in the consolidated financial statements and, on the other hand, these related companies and persons and the receivables or payables outstanding at the fiscal year end arising from these transactions are of minor significance.

B & C and its sole proprietor B & C Privatstiftung and the companies within the Ortner Group and Wiener Städtische Versicherung AG – Vienna Insurance Group are deemed to be related persons and companies as defined in IAS 24, as they hold significant shares in PORR AG and/or representatives of these business groups are members of the Supervisory Board of PORR AG.

Significant business deals, with the exception of associated companies, were not carried out with any related persons or companies in the year under review.

Outstanding accounts receivable are not secured and are settled in cash. No guarantees were given nor were any enforced. No value adjustments were made in respect of amounts owed by related companies or persons, nor were any bad debt losses booked during the year under review.

Of amounts receivable from non-consolidated subsidiaries, TEUR 12,718.1 (previous year: TEUR 25,976.5) relate to financing receivables.

44. Executive bodies

Members of the Executive Board:

Wolfgang Hesoun, Chief Executive Officer
Johannes Dotter
Rudolf Krumpeck (since December 1st 2008)
Helmut Mayer (until November 27th 2008)
Peter Weber

Members of the Supervisory Board:

Friedrich Kadrnoska, Chairman

Klaus Ortner, Deputy Chairman
Georg Riedl, Deputy Chairman
Christine Dornaus (since May 29th 2008)
Günther W. Havranek (until May 29th 2008)
Martin Krajcsir
Walter Lederer
Heinz Mückstein (until May 29th 2008)
Karl Samstag
Thomas Winischhofer, LL.M, MBA
(since May 29th 2008)

Members delegated by works council:

Peter Grandits
Walter Huber
Walter Jenny
Johann Karner

The table below shows the emoluments of the managers in key positions, i.e. the members of the Executive Board and of the Supervisory Board of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, broken down according to payment categories:

in EUR thousand	2008	2007
Emoluments of the Executive Board		
Short-term benefits due	1,990.0	2,029.3
Emoluments due on or after completion of the management contract	773.9	1,384.3
Other long-term benefits due	–17.0	356.3
Total	**2,746.9**	**3,769.9**
Emoluments of the Supervisory Board		
Short-term benefits due	136.3	141.8

March 30th 2009, Vienna

The Executive Board

Wolfgang Hesoun (*)

Johannes Dotter (*)

Rudolf Krumpeck (*)

Peter Weber (*)

(*) manu propria

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.

March 30th 2009, Vienna

The Executive Board

Wolfgang Hesoun (*)

Johannes Dotter (*)

Rudolf Krumpeck (*)

Peter Weber (*)

(*) manu propria

Shareholdings

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
Affiliated companies							
Affiliated companies limited by shares							
“DIKE” Liegenschaftsverwertung Gesellschaft m.b.H.		AUT	0.00%	100.00%	F	EUR	36,336.42
“EAVG Enzersdorfer Abfallverwertungs-gesellschaft m.b.H.”		AUT	37.50%	100.00%	N	EUR	0.00
“HELIOS” Immobilien Verwaltungs- und Verwertungsgesellschaft m.b.H.		AUT	50.00%	100.00%	F	EUR	36,336.42
“PET” Deponieerrichtungs- und Betriebsgesellschaft m.b.H.		AUT	50.00%	76.26%	N	EUR	0.00
“pulmetall” Bodenmarkierungen Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
“Zentrum am Stadtpark” Errichtungs- und Betriebs-Aktiengesellschaft		AUT	66.67%	66.67%	F	EUR	87,207.40
ABAP Beteiligungs Holding GmbH		AUT	100.00%	100.00%	F	EUR	35,000.00
AGes-Bau Asphalt-Ges.m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Allgemeine Straßenbau GmbH	*	AUT	0.00%	52.51%	F	EUR	3,633,641.71
Alois Felser Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,400.00
ASCHAUER Zimmerei GmbH		AUT	0.00%	52.56%	F	EUR	75,000.00
ASDAG Baugesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	726,728.34
Asphalt-Unternehmung Carl Günther Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	218,018.50
Asphaltunternehmung Dipl.Ing. O. Smereker & Co. Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Asphaltunternehmung Raimund Guckler Bauunternehmung Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,400.00
ASPO Wehlistraße Projektentwicklungs- und -verwertungs GmbH		AUT	0.00%	74.00%	N	EUR	0.00
Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH	*	AUT	0.00%	100.00%	N	EUR	0.00
Baugesellschaft m.b.H. Erhard Mörtl	*	AUT	0.00%	52.51%	F	EUR	50,870.98
Baumgasse 131 Bauträger- und Verwertungsgesellschaft m.b.H.		AUT	0.00%	100.00%	F	EUR	35,000.00
Bitu – Bau Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Bosch Baugesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	51,000.00
BZW Liegenschaftsverwaltungs GmbH		AUT	0.00%	52.51%	N	EUR	0.00
Carnuntum Bauvorbereitung Gesellschaft m.b.H.		AUT	100.00%	100.00%	N	EUR	0.00
Edos Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Eisenschutzgesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	43,603.70
Ekona Beteiligungsverwaltungs GmbH		AUT	100.00%	100.00%	N	EUR	0.00
Emiko Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
EPS Dittmanngasse Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
EPS MARIANNE-HAINISCH-GASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH		AUT	0.00%	100.00%	N	EUR	0.00
EPS RINNBÖCKSTRASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH		AUT	0.00%	100.00%	N	EUR	0.00
EPS TRIESTER STRASSE Errichtungs- und Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
EPS WIMPASSING Errichtungs- und Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Esikas Beteiligungsverwaltungs GmbH		AUT	100.00%	100.00%	N	EUR	0.00
Euphalt-Handelsgesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
FPS Infrastruktur Holding GmbH	°	AUT	0.00%	100.00%	F	EUR	35,000.00
Franz Greiner Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Gebor Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gepal Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gerhard Wagner Bodenmarkierungsgesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	37,000.00
Gesellschaft für Bauwesen GmbH	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Gesellschaft zur Schaffung von Wohnungseigentum Gesellschaft m.b.H.	*	AUT	99.00%	100.00%	F	EUR	290,691.34
Gevas Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Gilamo Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Giral Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gismana Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Golera Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
GORPO Projektentwicklungs- und Errichtungs-GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gospela Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gostena Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Grazer Transportbeton GmbH		AUT	0.00%	55.25%	N	EUR	0.00
GREENPOWER Anlagenerrichtungs- und Betriebs-GmbH		AUT	0.00%	94.00%	N	EUR	0.00
GTB Immobilien GmbH		AUT	0.00%	100.00%	F	EUR	37,000.00
Haidäcker Projektentwicklung GmbH	°	AUT	0.00%	80.00%	F	EUR	40,000.00
Hans Böchheimer Hoch- und Tiefbau Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	363,364.17
Hernalser Hof Beteiligungsverwaltungs GmbH		AUT	100.00%	100.00%	N	EUR	0.00
hospitals Projektentwicklungsges.m.b.H.		AUT	0.00%	55.00%	N	EUR	0.00
IAT GmbH	*	AUT	0.00%	52.51%	F	EUR	290,691.34
IBC Business Center Entwicklungs- und Errichtungs-GmbH		AUT	75.00%	100.00%	F	EUR	364,000.00
Ing. Otto Richter & Co Straßenmarkierungen GmbH	*	AUT	0.00%	52.51%	F	EUR	37,000.00
Ing. RADL-BAU GmbH	*	AUT	0.00%	100.00%	F	EUR	40,000.00
Jandl Baugesellschaft m.b.H.	*	AUT	0.00%	100.00%	F	EUR	36,336.42
Joiser Hoch- und Tiefbau GmbH		AUT	100.00%	100.00%	F	EUR	36,336.42
Juvavum Liegenschaftsverwertung GmbH		AUT	0.00%	100.00%	N	EUR	0.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
Kraft & Wärme Rohr- und Anlagentechnik GmbH	*	AUT	0.00%	52.51%	F	EUR	40,000.00
Kratochwill Schotter & Beton GmbH	*	AUT	0.00%	100.00%	F	EUR	1,199,101.76
KSD Kommunale Sicherheitsdienste GmbH		AUT	0.00%	66.66%	N	EUR	0.00
LD Recycling GmbH	*	AUT	0.00%	100.00%	F	EUR	875,000.00
Mobile Parking GmbH	*	AUT	0.00%	100.00%	N	EUR	0.00
m-parking Errichtungs-, Betriebs- und Service GmbH		AUT	0.00%	100.00%	N	EUR	0.00
O.M. Meissl & Co. Bau GmbH	*	AUT	0.00%	100.00%	F	EUR	85,000.00
Panitzky Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Pfeiffer & Schmidt Baugesellschaft m.b.H.	*	AUT	0.00%	52.56%	F	EUR	75,000.00
Pichlingerhof Liegenschaftsverwertungs GmbH		AUT	0.00%	52.51%	N	EUR	0.00
Porr (Bulgarien) Holding GmbH		AUT	0.00%	51.00%	N	EUR	0.00
Porr alpha Baugesellschaft mbH	*	AUT	0.00%	100.00%	F	EUR	35,000.00
Porr Beteiligungsverwaltungs GmbH	*	AUT	100.00%	100.00%	F	EUR	35,000.00
Porr Energy GmbH	°	AUT	0.00%	100.00%	F	EUR	100,000.00
Porr Financial Services GmbH	*	AUT	0.00%	100.00%	F	EUR	500,000.00
Porr GmbH		AUT	0.00%	100.00%	F	EUR	2,500,000.00
Porr Infrastruktur Investment AG	°	AUT	50.00%	100.00%	F	EUR	70,000.00
Porr International GmbH	*	AUT	100.00%	100.00%	F	EUR	3,997,005.88
Porr Projekt und Hochbau Aktiengesellschaft	*	AUT	100.00%	100.00%	F	EUR	11,000,000.00
Porr Solutions Immobilien- und Infrastrukturprojekte GmbH		AUT	99.96%	100.00%	F	EUR	535,000.00
Porr Technics & Services GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Porr Technobau und Umwelt Aktiengesellschaft	*	AUT	100.00%	100.00%	F	EUR	11,500,000.00
Porr Tunnelbau GmbH	*	AUT	0.00%	100.00%	F	EUR	1,200,000.00
Porr Umwelttechnik GmbH	*	AUT	0.00%	100.00%	F	EUR	1,000,000.00
PR – Rohrleitungs- und Anlagenbau Gesellschaft m.b.H.	*	AUT	0.00%	100.00%	F	EUR	218,018.50
PRONAT Steinbruch Preg GmbH		AUT	0.00%	68.78%	F	EUR	370,631.45
REHA Tirol Liegenschafts GmbH		AUT	0.00%	55.00%	N	EUR	0.00
Sabelo Beteiligungsverwaltungs GmbH		AUT	100.00%	100.00%	N	EUR	0.00
Sakela Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Schatzl & Jungmayr Garten- und Landschaftsbau GmbH	*	AUT	0.00%	52.51%	F	EUR	35,000.00
Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H.	*	AUT	100.00%	100.00%	F	EUR	3,633,641.71
Schotterwerk GRADENBERG Gesellschaft m.b.H.	*	AUT	0.00%	100.00%	F	EUR	36,336.42
Schwarzl Auslandsholding GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Sekis Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Senuin Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
SFZ Freizeitbetriebs-GmbH		AUT	0.00%	100.00%	N	EUR	0.00
SFZ Immobilien GmbH		AUT	0.00%	100.00%	N	EUR	0.00
SG Logistik GmbH		AUT	0.00%	51.00%	N	EUR	0.00
Somax Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Sovelis Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Tancsos und Binder Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	37,000.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
Technisches Büro Sepp Stehrer Baustoff-Großhandlung Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	72,672.83
TEERAG-ASDAG Aktiengesellschaft		AUT	0.03%	52.51%	F	EUR	12,478,560.00
Unterstützungskasse von Porr-Betrieben Gesellschaft m.b.H.		AUT	97.50%	100.00%	N	EUR	0.00
Vorspann-Technik GmbH		AUT	100.00%	100.00%	N	EUR	0.00
Wibeba Holding GmbH	*	AUT	100.00%	100.00%	F	EUR	7,300,000.00
Wiener Betriebs- und Baugesellschaft m.b.H.		AUT	0.00%	52.51%	F	EUR	35,000.00
WIPEG – Bauträger- und Projekt-entwicklungsgesellschaft m.b.H.	*	AUT	0.00%	100.00%	F	EUR	1,000,000.00
WLB Projekt Laaer Berg Liegenschafts-verwertungs- und Beteiligungs-GmbH		AUT	0.00%	75.00%	F	EUR	36,336.42
Wohlfahrtseinrichtung von Porr-Betrieben Gesellschaft m.b.H.		AUT	75.00%	100.00%	N	EUR	0.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH		AUT	75.00%	75.00%	F	EUR	218,018.50
PORR Bulgaria OOD		BGR	0.00%	100.00%	N	BGN	0.00
PORR Solutions Bulgaria EOOD		BGR	0.00%	100.00%	N	BGN	0.00
Porr visokogradnja i niskogradnja d.o.o. Banjaluka		BIH	0.00%	100.00%	N	BAM	0.00
Privredno drustvo za gradenje i usluge PORR d.o.o. Sarajevo		BIH	0.00%	100.00%	N	BAM	0.00
Gunimperm-Bauveg SA		CHE	0.00%	52.51%	F	CHF	150,000.00
PORR Financial Services AG		CHE	100.00%	100.00%	F	CHF	7,800,000.00
PORR SUISSE AG		CHE	0.00%	100.00%	F	CHF	3,000,000.00
PORR SUISSE S.A. Romandie en liquidation		CHE	0.00%	100.00%	F	CHF	250,000.00
Porr (Montenegro) DOO. Podgorica		CSD	0.00%	100.00%	N	EUR	0.00
BAUVEG. hydroizolacní systémy. s.r.o.		CZE	0.00%	52.51%	N	CZK	0.00
NORTHEAST TRADING AND DEVELOPMENT. s.r.o.		CZE	100.00%	100.00%	N	CZK	0.00
OBALOVNA PRÍBRAM. s.r.o.		CZE	0.00%	39.39%	F	CZK	100,000.00
Porr (Česko) a.s.		CZE	0.00%	100.00%	F	CZK	30,000,000.00
Prazské silnicní a vodohospodárské stavby. a.s.		CZE	0.00%	52.51%	F	CZK	430,000,000.00
Betzold Rohrbau Verwaltungs-GmbH		DEU	0.00%	100.00%	N	EUR	0.00
City Tower Vienna Grundstücksentwicklungs- und Beteiligungs-GmbH		DEU	0.00%	100.00%	N	EUR	0.00
Emil Mayr Hoch- und Tiefbau GmbH		DEU	0.00%	93.94%	F	EUR	250,000.00
FAB Beteiligungsgesellschaft mbH		DEU	0.00%	94.30%	N	EUR	0.00
GeMoBau Gesellschaft für modernes Bauen mbH		DEU	0.00%	94.30%	N	EUR	0.00
IAT Deutschland GmbH		DEU	0.00%	52.51%	N	EUR	0.00
Mast Bau GmbH		DEU	0.00%	93.94%	F	EUR	537,000.00
Mast Bau GmbH		DEU	0.00%	93.94%	F	EUR	1,022,550.00
Porr Deutschland GmbH		DEU	0.00%	93.94%	F	EUR	20,249,700.00
Porr Hochbau GmbH		DEU	0.00%	93.94%	F	EUR	204,516.75
Porr International GmbH		DEU	0.00%	100.00%	F	EUR	1,022,583.76
Porr Solutions Deutschland GmbH		DEU	0.00%	94.30%	F	EUR	25,564.59
Porr Technobau und Umwelt GmbH		DEU	0.00%	93.94%	F	EUR	525,000.00
PORR Vermögensverwaltung MURNAU GmbH		DEU	0.00%	93.94%	N	EUR	0.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
Projektierungsteam München GmbH		DEU	0.00%	100.00%	F	EUR	153,387.56
Radmer Kiesvertrieb Verwaltungs GmbH		DEU	0.00%	93.94%	N	EUR	0.00
Seydelstraße Beteiligungs GmbH		DEU	0.00%	94.30%	N	EUR	0.00
TGB TechnoGrundbau GmbH		DEU	0.00%	93.94%	N	EUR	0.00
Thorn Abwassertechnik GmbH		DEU	0.00%	93.94%	F	EUR	511,291.88
TRB Tief-, Rohrleitungs- und Brunnenbau Verwaltungs GmbH		DEU	0.00%	70.00%	N	EUR	0.00
Vorspann-Technik GmbH		DEU	0.00%	93.94%	F	EUR	51,129.19
IMPERTUNEL SL		ESP	0.00%	52.51%	N	EUR	0.00
BAUVEG-WINKLER drustvo s ogranicenom odgovornoscu za projektiranje, izgradnju i nadzor		HRV	0.00%	52.51%	N	HRK	0.00
Porr Habito drustvo s ogranicenom odgovornoscu za izgradnju stanova	°	HRV	0.00%	100.00%	F	HRK	22,000.00
Porr Hrvatska d.o.o. za graditeljstvo		HRV	0.00%	100.00%	F	HRK	4,000,000.00
PORR Solutions Hrvatska drustvo s ogranicenom odgovornoscu za usluge i graditeljstvo		HRV	0.00%	100.00%	N	HRK	0.00
Schwarzl drustvo s ogranicenom odgovornoscu za obradu betona i sljunka		HRV	0.00%	100.00%	F	HRK	9,842,000.00
DBK-Földgép Építési Korlátolt Felelösségü Társaság		HUN	0.00%	100.00%	F	HUF	6,000,000.00
Gamma Real Estate Ingtalanfejlesztö és – hasznositó Korlátolt Felelösségü Társaság	°	HUN	0.00%	100.00%	F	HUF	3,000,000.00
Porr Épitési Kft.		HUN	0.00%	100.00%	F	HUF	30,000,000.00
Porr Solutions Hungária Kft.		HUN	0.00%	100.00%	N	HUF	0.00
Teerag-Asdag Épitöipari és Kereskedelmi Korlátolt Felelösségü Társaság		HUN	0.00%	52.51%	F	HUF	3,000,000.00
IAT Impermeabilizzazioni Srl		ITA	0.00%	52.51%	N	EUR	0.00
Likviduojama UAB “Porr”		LTU	0.00%	100.00%	N	LTL	0.00
PORR GRADEZNISTVO DOO Skopje		MKD	0.00%	94.44%	N	EUR	0.00
“Stal-Service” Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	80.00%	F	PLN	500,000.00
Bartycka Real Estate Spólka z ograniczona odpowiedzialnoscia	°	POL	0.00%	100.00%	F	PLN	50,000.00
DSC Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	100.00%	N	PLN	0.00
PORR (POLSKA) Spólka Akcyjna		POL	0.00%	100.00%	F	PLN	12,000,000.00
Porr Solutions Polska Spólka z ograniczona odpowiedzialnoscia	°	POL	0.00%	100.00%	F	PLN	50,000.00
Porr Technobud Polska Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	100.00%	N	PLN	0.00
TEERAG-ASDAG POLSKA Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	52.51%	F	PLN	500,000.00
RADMER BAU PORTUGAL – CONSTRUCOES, LIMITADA		PRT	0.00%	93.00%	N	EUR	0.00
Porr Construct S.R.L.		ROM	0.00%	100.00%	F	RON	8,000,000.00
Porr Solutions S.R.L.	°	ROM	0.00%	100.00%	F	RON	200.00
SC Lamda Imobiliare SRL	°	ROM	0.00%	100.00%	F	RON	200.00
SC Schwarzl Beton SRL		ROM	0.00%	75.00%	N	RON	0.00
SC Yipsilon Imobiliare SRL	°	ROM	0.00%	100.00%	F	RON	200.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
E75 Road Service d.o.o.		SRB	0.00%	100.00%	N	EUR	0.00
Gradevinsko preduzece Porr d.o.o.		SRB	0.00%	100.00%	F	EUR	1,620,000.00
Porr stambena izgradnja d.o.o.	°	SRB	0.00%	100.00%	F	EUR	199,280.82
Porr Iran Construction Company Ltd.		STL	95.00%	95.00%	N	IRR	0.00
MPay Slovakia. s.r.o.		SVK	0.00%	51.00%	N	SKK	0.00
PORR (Slovensko) a.s.		SVK	0.00%	100.00%	F	SKK	15,000,000.00
Porr Infra s.r.o.		SVK	0.00%	51.00%	N	SKK	0.00
TEERAG-ASDAG Slovakia s.r.o.		SVK	0.00%	52.51%	N	SKK	0.00
HOTEL IN TERME BRDA turisticno podjetje d.o.o.		SVN	0.00%	85.00%	N	EUR	0.00
PORR gradbenistvo, trgovina in druge storitvc d.o.o.		SVN	100.00%	100.00%	N	EUR	0.00
TOVARYSTVO Z OBMEZHENOJU VIDPOVIDALNISTU “PORR SOLUTIONS UKRAINA”		UKR	0.00%	100.00%	N	UAH	0.00
Tovarystvo z obmezhenoyu vidpovidalnistyu “Porr Ukraina”		UKR	0.00%	100.00%	N	UAH	0.00
Affiliated partnerships							
AG für Bauwesen Nfg. KG		AUT	50.00%	76.26%	F	EUR	7,267.28
Asphaltmischwerk LEOPOLDAU – TEERAG-ASDAG + Mayreder-Bau GmbH & Co. KG		AUT	0.00%	42.01%	F	EUR	70,000.00
Emiko Beteiligungsverwaltungs GmbH & Co. KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
EPS Dittmanngasse Beteiligungsverwaltungs GmbH & Co KG	°	AUT	0.00%	100.00%	F	EUR	1,000.00
EPS MARIANNE-HAINISCH-GASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG	°	AUT	0.00%	100.00%	F	EUR	1,000.00
EPS RINNBÖCKSTRASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungs-verwaltungs GmbH & Co KG	°	AUT	0.00%	100.00%	F	EUR	1,000.00
EPS TRIESTERSTRASSE Errichtungs- und Beteiligungsverwaltungs GmbH & Co KG	°	AUT	0.00%	100.00%	F	EUR	5,000.00
EPS WIMPASSING Errichtungs- und Beteiligungsverwaltungs GmbH & Co KG	°	AUT	0.00%	100.00%	F	EUR	5,000.00
Esoro Beteiligungsverwaltungs GmbH & Co KEG		AUT	0.00%	100.00%	N	EUR	0.00
Floridsdorf Am Spitz Wohnungseigentums-gesellschaft m.b.H. & Co. KG.		AUT	0.00%	100.00%	F	EUR	7,267.28
Franz Böck´s Nachf. Ing. Eva & Karl Schindler Gesellschaft m.b.H. &Co.Nfg.KG		AUT	0.00%	52.51%	F	EUR	100,000.00
Gamper Baugesellschaft m.b.H. & Co. KG		AUT	0.00%	52.51%	F	EUR	15,000.00
Gilamo Beteiligungsverwaltungs GmbH & Co. KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
Giral Beteiligungsverwaltungs GmbH & Co. KEG		AUT	0.00%	100.00%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH & Co “Delta” KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
Glamas Beteiligungsverwaltungs GmbH & Co “Epsilon” KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
Glamas Beteiligungsverwaltungs GmbH & Co “Gamma” KEG		AUT	0.00%	100.00%	F	EUR	1,000.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
GORPO Projektentwicklungs- und Errichtungs-GmbH & Co KG		AUT	0.00%	100.00%	N	EUR	0.00
Gospela Beteiligungsverwaltungs GmbH & Co KG		AUT	0.00%	100.00%	F	EUR	1,000,000.00
Hernalser Hof Beteiligungsverwaltungs GmbH & Co. KG		AUT	0.00%	100.00%	F	EUR	1,000.00
Hotelbetrieb SFZ Immobilien GmbH & Co KG	°	AUT	0.00%	100.00%	F	EUR	100,000.00
Pichlingerhof Liegenschaftsverwertungs GmbH & Co KG		AUT	0.00%	52.51%	N	EUR	0.00
Porr Technics & Services GmbH & Co KG		AUT	0.00%	100.00%	F	EUR	436,037.00
Projekt Ost – IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG		AUT	75.00%	100.00%	F	EUR	290,691.34
Projekt West – IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG		AUT	75.00%	100.00%	F	EUR	290,691.34
SFZ Freizeitbetriebs-GmbH & Co KG		AUT	0.00%	100.00%	F	EUR	100,000.00
SFZ Immobilien GmbH & Co KG		AUT	0.00%	100.00%	F	EUR	363,364.17
Vorspann-Technik GmbH & Co. KG		AUT	100.00%	100.00%	F	EUR	1,417,120.26
Wibeba Hochbau GmbH & Co. Nfg. KG		AUT	100.00%	100.00%	F	EUR	35,000.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 3 “türkis” Projekt-OEG		AUT	0.00%	75.00%	F	EUR	1,162.76
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 4 “blau” Projekt-OEG		AUT	0.00%	75.00%	N	EUR	0.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 5 “rosa” Projekt-OEG		AUT	0.00%	75.00%	F	EUR	1,162.76
Porr Projekt v.o.s.		CZE	0.00%	55.00%	N	CZK	0.00
Betzold Rohrbau GmbH & Co. KG		DEU	0.00%	100.00%	F	EUR	3,374,526.42
Forum am Bahnhof Quickborn GmbH & Co. KG		DEU	0.00%	94.30%	F	EUR	100,000.00
PORR MURNAU GmbH & Co. KG	°	DEU	0.00%	93.94%	F	EUR	500.00
Radmer Kies GmbH & Co. KG		DEU	0.00%	93.94%	F	EUR	5,500,000.00
TRB Tief-, Rohrleitungs- und Brunnenbau GmbH & Co. KG		DEU	0.00%	70.00%	F	EUR	255,645.94
W.E.I.V. Immobilienverwaltung GmbH & Co. Seydelstraße KG	°	DEU	0.00%	88.65%	F	EUR	250,000.00
Associated companies							
Associated companies limited by shares							
“Internationale Projektfinanz” Warenverkehrs- & Creditvermittlungs-Aktiengesellschaft		AUT	40.00%	40.00%	E	EUR	726,728.34
ABW Abbruch, Boden- und Wasserreinigungs-Gesellschaft m.b.H.		AUT	0.00%	36.22%	E	EUR	218,018.50
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H.		AUT	0.00%	41.50%	E	EUR	363,364.17
European Trans Energy Beteiligungs GmbH		AUT	0.00%	49.00%	E	EUR	35,000.00
FMA Gebäudemanagement GmbH		AUT	0.00%	50.00%	E	EUR	36,336.42
Impulszentrum Telekom Betriebs GmbH		AUT	0.00%	46.00%	E	EUR	727,000.00
Lieferasphaltgesellschaft JAUNTAL GmbH		AUT	0.00%	25.21%	E	EUR	36,460.00
LTE Logistik- und Transport-GmbH		AUT	0.00%	50.00%	E	EUR	300,000.00
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.		AUT	50.00%	50.00%	E	EUR	36,336.42

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
Salzburger Reststoffverwertung GmbH		AUT	0.00%	50.00%	E	EUR	100,000.00
SOWI – Investor-Bauträger GmbH		AUT	33.33%	33.33%	E	EUR	36,336.42
Stöckl Schotter- und Splitterzeugung GmbH		AUT	0.00%	21.01%	E	EUR	36,336.42
TAL Betonchemie Handel GmbH		AUT	0.00%	26.26%	E	EUR	145,345.67
Tauernkies GmbH		AUT	0.00%	26.26%	E	EUR	35,000.00
UBM Realitätenentwicklung Aktiengesellschaft		AUT	41.27%	41.27%	E	EUR	5,450,462.56
W 3 Errichtungs- und Betriebs-Aktiengesellschaft		AUT	53.33%	53.33%	E	EUR	74,126.29
Porr & Swietelsky stavebni, v. o. s.		CZE	0.00%	50.00%	E	CZK	200,000.00
Spolecne obalovny, s.r.o.		CZE	0.00%	26.26%	E	CZK	5,000,000.00
M 6 Duna Autópálya Koncessziós Zártkörüen Müködö Részvénytársaság		HUN	0.00%	40.00%	E	EUR	28,932,310.00
M6 Tolna Autópálya Koncessziós Zártkörüen Müködö Részvénytársaság		HUN	0.00%	45.00%	E	EUR	32,924,400.00
Vile Jordanovac drustvo s ogranicenom odgovornoscu za usluge i graditeljstvo		HRV	0.00%	50.00%	E	HRK	15,890,000.00
“Modzelewski & Rodek” Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	50.00%	E	PLN	510,000.00
Associated partnerships							
ASF Frästechnik GmbH & Co KG		AUT	0.00%	21.01%	E	EUR	72,674.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG		AUT	0.00%	21.01%	E	EUR	726,728.34
Asphaltmischwerk Greinsfurth GmbH & Co		AUT	0.00%	26.26%	E	EUR	600,000.00
Asphaltmischwerk Weißbach GmbH & Co. Nfg. KG		AUT	0.00%	23.63%	E	EUR	72,672.83
ASTRA-BAU Gesellschaft m.b.H. Nfg. OG		AUT	0.00%	26.26%	E	EUR	1,451,570.76
Lieferasphalt Gesellschaft m.b.H. & Co. Viecht		AUT	0.00%	17.59%	E	EUR	29,069.13
Lieferasphalt Gesellschaft m.b.H. & Co. OHG		AUT	0.00%	21.01%	E	EUR	36,336.42
Lieferasphalt Gesellschaft m.b.H. & Co. OHG.		AUT	0.00%	26.26%	E	EUR	14,243.88
LISAG Linzer Splitt- und Asphaltwerk GmbH. & Co KG		AUT	0.00%	26.26%	E	EUR	861,900.00
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. & Co. KG.		AUT	0.00%	24.86%	E	EUR	87,207.40
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. und Co KG		AUT	0.00%	22.06%	E	EUR	3,270,277.54
RBA – Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG		AUT	24.00%	24.00%	E	EUR	581,382.67
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG		AUT	0.00%	26.26%	E	EUR	263,298.00
Neustädter Baustoff – GmbH & Co. KG. Kieswerk Schwaig		DEU	0.00%	46.97%	E	EUR	76,693.79
Radmer Bau Kieswerke GmbH & Co. Sand und Kies KG		DEU	0.00%	46.97%	E	EUR	1,022,583.76
M6 Dunaújváros-Szekszárd Építési Közkereseti Társaság		HUN	0.00%	50.00%	E	HUF	1,000,000.00
Other companies							
Other companies limited by shares							
“Athos” Bauplanungs- und Errichtungsgesellschaft m.b.H.		AUT	10.00%	10.00%	N	EUR	0.00
“hospitals” Projektentwicklungsges.m.b.H.		AUT	0.00%	43.56%	N	EUR	0.00
“IQ” Immobilien GmbH		AUT	0.00%	50.00%	N	EUR	0.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
"Turm und Riegel" Gebäude Projektentwicklungs- und -verwertungsgesellschaft m.b.H.		AUT	0.00%	50.00%	N	EUR	0.00
ABO Asphalt-Bau Oeynhausen GmbH.		AUT	0.00%	15.75%	N	EUR	0.00
AKOR Beteiligungsgesellschaft mbH		AUT	0.00%	15.30%	N	EUR	0.00
ALU-SOMMER GmbH		AUT	49.50%	49.50%	N	EUR	0.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.		AUT	0.00%	10.50%	N	EUR	0.00
AMG – Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.		AUT	0.00%	17.50%	N	EUR	0.00
AMO Asphaltmischwerk Oberland GmbH		AUT	0.00%	23.63%	N	EUR	0.00
AMW Asphalt-Mischwerk GmbH		AUT	0.00%	17.50%	N	EUR	0.00
aqua plus Wasserversorgungs- und Abwasserentsorgungs-GmbH		AUT	0.00%	49.90%	N	EUR	0.00
ARIWA Abwasserreinigung im Waldviertel GmbH		AUT	0.00%	24.95%	N	EUR	0.00
ASF Frästechnik GmbH		AUT	0.00%	21.01%	N	EUR	0.00
Asphaltlieferwerk Leibnitz Baugesellschaft m.b.H.		AUT	0.00%	15.75%	N	EUR	0.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.		AUT	0.00%	21.01%	N	EUR	0.00
Asphaltmischwerk Greinsfurth GmbH		AUT	0.00%	26.26%	N	EUR	0.00
Asphaltmischwerk LEOPOLDAU – TEERAG-ASDAG + Mayreder-Bau GmbH		AUT	0.00%	26.26%	N	EUR	0.00
Asphaltmischwerk Steyregg GmbH		AUT	0.00%	10.50%	N	EUR	0.00
A-WAY Toll Systems GmbH		AUT	0.00%	20.00%	N	EUR	0.00
AWB Asphaltmischwerk Weißbach Betriebs-GmbH		AUT	0.00%	23.63%	N	EUR	0.00
b+ Bauträger GmbH		AUT	0.00%	11.11%	N	EUR	0.00
Betonexpress FH Vertriebs-GMBH		AUT	0.00%	10.50%	N	EUR	0.00
BMU Beta Liegenschaftsverwertung GmbH		AUT	0.00%	50.00%	N	EUR	0.00
BRG Baustoffrecycling GmbH		AUT	0.00%	10.50%	N	EUR	0.00
CCG Immobilien GmbH		AUT	0.00%	49.00%	N	EUR	0.00
Clubhaus & Golfhotel Eichenheim Errichtungs-GmbH		AUT	0.00%	50.00%	N	EUR	0.00
Cycleenergy Greenpower GmbH		AUT	0.00%	46.06%	N	EUR	0.00
ECRA Emission Certificate Registry Austria GmbH		AUT	0.00%	5.00%	N	EUR	0.00
EDO Entsorgungsdienst Ost GmbH		AUT	0.00%	17.50%	N	EUR	0.00
Ehrenhausen Bauträger GmbH		AUT	0.00%	30.00%	N	EUR	0.00
Ehrenhausen Grunderwerbs GmbH		AUT	0.00%	20.00%	N	EUR	0.00
Esoro Beteiligungsverwaltungs GmbH		AUT	0.00%	50.00%	N	EUR	0.00
European Trans Energy GmbH		AUT	0.00%	49.00%	N	EUR	0.00
FBG Fertigbetonwerk Großpetersdorf Ges.m.b.H.		AUT	0.00%	17.50%	N	EUR	0.00
FMA Asphaltwerk GmbH		AUT	0.00%	15.75%	N	EUR	0.00
Gaspix Beteiligungsverwaltungs GmbH		AUT	24.00%	24.00%	N	EUR	0.00
GETINA Versicherungsvermittlung GmbH		AUT	0.00%	32.60%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH		AUT	0.00%	26.67%	N	EUR	0.00
Grimming Therme GmbH		AUT	0.00%	17.00%	N	EUR	0.00
Handwerkerzentrum Hitzendorf GmbH		AUT	0.00%	12.86%	N	EUR	0.00
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH		AUT	0.00%	24.00%	N	EUR	0.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
Immobilien AS GmbH		AUT	0.00%	49.50%	N	EUR	0.00
Infrastruktur Planungs- und Entwicklungs GmbH		AUT	0.00%	45.00%	N	EUR	0.00
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH		AUT	0.00%	50.00%	N	EUR	0.00
Johann Koller Deponiebetriebsges.m.b.H.		AUT	0.00%	36.22%	N	EUR	0.00
Johann Koller Gesellschaft m.b.H.		AUT	0.00%	36.22%	N	EUR	0.00
KAB Straßensanierung GmbH		AUT	0.00%	10.50%	N	EUR	0.00
Kärntner Restmüllverwertungs GmbH		AUT	0.00%	14.26%	N	EUR	0.00
Kommunale Sicherheits- und Service Mödling GmbH		AUT	0.00%	49.33%	N	EUR	0.00
Kraftwerk Tegesbach Errichtungs- und Betriebsgesellschaft m.b.H.		AUT	0.00%	50.00%	N	EUR	0.00
Lavanttaler Bauschutt-Recycling GmbH		AUT	0.00%	13.13%	N	EUR	0.00
Lieferasphalt Gesellschaft m.b.H.		AUT	0.00%	26.26%	N	EUR	0.00
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.		AUT	0.00%	17.50%	N	EUR	0.00
LISAG Linzer Splitt- und Asphaltwerk GmbH.		AUT	0.00%	26.26%	N	EUR	0.00
M.E.G. Mikrobiologische Erddekontamination GmbH		AUT	0.00%	50.00%	N	EUR	0.00
MARPO Errichtungs- und Verwertungs GmbH		AUT	0.00%	50.00%	N	EUR	0.00
MBU Liegenschaftsverwertung Gesellschaft m.b.H.		AUT	0.00%	10.00%	N	EUR	0.00
MRPS – ERRICHTUNGS UND VERWERTUNGS GmbH		AUT	0.00%	50.00%	N	EUR	0.00
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H.		AUT	0.00%	35.01%	N	EUR	0.00
MultiStorage GmbH		AUT	0.00%	40.00%	N	EUR	0.00
Murgalerien Errichtungs- und Verwertungs-GmbH		AUT	0.00%	50.00%	N	EUR	0.00
Oberkärntner Asphalt GmbH		AUT	0.00%	26.26%	N	EUR	0.00
Palais Hansen Immobilienentwicklung GmbH		AUT	0.00%	26.86%	N	EUR	0.00
PEM Projektentwicklung Murgalerien GmbH		AUT	0.00%	50.00%	N	EUR	0.00
PKM – Muldenzentrale GmbH		AUT	0.00%	34.93%	N	EUR	0.00
PM2 Bauträger GesmbH		AUT	0.00%	24.75%	N	EUR	0.00
PORR ALPINE Austriarail GmbH		AUT	50.00%	50.00%	N	EUR	0.00
PWW Holding GmbH		AUT	0.00%	50.00%	N	EUR	0.00
REHAMED Beteiligungsges.m.b.H.		AUT	0.00%	21.78%	N	EUR	0.00
REHAMED-Rehabilitationszentrum für Lungen- und Stoffwechselerkrankungen Bad Gleichenberg Gesellschaft m.b.H.		AUT	0.00%	16.12%	N	EUR	0.00
RFM Asphaltmischwerk GmbH.		AUT	0.00%	17.50%	N	EUR	0.00
RFPB Kieswerk GmbH		AUT	0.00%	8.75%	N	EUR	0.00
Rudolf u. Walter Schweder Gesellschaft m.b.H.		AUT	10.00%	10.00%	N	EUR	0.00
Schotter- und Betonwerk Donnersdorf GmbH		AUT	0.00%	10.50%	N	EUR	0.00
Seeresidenz am Wolfgangsee Bauträger GmbH		AUT	0.00%	40.00%	N	EUR	0.00
Seeresidenz am Wolfgangsee Beteiligungsverwaltung GmbH		AUT	0.00%	40.00%	N	EUR	0.00
Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs GmbH		AUT	0.00%	40.00%	N	EUR	0.00
Seprocon GmbH		AUT	0.00%	24.50%	N	EUR	0.00
Soleta Beteiligungsverwaltungs GmbH		AUT	0.00%	26.67%	N	EUR	0.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.		AUT	0.00%	26.26%	N	EUR	0.00
TAM Traisental Asphaltmischwerk Ges.m.b.H.		AUT	0.00%	17.50%	N	EUR	0.00
TORO Bausanierungs- und HandelsgesmbH		AUT	0.00%	13.11%	N	EUR	0.00
UWT Umwelttechnik GmbH		AUT	0.00%	7.00%	N	EUR	0.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.		AUT	0.00%	26.26%	N	EUR	0.00
Wiental-Sammelkanal Gesellschaft m.b.H.		AUT	0.00%	24.95%	N	EUR	0.00
WIG – Transportbeton Ges.m.b.H.		AUT	0.00%	10.50%	N	EUR	0.00
WM Hotel Schladming GmbH		AUT	0.00%	45.00%	N	EUR	0.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H.		AUT	0.00%	8.75%	N	EUR	0.00
"PID Solutions" drustvo sa ogranicenom odgovornoscu Mostar		BIH	0.00%	50.00%	N	BAM	0.00
BBR VT International AG		CHE	0.00%	22.50%	N	CHF	0.00
aqua plus CZ vodohospodárská s.r.o. v likvidaci		CZE	0.00%	49.90%	N	CZK	0.00
EKO-SBER BRNO, spol. s.r.o. – v likvidaci		CZE	0.00%	20.00%	N	CZK	0.00
LTE Logisik a Transport Czechia s.r.o.		CZE	0.00%	50.00%	N	CZK	0.00
TORO sanace staveb s.r.o.		CZE	0.00%	11.80%	N	CZK	0.00
Vystavba hotelu PRAHA – ZVONARKA. spol. s.r.o.		CZE	0.00%	11.11%	N	CZK	0.00
ASTO Besitz- und Immobilienverwaltungsgesellschaft mbH		DEU	0.00%	47.15%	N	EUR	0.00
Bayernfonds Immobilienentwicklungsgesellschaft Wohnen plus GmbH		DEU	0.00%	1.81%	N	EUR	0.00
BF Services GmbH		DEU	0.00%	2.79%	N	EUR	0.00
Bürohaus Leuchtenbergring Verwaltungs GmbH		DEU	0.00%	0.93%	N	EUR	0.00
City Objekte München GmbH		DEU	0.00%	4.51%	N	EUR	0.00
Europten Deutschland GmbH		DEU	0.00%	49.00%	N	EUR	0.00
Frankenstraße 18-20 Verwaltungs GmbH		DEU	0.00%	47.15%	N	EUR	0.00
Leuchtenbergring Hotelbetriebsgesellschaft mbH		DEU	0.00%	2.82%	N	EUR	0.00
MG Dornach Hotel GmbH		DEU	0.00%	0.56%	N	EUR	0.00
MG Gleisdreieck Pasing Komplementär GmbH		DEU	0.00%	5.64%	N	EUR	0.00
MG Projekt-Sendling GmbH		DEU	0.00%	5.64%	N	EUR	0.00
MG-Destouchesstrasse Komplementär GmbH		DEU	0.00%	5.64%	N	EUR	0.00
MG-Dornach Komplementär GmbH		DEU	0.00%	5.64%	N	EUR	0.00
Münchner Grund Immobilien Bauträger Aktiengesellschaft		DEU	0.00%	5.64%	N	EUR	0.00
Münchner Grund Management GmbH		DEU	0.00%	1.40%	N	EUR	0.00
Münchner Grund Projektmanagement, -Beratung, -Planung GmbH		DEU	0.00%	3.95%	N	EUR	0.00
Münchner Grund Riem GmbH		DEU	0.00%	3.61%	N	EUR	0.00
Neustädter Baustoff – Gesellschaft mit beschränkter Haftung		DEU	0.00%	46.97%	N	EUR	0.00
Radmer Bau Kieswerke GmbH		DEU	0.00%	46.97%	N	EUR	0.00
REAL I.S. Project GmbH		DEU	0.00%	2.79%	N	EUR	0.00
TMG Tiefbaumaterial GmbH		DEU	0.00%	31.31%	N	EUR	0.00
FMA Gebäudemanagement d.o.o.		HRV	0.00%	50.00%	N	HRK	0.00
Sitnica drustvo s ogranicenom odgovornoscu za usluge		HRV	0.00%	50.00%	N	HRK	0.00
STANOGRAD ULAGANJA d.o.o. za promet nekretninama, usluge i graditeljstvo		HRV	0.00%	33.33%	N	HRK	0.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
ASDAG Kavicsbánya és Épitö Korlátolt Felelösségü Társaság		HUN	0.00%	18.32%	N	HUF	0.00
ASDEKA Epitöanyagipari Kereskedelmi Kft.		HUN	0.00%	9.16%	N	HUF	0.00
Kapsch Telematic Services Telematikai Szolgáltató Kft.		HUN	0.00%	6.67%	N	HUF	0.00
M6 Tolna Üzemeltetö Korlátolt Felelösségü Társaság		HUN	0.00%	16.00%	N	HUF	0.00
Porr (Malaysia) Sendirian Berhad		MAL	50.00%	50.00%	N	MYR	0.00
Mlynska Development Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	40.00%	N	PLN	0.00
DRUSTVO SA OGRANICENOM ODGOVORNOSCU “PORR-WERNER & WEBER-LESKOVAC”, Leskovac		SRB	0.00%	35.00%	N	EUR	0.00
Drustvo sa ogranicenom odgovornoscu PORR WERNER&WEBER-JAGODINA, Jagodina		SRB	0.00%	40.00%	N	EUR	0.00
PORR-WERNER & WEBER DOO ZA PROIZVODNJU I PROMET METALNIH PROIZVODA NIS		SRB	0.00%	50.00%	N	EUR	0.00
PORR-WERNER WEBER ENVIRONMENTAL TECHNOLOGIES DOO NIS		SRB	0.00%	50.00%	N	EUR	0.00
PWW Deponija d.o.o. Jagodina		SRB	0.00%	50.00%	N	EUR	0.00
PWW Deponija Dva d.o.o. Leskovac		SRB	0.00%	50.00%	N	EUR	0.00
SEVER-JUG AUTOPUT DRUSTVO SA OGRANICENOM ODGOVORNOSCU ZA IZGRADNJU, KORISCENJE I ODRZAVANJE AUTOPUTA		SRB	0.00%	50.00%	N	EUR	0.00
KONTA plus, s.r.o.		SVK	0.00%	34.93%	N	SKK	0.00
LTE Logistik a Transport Slovakia s.r.o.		SVK	0.00%	50.00%	N	SKK	0.00
AQUASYSTEMS gospodarjenje z vodami d.o.o.		SVN	0.00%	10.00%	N	EUR	0.00
Elin Transmission Lines Co., Ltd.		THA	0.00%	49.00%	N	THB	0.00
Elin Transmission Lines Holding Co., Ltd.		THA	0.00%	49.00%	N	THB	0.00
Other partnerships							
“IQ” Immobilien GmbH & Co KG		AUT	0.00%	50.00%	N	EUR	0.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H & Co KG		AUT	0.00%	10.50%	N	EUR	0.00
AMG – Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG		AUT	0.00%	17.50%	N	EUR	0.00
AMO Asphaltmischwerk Oberland GmbH & Co KG		AUT	0.00%	23.63%	N	EUR	0.00
AMW Asphalt-Mischwerk GmbH & Co KG		AUT	0.00%	17.50%	N	EUR	0.00
Asphaltmischwerk Steyregg GmbH & Co KG		AUT	0.00%	10.50%	N	EUR	0.00
EDO Entsorgungsdienst Ost GmbH & CO KG		AUT	0.00%	17.50%	N	EUR	0.00
FMA Asphaltwerk GmbH & Co KG		AUT	0.00%	15.75%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH & Co “Beta“ KEG		AUT	0.00%	26.67%	N	EUR	0.00
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH & Co KG		AUT	0.00%	24.00%	N	EUR	0.00
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH & Co KG		AUT	0.00%	50.00%	N	EUR	0.00
KAB Straßensanierung GmbH & Co KG		AUT	0.00%	10.50%	N	EUR	0.00

Company	Remarks	Country code	PORR AG share	PORR Group share	Type of consoli-dation	Currency	Nominal capital
Kulturmanagement Regionalverein Steirisches Salzkammergut KEG		AUT	0.00%	1.86%	N	EUR	0.00
MARPO Errichtungs- und Verwertungs GmbH & Co KG		AUT	0.00%	50.00%	N	EUR	0.00
MRPS – ERRICHTUNGS UND VERWERTUNGS GmbH & Co KG		AUT	0.00%	50.00%	N	EUR	0.00
MultiStorage GmbH & Co KG		AUT	0.00%	40.00%	N	EUR	0.00
Oberkärntner Asphalt GmbH & Co KG		AUT	0.00%	26.26%	N	EUR	0.00
PEM Projektentwicklung Murgalerien GmbH & Co KG		AUT	0.00%	50.00%	N	EUR	0.00
RegioZ Regionale Zukunftsmanagement und Projektent-wicklung Ausseerland Salzkammergut GmbH & Co KEG		AUT	0.00%	3.72%	N	EUR	0.00
RFM Asphaltmischwerk GmbH & Co KG		AUT	0.00%	17.50%	N	EUR	0.00
RFPB Kieswerk GmbH & Co KG		AUT	0.00%	8.75%	N	EUR	0.00
Salzburger Lieferasphalt OG		AUT	0.00%	10.50%	N	EUR	0.00
Sava Most Gradevinsko Preduzece OG		AUT	0.00%	27.93%	N	EUR	0.00
Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs GmbH & Co KG		AUT	0.00%	40.00%	N	EUR	0.00
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG		AUT	0.00%	17.50%	N	EUR	0.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG		AUT	0.00%	8.75%	N	EUR	0.00
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG		DEU	0.00%	0.93%	N	EUR	0.00
Bürohaus Leuchtenbergring GmbH & Co. KG		DEU	0.00%	0.92%	N	EUR	0.00
COM Destouchesstrasse GmbH & Co. KG		DEU	0.00%	5.07%	N	EUR	0.00
Frankenstraße 18-20 GmbH & Co. KG		DEU	0.00%	47.15%	N	EUR	0.00
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG		DEU	0.00%	3.61%	N	EUR	0.00
MG Grundbesitz Objekt Gleisdreieck Pasing GmbH & Co. KG		DEU	0.00%	5.64%	N	EUR	0.00
MG-Dornach GmbH & Co. KG		DEU	0.00%	5.64%	N	EUR	0.00
BPV-Metro 4 Építési Közkereseti Társaság		HUN	33.33%	33.33%	N	HUF	0.00
BPV-METRO 4 NeKe Építési Közkereseti Társaság		HUN	33.33%	33.33%	N	HUF	0.00
M6-Autópálya Építési Kkt.		HUN	0.00%	33.33%	N	HUF	0.00
MTC Muanyagrétegzés Közkereseti Társaság		HUN	0.00%	6.56%	N	HUF	0.00
NeKe METRO 4 Építési Közkereseti Társaság		HUN	0.00%	50.00%	N	HUF	0.00
PORR-HABAU Épitö Közkereseti Társaság		HUN	0.00%	50.00%	N	HUF	0.00

Legend:

F = Fully consolidated company

E = Equity consolidated company

N = Non-consolidated company

° = Company consolidated for the first time

* = Profit and loss transfer agreement

Auditors' Report

We have audited the accompanying consolidated financial statements of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, Vienna, for the financial year from January 1st 2008 to December 31st 2008. These consolidated financial statements comprise the consolidated balance sheet as at December 31st 2008, and the consolidated income statement, statement of changes in equity and consolidated cash flow statement for the year ended December 31st 2008, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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 ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the 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. Based on the results of our audit, the consolidated financial statements, do, in our opinion, give a true and fair view, in all material respects, of the financial position of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, Vienna, as of December 31st 2008, and of its financial performance and its cash flows for the financial year from January 1st 2008 to December 31st 2008 in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Laws and regulations applicable in Austria require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group.

In our opinion, the group management report for the group is consistent with the consolidated financial statements.

March 30th 2009, Vienna

Deloitte Wirtschaftsprüfungs GmbH

Leopold Fischl (*)
Certified Public Accountant

Marieluise Krimmel (*)
Certified Public Accountant

BDO Auxilia Treuhand GmbH
Wirtschaftsprüfungs- und Steuerberatungs-
gesellschaft

Hans Peter Hoffmann (*)
Certified Public Accountant

ppa. Christoph Wimmer (*)
Certified Public Accountant

(*) manu propria

This report is a translation of the original report in German, which is solely valid. Any publication or reproduction of the annual financial statements in a form other than that of the audited version which refers to our audit opinion or our audit requires a new audit opinion on our part prior to any such publication or reproduction.

Proposal on the Appropriation of Net Profit

	EUR
In the financial year 2008, a profit of was achieved.	4,467,045.71
After the calculation of the appropriation of profits from the annual financial statement in 2007 of	14,172.64
the annual shareholders' meeting announces that a balance sheet surplus of is available.	4,481,218.35

The Executive Board proposes the following appropriation of profits: Payment of dividends amounting to EUR 2.20 each on the shares liable for dividends.

	No.	EUR
Equity capital shares	1,983,750	4,364,250.00
Capital share certificates	49,800	109,560.00
Balance carried forward		7,408.35

Upon acceptance of this proposal, dividends of EUR 2.20 per share will be paid out in accordance with the legal agreement from May 26th 2009 by UniCredit Bank Austria AG, Raiffeisen Zentralbank Österreich Aktiengesellschaft, and Erste Bank der oesterreichischen Sparkassen AG, as well as their branches, upon collection of dividend coupons No. 61 of ordinary shares and of dividend coupons No. 62 of preference shares. The payment of the profit share from capital share certificates in the amount of EUR 2.20 per capital share certificate will also be issued in accordance with the legal agreement via the appropriate depositary bank from May 26th 2009.

March 30th 2009, Vienna

The Executive Board

Wolfgang Hesoun (*)

Johannes Dotter (*)

Rudolf Krumpeck (*)

Peter Weber (*)

(*) manu propria

Glossary

The Construction Industry

Building construction is the field of construction engineering that is concerned with the planning and building of objects of construction that are located above the earth's surface. However, buildings constructed in this way also include structures that are below ground, provided that they are accessible to people or that they are intended to accommodate people, animals or items of property such as, for example, civil defence installations.

Building production (building production value) is the production value of construction sites emanating purely from construction activity (own work, raw materials and third party services chargeable to clients).

CEE is used to denote all the countries in Central and Eastern Europe.

CHP is the abbreviation for Combined Heat and Power plant.

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.

Construction capacity is the sum total of the production factors present within the construction company that are available for the execution of structures. These factors generally consist in the operating resources of staff, machinery, building materials and financial resources.

Equipment management is the department within a company that is responsible in financial terms for the investment, maintenance and repair of the equipment that the company owns.

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.

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.

Lot describes a part (unit) of construction output in large-scale building projects.

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.

Public Private Partnership (PPP) is a collective term for the utilisation of private capital and specialist knowledge for the completion of orders placed by public sector agencies.

SEE is used to denote all the countries in South-Eastern Europe.

TBM is the abbreviation for Tunnel Boring Machine.

The Financial World

Associated company is a company that is not majority-owned but 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.

EBRD is the European Bank for Reconstruction and Development. Founded in 1991, the bank offers financial support to former communist countries in CEE during their transformation towards a market economy.

EBT (Earnings Before Taxes) designates the pre-tax result.

ECB (European Central Bank) the central bank for Europe's single currency, the euro.

EIB (European Investment Bank) was founded in 1958 and has its headquarters in Luxemburg. The EIB enjoys its own legal personality and financial autonomy within the EU and is therefore not tied to instructions issued by commissions or parliament, although it does consult with them.

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.

Free cash flow is the funds that are actually freely available to the company emanating from surplus receipts obtained through gross revenues that are not required for the funding of normal operations or reinvestment.

ICR (Issuer Compliance Regulations; ECV = Emittenten-Compliance-Verordnung) is a regulation designed to prevent abuse of insider information.

IFRS (International Financial Reporting Standards) are international accounting standards.

Market capitalisation is the full stock market value of a company that results from the multiplication of the share price by the number of shares in issue.

Minority shares are shares held by other companies or individuals in companies that are included in the consolidated financial statements.

Nikkei 225 is one of several stock market indices calculated by the Nihon Keizai Shimbun newspaper for evaluating the performance of the Tokyo Stock Exchange. It is based on a selection of 225 share values.

Order backlog is the total of all orders or contracts which have not been executed by the key date in question.

Payout ratio is the dividend proportion as a percentage, and it results as the quotient of the dividend payment of the share divided by the profit per share.

P/E ratio (Price/earnings ratio) is a measure that is frequently used in comparisons and for the valuation of shares on the capital market. The P/E ratio results as the quotient of the market value of the share divided by the profit per share.

PPS (Purchasing Power Standard) is the name given to the artificial currency unit with which data from participating EU states is converted. PPS is calculated as the average national purchasing power parity (PPP) and acts as a specific combination of all EU currencies.

Return on Sales is an operational measure that designates the relationship between profit and sales.

Risk management is the systematic identification, measuring and controlling of risks. These risks can be general business risks or specific financial risks.

ROCE (Return on Capital Employed) is a figure for measuring the all-in equity return, and it results from the EBIT in relation to the average equity capital employed plus net interest-bearing borrowed capital.

ROE (Return on Equity) is the surplus for the year in relation to equity.

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.

TEUR is the abbreviation for 'in EURO thousand'.

Imprint

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The annual financial statements for 2008, including the notes to the financial statements (individual financial statements), that have been audited by the company's auditors can be obtained free of charge from the company at A-1100 Vienna, Absberggasse 47, and will be available at the AGM. In addition, the annual financial statements for 2008 may be downloaded from the website, www.porr.at. The management report that accompanies the individual financial statement is identical to the group management report.

The contents of this report together with the individual financial statement constitute the annual financial report.

Disclaimer
Statements relating to the future in this report are based on estimates and assumptions which are made, to the best of their current knowledge, by managerial staff. Future-related statements may be identified as such by expressions such as 'anticipated', 'target' or similar constructions. Forecasts concerning the future development of the company take the form of estimates based on information available at the time of going to press. Actual results may differ from forecast values where the assumptions on which these are based should prove incorrect or risks should develop in unforeseeable ways.

Every care has been taken in the compilation of this annual report to ensure the accuracy and completeness of information in all sections. However, round-off, typesetting and printing errors cannot be completely ruled out.

All dates expressed in digits conform to European conventions of dd.mm.yyyy.

Results preceded by the abbreviation TEUR are in EURO thousand.

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