

# LET'S GET TO WORK

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**INTERIM REPORT JANUARY-MARCH 2009**

29.5.2009

**STRABAG**  
SOCIETAS EUROPAEA

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# KEY FIGURES

## KEY FINANCIAL FIGURES

	Q1/09 T€	Q1/08 T€	CHANGE IN %	2008 T€
Output volume	2,190,329	1,922,568	14 %	13,742,501
Revenue	2,082,334	1,762,715	18 %	12,227,795
Order backlog	12,848,651	12,581,535	2 %	13,253,795
Employees	73,720	63,377	16 %	73,008

## KEY EARNINGS FIGURES

	Q1/09 T€	Q1/08 T€	CHANGE IN %	2008 T€
EBITDA	-66,307	-62,296	-6 %	647,732
EBITDA-margin as % of revenue	-3.2	-3.5	9 %	5.3
EBIT	-152,673	-138,217	-11 %	269,866
EBIT-margin as % of revenue	-7.3	-7.8	6 %	2.2
Profit before taxes	-179,032	-136,207	-31 %	229,258
Profit for the period	-141,935	-109,846	-29 %	166,360
EPS	-1.13	-0.71	-59 %	1.38
Cash-flow from operating activities	-189,906	-241,639	21 %	689,885
ROCE in %	-2.3	-2.3	0 %	5.3
Investment in fixed assets	58,640	155,710	-62 %	876,800

## KEY BALANCE SHEET FIGURES

	31.3.2009 T€	31.12.2008 T€	CHANGE IN %
Equity	2,723,686	2,978,981	-9 %
Equity Ratio in %	29.8	30.5	-2 %
Net Debt	175,529	-109,663	260 %
Gearing Ratio in %	6.4	-3.7	273 %
Capital Employed	4,937,883	5,158,849	-4 %
Total	9,143,213	9,765,206	-6 %

EBITDA = profit for the period before net interest income, income tax expense and depreciation and amortization

EBIT = profit for the period before net interest income and income tax expense

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

Net Debt = financial liabilities less non-recourse debts + provisions for severance and pension obligations – cash and cash equivalents

Gearing Ratio = Net Debt/Group Equity

Capital Employed = group equity + interest-bearing debt

# FOREWORD



**DR. HANS PETER  
HASELSTEINER**  
Chairman of the  
Management Board

**Dear shareholders,  
associates and friends of STRABAG SE**

The first quarter developed positively for STRABAG SE, as had been expected, despite the fact that the economic environment became more difficult. We also do not share the budding optimism; rather, we believe that the external factors will continue to develop negatively. Nevertheless, STRABAG SE expects to end the current year at the same levels as the year before, in part thanks to the economic stimulus programmes adopted by the various national governments.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

Dr. Hans Peter Haselsteiner

- Revenue up 18 % to € 2,082.3 million – growth from acquisitions in Germany
- Order backlog only slightly below the level of 31 December 2008
- EBITDA and EBIT lower, but margins improved at -3.2 % and -7.3 %, respectively
- Security remains top priority: equity ratio 30 %, cash and cash equivalents € 1.2 billion

# HIGHLIGHTS

## MARCH

A consortium around a Hungarian subsidiary of STRABAG SE was awarded a large-scale order worth € 183 million. Of this amount, 37.5 % is attributable to the STRABAG Group. The consortium is charged with the modernisation and upgrade of the track and overhead lines between Tárnok und Székesfehérvár, Hungary.

A consortium, whose members include the STRABAG subsidiary F. Kirchhoff AG , has signed a concession agreement with the German government over a 60 km section of the A5 motorway between Baden-Baden and Offenburg. As part of this public private partnership (PPP) undertaking, Via Solution Südwest GmbH & Co. KG will plan, finance and oversee construction for the upgrade to six lanes and will operate and maintain the motorway over a period of 30 years. In exchange, the company will receive the truck toll levied on the section. The total investment volume amounts to about € 660 million, the construction volume to € 343 million. Kirchhoff's share of the concession company is 12.5 %; its share of the construction is 41 %.

## APRIL

STRABAG has received an order to build the first phase of the new Gaženica port facility in Croatia. The € 43 million order involves underwater and earthworks. Work is set to begin in May 2009 and is scheduled for completion in approximately one year.

## MAY

At the end of July 2008, STRABAG SE signed the purchase agreement covering the acquisition of the Austrian and Hungarian activities of CEMEX. On 13 February 2009, STRABAG was informed by the Hungarian cartel authorities of their approval of the transaction. In May, the Austrian cartel authorities approved the deal, but imposed conditions. The decision is not yet final.

# SHARE



While isolated signs of a levelling-off could be seen in April and May, the international stock markets still registered significant losses in the first three months of 2009. New York's Dow Jones Industrial lost 13 %, Europe's Euro Stoxx 50 fell by 16 %, the Japanese Nikkei stock index was down 8 % and the Austrian Traded Index (ATX) sank 3 %.

Similarly, the construction sector also had to face further serious losses. The Dow Jones STOXX Construction & Materials, which measures the performance of construction sector shares, lost 11 %. With a minus of 9 % over the first quarter, the STRABAG SE stock stood in the middle of its two benchmark indexes ATX and Dow Jones STOXX Construction & Materials.

Shares of STRABAG SE are currently under observation by analysts from ten international banks. They calculate an average share price target of € 14. Detailed analyses and recommendations are available at the STRABAG SE website at [www.strabag.com](http://www.strabag.com) -> Investor Relations -> Share -> Research & Analysts.

## STRABAG SE SHARE

Market capitalisation on 31.3.2009	€ mln.	1,686
Closing price on 31.3.2009	€	14.79
Year's maximum on 7.1.2009	€	19.70
Year's minimum on 3.3.2009	€	9.86
Performance Q1/09	%	-9
Outstanding shares (absolute)	shares	113,999,997
Outstanding shares (weighted) in Q1/09	shares	113,999,997
Weight in ATX on 31.3.2009	%	1.8
Volume traded Q1/09	€ mln.*	243
Average trade volume per day Q1/09	shares*	294,829
% of total volume trade on Vienna Stock Exchange Q1/09	%	1.7

\* double count

# **MANAGEMENT** **REPORT JANUARY-** **MARCH 2009**

## **OUTPUT VOLUME AND REVENUE**

STRABAG SE grew its output volume to € 2,190.3 million in the first three months of 2009, a plus of 14 % compared to the same period the year before. Significant growth was registered in Germany – thanks mainly to enterprise acquisitions in the Transportation Infrastructures and the Special Divisions & Concessions segments –, in Russia and in the Middle East. By comparison, business receded in Austria and the Czech Republic in the Building Construction & Civil Engineering segment.

The consolidated group revenue reached € 2,082.3 million in the first three months of the 2009 financial year, compared to € 1,762.7 million the period before (+18 %). The growth is largely due to the acquisitions made the previous year.

## **ORDER BACKLOG**

The order backlog on 31 March 2009 stood at € 12,848.7 million, slightly higher than at the same time last year and down slightly when compared to the end of 2008. In a year-on-year comparison, the order backlog in Germany was up by more than € 1 billion, compensating for decreases in Russia at a similar value. In the first quarter of 2009, the order backlog in Russia dropped even more, while a plus was registered in Germany, Austria and the Czech Republic. The order backlog in Poland was remarkably high – with € 1,029.6 million, Poland now ranks third in terms of the group's order backlog by country, behind Germany and just slightly behind Austria.

## **FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH-FLOWS**

The limited capacity for construction in winter results in significant seasonal effects on the development of earnings and other financial figures of STRABAG SE. The first two quarters of the year typically have a negative effect on results, which is then overcompensated by results in the second half of the year. As a result of the seasonal effects, a quarterly comparison makes little sense. Due to the higher business volume, there was a more pronounced effect of seasonality on the earnings in the first quarter of 2009 as well. The EBITDA (earnings before interest, taxes, depreciation and amortisation) fell by 6 % with the higher output volume to reach € -66.3 million and the EBIT (earnings before interest and taxes) fell by 11 % to € -152.7 million.

The EBITDA and EBIT margins, by comparison, improved from -3.5 % to -3.2 % and from -7.8 % to -7.3 %, respectively. STRABAG explains this development in part with the better earnings in the Building Construction & Civil Engineering segment on the German home market. On the other hand, the first-time inclusion of STRABAG Property und Facility Services GmbH (SPFS) in the Special Divisions & Concessions segment also had a positive effect on the margins.

While the contribution from the net interest had still been positive in the same period last year, with € -26.4 million it has now slipped into negative territory – in part due to the lower net liquidity but also because of the higher currency exchange losses. The tax rate remained relatively stable, at 20.7 % compared to 19.4 % the previous year. The minority interest reached € -12.7 million. Last year – STRABAG has meanwhile increased its share in the German subsidiary STRABAG AG, Cologne, to 90.0 % – this figure still stood at € -28.6 million. The profit for the period after minorities fell by 59 % to € -129.3 million, while the earnings per share was down from € -0.71 to € -1.13.

The balance sheet total fell by 6 % from € 9,765.2 million on 31 December 2008 to € 9,143.2 million, mostly due to the decline of current trade receivables and cash and cash equivalents. The equity ratio fell slightly compared to the balance sheet date for the 2008 financial year, slipping from 30.5 % to 29.8 %. The net cash position of € 109.7 million turned into a net financial liability of € 175.5 million as the cash and cash equivalents fell from € 1,491.4 million to € 1,240.5 million.

The negative cash-flow from operating activities improved from € -241.6 million to € -189.9 million, as, despite the higher business volume, the replenishment of the working capital could be reduced compared to the same period the year before. In line with the strategy of lowering capital expenditures, the cash-flow from investing activities was down from € -155.0 million to € -58.6 million. The cash-flow from financing activities was in positive territory (€ 32.0 million) after the negative financing cash-flow of € -4.3 million during the same period the year before.

## **CAPITAL EXPENDITURES**

In addition to the necessary maintenance expenditures, the first three months of the 2009 financial year saw increased expenditures in the business fields of waterway construction and railway construction. Some € 90 million have been budgeted for the first proprietary cement plant in Hungary for the entire year, of which STRABAG already invested € 9 million in the first quarter.

## **EMPLOYEES**

The number of employees grew with the higher output volume, gaining 16 % to 73,720, of which 31,339 were white-collar and 42,381 were blue-collar workers. The acquisitions in Germany led to additional 7,000-plus employees in this market. Significant increases were also registered in the Middle East and in Poland.

## **MAJOR TRANSACTIONS AND RISKS**

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

In the course of its entrepreneurial activities, the STRABAG Group is exposed to a number of risks, which can be identified and assessed using an active risk management system and dealt with by applying an appropriate risk policy. Among the most important risks are external risks such as cyclical fluctuations in the construction industry, operating risks in the selection and execution of projects, as well as financial, organisational, personnel, and investment risks. The risks are explained in more detail in the 2008 management report. A review of the current risk situation revealed that in the reporting period there existed no risks which threatened the existence of the company and that for the future no risks are recognizable which constitute a threat to its continued existence.

## **OUTLOOK**

For the 2009 financial year, security will remain a top priority. With an equity ratio of 30 % and cash and cash equivalents of some € 1.2 billion, the company sees itself in a solid financial and liquidity position which must be further secured through a restrictive acquisitions and investment policy as well as through an active working capital management.

The financial crisis and, subsequently, the economic crisis have rewritten the rules of doing business. A declining business volume was registered in the business with certain clients such as real estate developers and other private companies which commission the construction of shopping centres or offices. PPP models dependent on bank financing have proven to be unrealisable in the current market environment.

This is where the advantages of STRABAG's strategy become clear: the geographical diversification of the activities and the broad product portfolio help compensate for the slowdown on certain markets through stronger engagement in other, more successful markets. The areas of transportation infrastructures and civil engineering, for example, are expected to profit from the various national economic stimulus programmes. Of great importance, therefore, is that these programmes are implemented soon.

# SEGMENT REPORT

## BUILDING CONSTRUCTION & CIVIL ENGINEERING

	Q1/09 M€	Q1/08 M€	CHANGE IN %	2008 M€
Output volume	1,122	1,123	0 %	5,822
Revenue	1,062	1,030	3 %	5,244
Order backlog	6,062	7,085	-14 %	6,774
Operational result	-13	-27	52 %	78 *
Operational margin as a % of revenue	-1.2	-2.6		1.5
Employees	28,103	27,769	1 %	28,802

\* Representation according to IAS 14

The Building Construction & Civil Engineering segment offered a mixed picture of the first quarter 2009. At € 1,121.6 million, the construction output volume remained stable over the previous year, with growth in Russia and in several CEE countries making up for a decline in Austria. The revenue, by comparison, grew slightly, gaining 3 % to € 1,062.4 million. The operational result stood at € -12.7 million, significantly less negative than in the first quarter the year before, due to better results in Germany. This led to an improvement of the negative operational margin from -2.6 % to -1.2 %.

The order backlog was down 14 % in a year-on-year comparison and 11 % from the end of 2008, due almost entirely to Russia. So far, however, STRABAG has not registered any noteworthy cancellations outside of Russia. Furthermore, the entire segment remained unaffected by customer insolvencies in the quarter under report.

Several new large-scale orders helped to positively influence the order backlog. STRABAG won an order to build the first phase of the new Gaženica port facility near Zadar in Croatia. The € 43 million project involves underwater and earthworks (see also Transportation Infrastructures segment).

STRABAG also received an order for the Nagatinskaya residential facility in Moscow, Russia. The “cost-plus-fee” project is worth € 150 million. Finally, the company is working on the “Neue Mitte” multifunction complex in Karlsfeld, Germany, worth about € 44 million.

STRABAG is bidding for a number of projects in the Building Construction & Civil Engineering segment, for example in the fields of Environmental Technology and Transportation Infrastructures. Generally STRABAG sees a shift toward public-sector projects, whereby these often involve a high pressure on margins. Although many private projects have been delayed or postponed, the high order backlog means we can realistically expect only a low decline in output with a somewhat improved result for the full year 2009.



## TRANSPORTATION INFRASTRUCTURES

	Q1/09 M€	Q1/08 M€	CHANGE IN %	2008 M€
Output volume	598	591	1 %	6,274
Revenue	571	579	-1 %	5,464
Order backlog	4,416	3,236	36 %	3,957
Operational result	-143	-90	-59 %	138 *
Operational margin as a % of revenue	-25.0	-15.5		2.5
Employees	30,518	27,690	10 %	33,906

\* Representation according to IAS 14

Due to the unusually harsh winter the output volume in the Transportation Infrastructures segment grew by only 1 % to € 598.3 million. The employee levels, by comparison, were up 10 %. The revenue fell slightly, losing 1 % to settle at € 571.5 million. The operational result, and with it the operational margin, were also affected by the tough winter. The operational result was down 59 %, reaching € -143.4 million, while the operational margin fell more deeply into negative territory, dropping to -25.0 % from -15.5 % the previous year.

Positive growth was registered in the order backlog both in comparison to the same period last year (+36 %) as well as in comparison to the end of 2008 (+12 %) thanks to a number of large-scale projects. One of these involves the modernisation and upgrade of the track and overhead lines between Tárnok und Székesfehérvár, Hungary, by a consortium led by a Hungarian STRABAG subsidiary. The contract has a volume of € 183 million, of which 37.5 % is attributable to STRABAG.

In addition, STRABAG was awarded the contract for rail bed construction as part of the renovation of the Chemnitz railway station in Germany. STRABAG holds an 85 % of the € 48 million project volume. Furthermore, the Building Construction & Civil Engineering and Transportation Infrastructures segments will handle the underwater and earthworks for the Gaženica port facility in Zadar, Croatia. The contract has a volume of € 43 million (see also Building Construction & Civil Engineering segment).

About half of the growth of the year-on-year order backlog can be ascribed to Germany, where the group acquired the construction SMEs Kirchhoff and Kirchner in 2008. The integration of the two companies is largely completed so that any resulting additional cost should only be minor.

Poland is responsible for one quarter of the order backlog growth. An increasing number of new companies are entering the transportation infrastructures market, leading to an increased pressure on prices. Thanks to its already high order backlog in the country, however, STRABAG does not have to subject itself to any procurement pressure in the acquisition of new projects. On the contrary, the falling material and transportation costs and lower prices for diesel and bitumen are having a positive effect on the margins.

In other European countries, however, the first signs of strain can be seen on the market. The tender situation from a number of national governments remained unchanged in the first quarter, leading to increased competition as more and more private clients fell away. The stimulus effect from the economic stimulus packages is not expected to be felt until at least autumn 2009. STRABAG expects demand to decline in the years 2011/2012, as the public-sector funds will have run out by then.

## SPECIAL DIVISIONS & CONCESSIONS

	Q1/09 M€	Q1/08 M€	CHANGE IN %	2008 M€
Output volume	431	163	164 %	1,417
Revenue	439	147	199 %	1,483
Order backlog	2,347	2,212	6 %	2,480
Operational result	-4	-17	76 %	52 *
Operational margin as a % of revenue	-0.9	-11.6		3.5
Employees	9,644	2,932	229 %	5,174

\* Representation according to IAS 14

The output volume of the Special Divisions & Concessions segment in the first quarter 2009 more than doubled (+164 %) to over € 431.1 million. This brought the segment's contribution to the overall output volume to 20 % from 8 % the year before. The revenue grew by 199 % year on year to € 438.5 million, thanks above all to the first-time inclusion of STRABAG Property und Facility Services GmbH (SPFS). The operational result settled at € -4.3 million, nearly reaching positive territory after the previous year's € -17.7 million. The inclusion of SPFS also contributed considerably to the improved operational margins, which grew from -11.6 % to -0.9 %. As a result, SPFS not only significantly increased the size of the segment but has also had a stabilising effect. Furthermore, the margin improved as the result of restructuring measures in the business field of specialty foundation engineering and thanks to approved change orders in tunnelling.

The consolidation of STRABAG Property & Facility Services GmbH (formerly: Deutsche Telekom Immobilien und Service GmbH (DeTelmmobilien)) resulted in a threefold increase of the employee numbers in the Special Divisions & Concessions segment to 9,644 people.

The order backlog grew by 6 % to € 2,346.3 million. While project related declines were registered in the vast majority of the national markets – above all Hungary and Austria –, the order backlog in Germany grew by 181 %. This increase is due to two factors, one of them being the € 449.9 million attributable to STRABAG Property & Facility Services GmbH.

The second factor was the signing of a concession agreement between a consortium, whose members include the STRABAG subsidiary F. Kirchhoff AG, and the German government over a 60 km section of the A5 motorway between Baden-Baden and Offenburg. As part of this public private partnership (PPP) undertaking, Via Solution Südwest GmbH & Co. KG will plan, finance and oversee construction for the upgrade to six lanes and will operate and maintain the motorway over a period of 30 years. In exchange, the company will receive the truck toll levied on the section. The total investment volume amounts to about € 660 million, the construction volume to € 343 million. Kirchhoff's share of the concession company is 12.5 %; its share of the construction is 41 %.

In real estate development, the group has seen its expectations confirmed that PPP projects could be delayed or even cancelled due to a lack of financing options or economically nonviable conditions. This is true to a higher degree in some countries in Central and Eastern Europe. It is also to be expected that the revenue components for commercial developments – such as tenant demand, rental conditions and sales prices – will decline more strongly than the relief on the cost side (property and construction costs as well as interest expense), which ultimately represents a burden on margins.

On the other hand, STRABAG expects to see attractive opportunities from the further consolidation among bidders for real estate developments. The group is in a position to realise new projects despite the higher equity requirements of the banks, as capital bound in other projects will increasingly become free for use. Furthermore, the buyer's market for commercial real estate has shown first signs of stabilising after having collapsed nearly completely in the fourth quarter 2008.

In infrastructure development, STRABAG is participating in several large tenders and is prequalified for projects in Abu Dhabi, Montenegro, the Netherlands, Denmark and Ireland, among other places.

The delay of planned infrastructure projects and the low number of public-sector tenders has led to very low prices in the field of tunnelling. For this reason, STRABAG is additionally focusing on selected pro-

jects outside its core markets so far – like in Scandinavia, where the price level is still intact. In Germany more tenders are to be expected, as a number of infrastructure projects have been announced there.

STRABAG's service business registered a stable order backlog level (90 % of the services are covered by the long-term contract with Deutsche Telekom AG) as well as stable margins.



**CONSOLIDATED**  
**INTERIM FINANCIAL**  
**STATEMENTS**  
**STRABAG SE,**  
**VILLACH AS OF**  
**31 MARCH 2009**

STRABAG SE INTERIM REPORT JANUARY-MARCH 2009

CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS

## **CONSOLIDATED INCOME STATEMENT FOR 1.1-31.3.2009**

	1.1.-31.3.2009 T€	1.1.-31.3.2008 T€
Revenue	2,082,334	1,762,715
Changes in inventories	7,147	– 12,227
Own work capitalised	13,670	12,927
Other operating income	72,837	45,128
Raw materials, consumables and services used	– 1,478,561	– 1,281,088
Employee benefits expense	– 603,534	– 465,655
Other operating expenses	– 159,122	– 126,062
Share of profit or loss of associates	– 3,005	– 2,036
Net investment income	1,927	4,002
<b>EBITDA</b>	<b>– 66,307</b>	<b>– 62,296</b>
Depreciation and amortisation expense	– 86,366	– 75,921
<b>EBIT</b>	<b>– 152,673</b>	<b>– 138,217</b>
Interest and similar income	17,754	23,104
Interest expense and similar charges	– 44,113	– 21,094
<b>Net interest income</b>	<b>– 26,359</b>	<b>2,010</b>
<b>Profit before taxes</b>	<b>– 179,032</b>	<b>– 136,207</b>
Income tax expense	37,097	26,361
<b>Profit for the period</b>	<b>– 141,935</b>	<b>– 109,846</b>
Attributable to: Non-controlling interests	– 12,659	– 28,606
Attributable to: Equity holders of the parent	– 129,276	– 81,240
Earnings per share (in €)	– 1.13	– 0.71

## **STATEMENT OF COMPREHENSIVE INCOME FOR 1.1-31.3.2009**

	1.1.-31.3.2009 T€	1.1.-31.3.2008 T€
<b>Profit for the period</b>	<b>-141,935</b>	<b>-109,846</b>
Differences arising from currency translation	–62,210	13,346
Change in hedging reserves	–62,469	–1,909
Deferred taxes on neutral change in equity	14,739	477
<b>Total comprehensive income</b>	<b>-251,875</b>	<b>-97,932</b>
Attributable to: Non-controlling interests	–16,356	–27,233
Attributable to: Equity holders of the parent	–235,519	–70,699

# CONSOLIDATED BALANCE SHEET AS AT 31.3.2009

<b>ASSETS</b>	<b>31.3.2009 T€</b>	<b>31.12.2008 T€</b>
<b>Non-current assets</b>		
Intangible assets	457,659	462,889
Property, plant and equipment	1,976,218	2,044,698
Investment property	141,253	143,410
Investments in associates	151,962	155,631
Other financial assets	270,939	265,316
Receivables from concession arrangements	948,331	972,824
Trade receivables	58,706	64,783
Non financial assets	7,509	7,552
Other financial assets	33,153	38,859
Deferred taxes	167,153	138,220
	<b>4,212,883</b>	<b>4,294,182</b>
<b>Current assets</b>		
Inventories	672,183	674,164
Receivables from concession arrangements	16,979	16,650
Trade receivables	2,500,313	2,836,432
Non financial assets	110,943	100,392
Other financial assets	389,412	352,013
Cash and cash equivalents	1,240,500	1,491,373
	<b>4,930,330</b>	<b>5,471,024</b>
	<b>9,143,213</b>	<b>9,765,206</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.3.2009 T€</b>	<b>31.12.2008 T€</b>
<b>Group equity</b>		
Share capital	114,000	114,000
Capital reserves	2,311,384	2,311,384
Retained earnings	176,654	412,173
Non-controlling interests	121,648	141,424
	<b>2,723,686</b>	<b>2,978,981</b>
<b>Non-current liabilities</b>		
Provisions	837,527	846,946
Financial liabilities <sup>1)</sup>	1,437,678	1,434,340
Trade payables	34,664	25,824
Non financial liabilities	868	913
Other financial liabilities	13,758	14,002
Deferred taxes	46,732	73,977
	<b>2,371,227</b>	<b>2,396,002</b>
<b>Current liabilities</b>		
Provisions	525,412	537,843
Financial liabilities <sup>2)</sup>	304,679	274,041
Trade payables	2,518,999	2,765,177
Non financial liabilities	227,189	368,956
Other financial liabilities	472,021	444,206
	<b>4,048,300</b>	<b>4,390,223</b>
	<b>9,143,213</b>	<b>9,765,206</b>

1) thereof non-recourse debts in the amount of T€ 757,080 (31 December 2008 T€ 757,080)

2) thereof non-recourse debts in the amount of T€ 41,078 (31 December 2008 T€ 41,078)

# CONSOLIDATED CASH-FLOW STATEMENT

## FOR 1.1.2009 - 31.3.2009

	1.1.-31.3.2009 T€	1.1.-31.3.2008 T€
Profit for the period	-141,935	-109,846
Deferred taxes	-46,134	-32,745
Non-cash effective results from associates	3,005	2,036
Depreciations / write ups	86,651	75,980
Changes in long term provisions	-6,718	-5,296
Gains/losses on disposal of non-current assets	-5,690	-6,919
<b>Cash-flow from profits</b>	<b>-110,821</b>	<b>-76,790</b>
Change in items:		
Inventories	2,572	-12,085
Trade receivables, construction contracts and consortia	358,538	349,312
Receivables from subsidiaries and receivables from participation companies	-23,213	-10,272
Other assets	-12,241	-22,696
Trade payables, construction contracts and consortia	-228,595	-311,258
Liabilities from subsidiaries and liabilities from participation companies	-1,056	-6,476
Other liabilities	-167,857	-121,669
Current provisions	-7,233	-29,705
<b>Cash-flow from operating activities</b>	<b>-189,906</b>	<b>-241,639</b>
Purchase of financial assets	-7,966	-11,032
Purchase of property, plant, equipment and intangible assets	-58,640	-155,710
Gains/losses on disposal of non-current assets	5,690	6,919
Disposals of non-current assets (carrying value)	8,393	17,868
Change in other cash pooling receivables	-1,209	2,749
Change in scope of consolidation	-4,890	-15,793
<b>Cash-flow from investing activities</b>	<b>-58,622</b>	<b>-154,999</b>
Change in bank borrowings	36,661	904
Change in liabilities from finance leases	-2,465	-1,419
Change in other cash pooling liabilities	1,259	249
Change in non-controlling interests due to capital consolidation	-64	0
Distribution and withdrawals from partnership	-3,356	-4,073
<b>Cash-flow from financing activities</b>	<b>32,035</b>	<b>-4,339</b>
Cash-flow from operating activities	-189,906	-241,639
Cash-flow from investing activities	-58,622	-154,999
Cash-flow from financing activities	32,035	-4,339
<b>Net change in cash and cash equivalents</b>	<b>-216,493</b>	<b>-400,977</b>
Cash and cash equivalents at the beginning of the year	1,491,373	1,965,775
Change in cash and cash equivalents due to currency translation	-34,380	6,586
<b>Cash and cash equivalents at the end of the period</b>	<b>1,240,500</b>	<b>1,571,384</b>
Interest paid	11,384	11,509
Interest received	14,151	21,146
Taxes paid	12,618	7,196

STRABAG SE INTERIM REPORT JANUARY-MARCH 2009

CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY FOR 1.1.2009 - 31.3.2009

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	NON-CON- TROLLING INTERESTS T€	TOTAL T€
<b>Balance at 1.1.2008</b>	<b>114,000</b>	<b>2,311,384</b>	<b>423,309</b>	<b>6,897</b>	<b>14,914</b>	<b>225,950</b>	<b>3,096,454</b>
Total comprehensive income	0	0	-81,240	-1,262	11,803	-27,233	-97,932
Distribution of dividends	0	0	0	0	0	-4,073	-4,073
<b>Balance at 31.3.2008</b>	<b>114,000</b>	<b>2,311,384</b>	<b>342,069</b>	<b>5,635</b>	<b>26,717</b>	<b>194,644</b>	<b>2,994,449</b>

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	NON-CON- TROLLING INTERESTS T€	TOTAL T€
<b>Balance at 1.1.2009</b>	<b>114,000</b>	<b>2,311,384</b>	<b>530,342</b>	<b>-97,755</b>	<b>-20,414</b>	<b>141,424</b>	<b>2,978,981</b>
Total comprehensive income	0	0	-129,276	-46,059	-60,184	-16,356	-251,875
Change in non-controlling interest due to capital consolidation	0	0	0	0	0	-64	-64
Distribution of dividends	0	0	0	0	0	-3,356	-3,356
<b>Balance at 31.3.2009</b>	<b>114,000</b>	<b>2,311,384</b>	<b>401,066</b>	<b>-143,814</b>	<b>-80,598</b>	<b>121,648</b>	<b>2,723,686</b>



**NOTES TO THE**  
**CONSOLIDATED**  
**INTERIM FINANCIAL**  
**STATEMENTS**  
**STRABAG SE,**  
**VILLACH AS OF**  
**31 MARCH 2009**

## **BASIC PRINCIPLES**

The consolidated interim financial statements of STRABAG SE, based in Villach, Austria, with reporting date 31 March 2009 were drawn up under application of IAS 34 in accordance with the International Financial Reporting Standards (IFRS) – issued by the International Accounting Standards Board (IASB) in London and recognised by the European Union – including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date. Applied were exclusively those IASB standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union.

In accordance with IAS 34, the consolidated interim financial statements do not contain all the information and details required of annual financial statements. The interim statements should therefore be read in conjunction with the annual financial statements of Strabag SE, Villach, with reporting date 31 December 2008.

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 are available at [www.strabag.com](http://www.strabag.com).

## **CHANGES IN ACCOUNTING POLICIES**

The following amended or new accounting standards are effective for annual periods beginning on or after 1 January 2009:

IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1.1.2009
IFRS 2 Share-based Payment: Vesting Conditions and Cancellations	1.1.2009
IFRS 8 Operating Segments	1.1.2009
IAS 1 Presentation of Financial Statements	1.1.2009
IAS 23 Borrowing Costs	1.1.2009
IAS 32 and IAS 1 Amendments on puttable financial instruments and obligations arising on liquidation	1.1.2009
Amendments to various IFRS under the annual improvement process	1.1.2009

The following changes result in the present interim report in comparison to 31 December 2008:

**IAS 1 Presentation of Financial Statements:** From 1 January 2009, IAS 1 requires the presentation of a statement of comprehensive income. According to IAS 1.81 b, presentation can be made in two separate statements: a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income). Only owner-related changes in equity are shown in the statement of changes in equity. The comparative figures were adapted to conform with the new rules.

**IFRS 8 Operating Segments:** The new segment reporting rules were applied from the 1st quarter 2009. Comparatives were adapted accordingly (see item Segment Reporting).

**IAS 23 Borrowing Costs:** From 1 January 2009, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. The capitalisation of the borrowing costs affects intangible assets, property, plant and equipment, inventories and receivables from construction contracts.

## ACCOUNTING AND VALUATION METHODS

With exception of the above mentioned changes in the accounting and valuation methods the accounting and valuation are fundamentally based on the same accounting principles and valuation methods underlying the consolidated annual financial statements with reporting date 31 December 2008.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2008.

## ESTIMATES

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

## SCOPE OF CONSOLIDATION

The consolidated interim financial statements as of 31 March 2009 include STRABAG SE as well as all major domestic and foreign subsidiaries where STRABAG SE either directly or indirectly holds a majority of the voting rights. Major associated companies are reported in the balance sheet using the equity method.

The number of consolidated companies changed in the Q1/2009 period as follows:

	<b>CONSOLIDATION</b>	<b>EQUITY METHOD</b>
Situation on 31.12.2008	311	12
First-time inclusions in reporting period	1	0
<b>Situation on 31.3.2009</b>	<b>312</b>	<b>12</b>

## ADDITIONS TO SCOPE OF CONSOLIDATION

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

<b>COMPANY</b>	<b>DIRECT STAKE %</b>	<b>DATE OF ACQUISITION/ FOUNDATION</b>
<b>Consolidation:</b>		
Johannes Sienknecht GmbH & Co. KG, Neumünster	100.00	1.1.2009

The consolidation of companies included for the first time took place at the date of acquisition or the nearest reporting date provided that this had no significant implications to an inclusion at the date of acquisition.

All companies which were consolidated for the first time in Q1/2009 contributed T€ 62 to revenue and T€ -564 to profit.

# METHODS OF CONSOLIDATION AND CURRENCY TRANSLATION

The same methods of consolidation and principles of currency translation were applied in drawing up the consolidated interim financial statements with reporting date 31 March 2009 as were used for the consolidated annual financial statements with reporting date 31 December 2008. Details regarding the methods of consolidation and principles of currency translation are available in the 2008 annual report.

## GOODWILL

Goodwill assets are subjected to an annual impairment test in accordance with IAS 36. The impairment test is carried out in the last two months of the financial year. Effective 31 March 2009, there was no indication that impairment was necessary.

In Q1/2009, a total goodwill from capital consolidation in the amount of T€ 6,527 was capitalised.

# NOTES ON THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT

## SEASONALITY

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

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

## OTHER OPERATING INCOME

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

	31.3.2009	31.3.2008
	T€	T€
Interest income	17,664	0
Interest expense	-10,557	0
<b>Total</b>	<b>7,107</b>	<b>0</b>

# **NOTES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET**

## **PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

In Q1/2009, tangible and intangible assets in the amount of T€ 58,640 (Q1/2008 T€ 155,710) were acquired.

In the same period, tangible and intangible assets in the amount of a book value of T€ 5,908 were sold (Q1/2008 T€ 15,596).

In Q1/2009 as well as in Q1/2008 no extraordinary impairments on property, plant and equipment and goodwill were made.

## **PURCHASE OBLIGATIONS**

On the reporting date, there were € 109.5 million (Q1/2008 € 136.0 million) in contractual commitments for the acquisition of property, plant and equipment which were not considered in the financial statement.

## **RECEIVABLES FROM CONCESSION ARRANGEMENTS**

STRABAG has a 100 % interest in the Hungarian Concession Company M5 AKA Alföld Koncessziós Autópálya Zrt., Budapest.

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

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

The route totals 156.5 km and was built in 3 phases. The concession period runs until 2031. A one-time extension for up to 17.5 years is possible.

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

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

The interest rate swap in the amount of T€ 27,591 (31 December T€ 47,724) is also recognised as long-term receivables from concession contracts.

Receivables from concession arrangements are offset by non-recourse debts in the amount of T€ 798,158 (31 December T€ 798,158) classified either as a current or non-current liability depending on the term. The resulting interest rate expense is recognised in "Other operating income".

## **EQUITY**

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

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

## **CONTINGENT LIABILITIES**

The company has accepted the following guarantees:

	<b>31.3.2009</b>	<b>31.12.2008</b>
	<b>T€</b>	<b>T€</b>
Guarantees without financial guarantees	19,849	14,550

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 49,944 (31 December 2008: T€ 52,862).

## **SEGMENT REPORTING**

From 1 January 2009, the rules of IFRS 8 Operating Segments, apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings and net assets on the basis of the internal reporting.

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

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

There was no significant change in assets and liabilities compared to 31 December 2008.

## SEGMENT REPORTING FOR 1.1.-31.3.2009

	<b>BUILDING CONSTRUCTION &amp; CIVIL ENGINEERING 1.1.-31.3.2009 T€</b>	<b>TRANSPORTATION INFRA- STRUCTURES 1.1.-31.3.2009 T€</b>	<b>SPECIAL DIVISIONS &amp; CONCESSIONS 1.1.-31.3.2009 T€</b>	<b>MISCELLANEOUS 1.1.-31.3.2009 T€</b>	<b>TOTAL 1.1.-31.3.2009 T€</b>
Output volume	1,121,558	598,262	431,091	39,418	2,190,329
Revenue	1,062,415	571,459	438,516	9,944	2,082,334
Inter-segment revenue	11,282	3,316	903	157,489	
<b>Operational result</b>	<b>-12,677</b>	<b>-143,372</b>	<b>-4,338</b>	<b>-25,222</b>	<b>-185,609</b>

## SEGMENT REPORTING FOR 1.1. - 31.3.2008

	<b>BUILDING CONSTRUCTION &amp; CIVIL ENGINEERING 1.1.-31.3.2008 T€</b>	<b>TRANSPORTATION INFRA- STRUCTURES 1.1.-31.3.2008 T€</b>	<b>SPECIAL DIVISIONS &amp; CONCESSIONS 1.1.-31.3.2008 T€</b>	<b>MISCELLANEOUS 1.1.-31.3.2008 T€</b>	<b>TOTAL 1.1.-31.3.2008 T€</b>
Output volume	1,122,777	590,901	163,282	45,608	1,922,568
Revenue	1,029,993	579,122	147,275	6,325	1,762,715
Inter-segment revenue	25,336	2,914	951	115,578	
<b>Operational result</b>	<b>-26,810</b>	<b>-89,989</b>	<b>-17,689</b>	<b>-683</b>	<b>-135,171</b>

## **RECONCILIATION OF THE SUM OF THE SEGMENT OPERATIONAL RESULTS WITH THE PROFIT BEFORE TAXES ACCORDING TO IFRS FINANCIAL STATEMENTS**

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

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

Other minor differences result from the other consolidation entries.

Reconciliation is as follows:

	1.1. - 31.3.2009 T€	1.1. - 31.3.2008 T€
Operational result	-185,609	-135,171
Investment income	9,407	-314
Other consolidations	-2,830	-722
<b>Profit before taxes</b>	<b>-179,032</b>	<b>-136,207</b>

## **NOTES ON RELATED PARTIES**

Notes on related parties may be found in the 2008 consolidated financial statements. Since 31 December 2008, there have been no significant changes in this area. Arm's-length business relations exist in transactions with related parties.

## **EVENTS AFTER REPORTING DATE**

With the transfer agreement from 5 May 2009, STRABAG acquired 100 % of the shares of Center Communications System GmbH, Vienna. The company was purchased from EFKON AG, of which STRABAG already holds a 49.8 % stake. Center Communications System GmbH, Vienna, is a market leader in Austria in the field of communications systems for emergency and rescue services, public transport, public safety and industry. The transaction was approved by the cartel authorities on 26 May 2009.

## **AUDIT WAIVER**

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



# STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim financial statements as of 31 March 2009 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the of important events that have occurred during the first three months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

Villach, 29 May 2009

## Board of Management



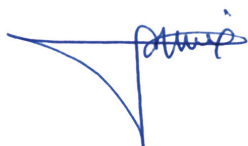
Dr. Hans Peter Haselsteiner



Ing. Fritz Oberlerchner



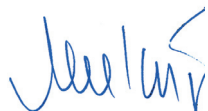
Dr. Thomas Birtel



Dipl.-Ing. Nematollah Farrokhnia



Dipl.-Ing. Roland Jurecka



Mag. Wolfgang Merking



Mag. Hannes Truntschnig

# FINANCIAL CALENDAR

<b>Interim Report January–March 2009</b>	<b>Fri., 29 May 2009</b>
Publication	7:30 am
Analyst Telephone Conference	1:30 pm
<b>Notice of Annual General Meeting</b>	<b>Thur., 28 May 2009</b>
<b>Deposit deadline for shares</b>	<b>Mon., 15 June 2009</b>
<b>Annual General Meeting 2009</b>	<b>Fri., 19 June 2009</b>
Wiener Stadthalle / Hall F	10:00 am
<b>Ex-dividend date</b>	<b>Fri., 26 June 2009</b>
<b>Payment date for dividend</b>	<b>Mon., 29 June 2009</b>
<b>Semi-annual report 2009</b>	<b>Mon., 31 August 2009</b>
Publication	7:30 am
Analyst Telephone Conference	2:00 pm
<b>Interim Report January–September 2009</b>	<b>Mon., 30 November 2009</b>
Publication	7:30 am
Analyst Telephone Conference	2:00 pm

All times are CET/CEST  
Please find the roadshow schedule on the website [www.strabag.com](http://www.strabag.com) -> Investor Relations -> Financial Calendar

# CORPORATE BONDS

MATURITY	COUPON	VOLUME	ISIN NUMBER	STOCK EXCHANGE
2004 - 2009	5.50 %	€ 50 Mio.	AT0000342332	Wien
2005 - 2010	4.25 %	€ 75 Mio.	AT0000492723	Wien
2006 - 2011	5.25 %	€ 75 Mio.	AT0000A013U3	Wien
2007 - 2012	5.75 %	€ 75 Mio.	AT0000A05HY9	Wien
2008 - 2013	5.75 %	€ 75 Mio.	AT0000A09H96	Wien

# CORPORATE CREDIT RATING

Standard & Poors	BBB-	Outlook stable
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# CODES

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



**FOR FURTHER QUESTIONS PLEASE REFER TO OUR INVESTOR RELATIONS DEPARTMENT:**

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This interim report is also available in German.  
In case of discrepancy, the German version prevails.