TRADITION INNOVATION

SUCCESS MEANS BALANCE.

SEMI-ANNUAL REPORT 2012

31 AUGUST 2012

STRABAG SOCIETAS EUROPAEA

CONTENT

KEY FIGURES

KEY FINANCIAL FIGURES

€ MLN.	Q2/2012	Q2/2011	CHANGE IN %	6M/2012	6M/2011	CHANGE IN %	12M/2011
Output volume	3,773.65	3,827.08	-1 %	6,036.18	6,136.33	-2 %	14,325.85
Revenue	3,508.46	3,707.29	-5 %	5,701.12	5,917.32	-4 %	13,713.80
Oder backlog				15,124.13	14,878.81	2 %	13,354.00
Employees				72,871	75,325	-3 %	76,866

KEY EARNINGS FIGURES

€ MLN.	Q2/2012	Q2/2011	CHANGE IN %	6M/2012	6M/2011	CHANGE IN %	12M/2011
EBITDA	90.48	256.99	-65 %	16.14	197.18	-92 %	746.33
EBITDA margin % of revenue	2.6 %	6.9 %		0.3 %	3.3 %		5.4 %
EBIT	-2.05	162.05	n.m.	-166.72	16.67	n.m.	334.78
EBIT margin % of revenue	-0.1 %	4.4 %		-2.9 %	0.3 %		2.4 %
Profit before taxes	1.81	161.13	-99 %	-197.38	12.54	n.m.	343.33
Net income	2.47	125.69	-98 %	-156.67	8.82	n.m.	239.29
Earnings per share	-0.07	0.94	n.m.	-1.51	-0.10	-1,412 %	1.75
Cash-flow from operating activities	-279.83	1.95	n.m.	-327.40	-292.17	-12 %	501.15
ROCE in %	0.5 %	2.9 %		-2.2 %	1.0 %		6.3 %
Investments in fixed assets	134.99	172.03	-22 %	215.74	246.78	-13 %	477.15
Net income after minorities	-7.71	106.59	n.m.	-158.26	-10.94	-1,347 %	195.00
Net income after minorities margin % of revenue	-0.2 %	2.9 %		-2.8 %	-0.2 %		1.4 %

KEY BALANCE SHEET FIGURES

€ MLN.	30.6.2012	31.12.2011	CHANGE IN %
Equity	2,945.44	3,149.84	-6 %
Equity Ratio in %	28.5 %	30.3 %	
Net Debt	458.20	-267.81	n.m.
Gearing Ratio in %	15.6 %	-8.5 %	
Capital Employed	5,158.85	5,336.45	-3 %
Balance sheet total	10,351.35	10,386.05	0 %

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

CEO´S REVIEW

Dear shareholders, associates and friends of STRABAG SE,

A lot has happened at STRABAG since the publication at the end of May of our last interim report for the period January–March.

I have announced my plans to step down as CEO effective June 2014. I have constantly endeavoured to be a responsible entrepreneur, and responsible entrepreneurs do not surprise the organisation. This long notice gives STRABAG the possibility to accustom itself and to adapt to the new situation. I have already named my management board colleague Thomas Birtel as my successor of choice. The decision should be good news for the capital markets, as Thomas Birtel has always been well familiar with the financial communication.

Hans Peter Haselsteiner
CEO

Before I take my leave, however, I still want to complete a large project at the company: the group structures and STRABAG's positioning are to be examined thoroughly during the remainder of my term in office. I want to know whether the group and its divisions are organised well, efficiently and in line with the market, or if there are things we could be doing better. To this end, we have set up the STRABAG 2013ff task force, which will be led by my former management board colleague Fritz Oberlerchner.

A first step towards a new organisation has already been taken: since 1 July 2012, our segments are no longer composed according to construction sectors, but largely based on regions. This interim report will therefore be the last to be published according to the previous segment composition.

If we want to manage the future, we will have to create the best possible conditions for doing so. Things will certainly become more difficult than we have been accustomed to, and we can already see first indications that this is true: in July, we communicated that we will not be able to maintain our forecast for the earnings before interest and taxes (EBIT). This is due, among other things, to delays in the handling of contract supplements with public-sector orders in Central and Eastern Europe, especially in Poland, as well as the cautious assessment of several construction projects and the ruinous price competition in the construction materials business.

The challenge will be to position the group in such a way that we have the decisive competitive advantage, that we belong to the ones who prosper – this is what I see as my task.

Yours

Hans Peter Haselsteiner

- Output volume slightly (-2 %) lower than in the six-month comparison period
- Order backlog 2 % higher, however – large-scale orders in Italy and Germany
- Non-operating effects push six-month EBITDA down from € 197.18 million to € 16.14 million
- EBIT therefore in negative territory with € -166.72 million, result per share after six months: € -1.51 (comparison value: € -0.10)
- Outlook unchanged since July

IMPORTANT EVENTS

APRIL

Takeover of Wallsee-based BRANDNER Wasserbau
STRABAG SE has acquired 100 % of BRANDNER Wasserbau GmbH based in Wallsee, Austria, effective retroactively to 1 January 2012. The family SME has been active in the fields of hydraulic engineering, sand and gravel mining, and hydrography for more than 200 years. With its own equipment and personnel, BRANDNER intensifies the group's activities in the field of hydraulic engineering.

MAY

STRABAG SE issues € 100 million corporate bond
STRABAG SE issued a € 100 million corporate bond. The fixed-interest bond with a face value of € 1,000.00 has a term to maturity of seven years and a coupon of 4.25 % p.a. The issue price has been set at 101.45. The international ratings agency Standard & Poor's (S&P) set an investment grade with a rating of BBB- for the STRABAG 2012 bond.

New orders for EFKON in India
EFKON AG, a subsidiary of STRABAG SE, has announced that it has won six projects in the field of Intelligent Transportation Systems (ITS) of approx. € 10 million in total in India.

JUNE

Renovation of Moldavian national road M2
STRABAG was awarded the contract to renew a 48 km section of National Road M2 between Ghindesti and Drochia by the Republic of Moldova and the Millenium Challenge Account (MCA) Moldova. The project, worth approx. € 35 million, includes the rehabilitation of the roadway and bridges as well as the improvement of junctions within a construction period of 24 months.

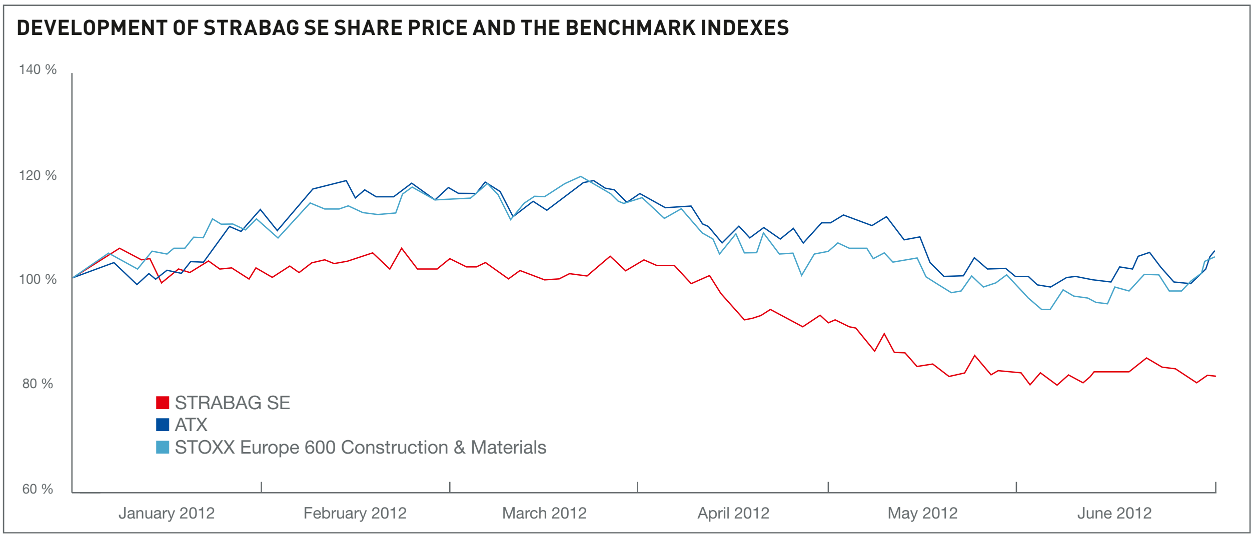
Change to organisational structure at STRABAG SE
Most likely in June 2014, Hans Peter Haselsteiner indicated his intention of resigning as CEO of STRABAG SE following the Annual General Meeting that will vote on the approval of the management board actions for the 2013 financial year. As his designated successor, he will propose that the supervisory board select current management board member Thomas Birtel. Furthermore, Deputy CEO Fritz Oberlerchner resigned from the management board effective 30 June 2012 to objectively lead the STRABAG 2013ff task force charged with evaluating the STRABAG Group's options regarding its organisational and strategic future. The size of the STRABAG SE management board was reduced from six to five members. STRABAG also departed from the principle of assigning board member responsibility according to business segment as well as from the principle of having a technical and commercial director for each segment at the management board level and instead assigned business responsibility by region. Since 1 July 2012 the segments are comprised as follows: "North + West", "South + East" and "International + Special Divisions" as well as "Other".

JULY

Tunnelling contract at world's largest copper mine in Chile
STRABAG SE won a new tunnelling project at the world's largest copper mine in Chuquicamata in the Chilean desert. The tunnellers from STRABAG, together with STRABAG's subsidiary Züblin Chile and a local partner, will build several tunnels to improve the infrastructure of the mine. The contract is worth about € 100 million and will be executed over a period of three years.

EBIT of € 300 million will not be achievable
Based on new information, the Management Board of STRABAG SE expects that the earnings before interest and taxes (EBIT) target for 2012 of € 300 million, which had been indicated as being "more than ambitious", could be reached only by about two thirds. Reasons are, among others: the delays of public authorities in Central and Eastern Europe in dealing with claims, especially in Poland, the cautious valuation of some construction projects and the ruinous price war in the raw materials business.

SHARE



The share price of STRABAG SE, which had shown positive development at the beginning of the year and on 17 February 2012 reached its year-to-date high of € 23.50, registered a steady decline in the second quarter of 2012, trading at their lowest value of € 17.67 on 31 May 2012 and closing the first six months of 2012 at € 18.10. This corresponds to a decline of 18 % versus the end of the previous year. The Austrian benchmark index ATX, in comparison, registered slight growth of 2 % in the first half of the year.

After one of the most successful first quarters in many years, the mood on the international stock markets in the second quarter of 2012 was subdued. Over the first six months of the ongoing financial year, the STOXX Europe 600 Construction & Materials only managed a modest plus of 1 %. New York's Dow Jones Industrials and Japan's Nikkei Index posted growth of 4 % and 5 %, respectively, but the Euro Stoxx 50 was down 4 %.

The cumulative trade volume of STRABAG shares on the Vienna Stock Exchange in the first six months of 2012 amounted to € 155 million, with an average trade volume per day of 60,696 shares. The weight of the shares in the ATX was 1.38 %. The share buyback programme, which was extended until July 2013 by resolution from the 8th Annual General Meeting on 15 June 2012, affected the free float of STRABAG SE: by 28 August 2012, the company bought back 10,317,050 shares or 9.05 %. Some € 216.40 million have been spent on the buyback to date.

Shares of STRABAG are currently under observation by analysts from nine international banks. The analysts calculated an average share price target of € 19. Detailed analyses and recommendations are available on the STRABAG SE website at www.strabag.com / Investor Relations / Share / Research & Analysts

STRABAG SE SHARE

Market capitalisation on 29.6.2012	€ million	1,885
Closing price on 29.6.2012	€	18.10
Year's maximum on 17.2.2012	€	23.50
Year's minimum on 31.5.2012	€	17.67
Performance six months 2012	%	-18
Outstanding bearer shares on 29.6.2012 (absolute)	shares	104,124,497
Outstanding bearer shares six months 2012 (weighted)	shares	104,670,434
Weight in ATX on 29.6.2012	%	1.38
Volume traded six months 2012	€ million[1]	155
Average trade volume per day	shares[1]	60,696
% of total volume traded on Vienna Stock Exchange	%	0.76

1) double count

MANAGEMENT REPORT JANUARY-JUNE 2012

OUTPUT VOLUME AND REVENUE

The STRABAG Group's output volume in the first half of 2012 – as in the first quarter – fell slightly by 2 % to € 6,036.18 million. The largest reduction was registered in Poland due to the end of the construction boom in that country. A more mixed picture was observed in the other countries, although the individual changes were not very significant in absolute terms. For some time, however, a clear trend has been developing toward a reduction of the output volume in the Transportation Infrastructures segment with simultaneous growth in the other segments.

The consolidated group revenue in the first six months of the ongoing financial year amounted to € 5,701.12 million, down 4 % relative to the previous year. This brings the ratio of revenue to output volume to 94 %. In the second quarter, a decline of the revenue was registered by 5 % to € 3,508.46 million.

ORDER BACKLOG

The order backlog reached € 15,124.13 million at the end of the second quarter 2012, a 2 % plus over the end of June the year before. While the high order backlog of the previous year from the large infrastructure projects in Poland was continuously worked off and transformed into output, STRABAG was awarded several new large projects at the beginning of 2012: the Pedemontana Lombarda project to build a bypass around the city of Milan, Italy, added about € 1 billion to the STRABAG order books, and in Germany a STRABAG subsidiary was awarded several important building construction contracts.

FINANCIAL PERFORMANCE

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

The earnings before interest, taxes, depreciation and amortisation (EBITDA) was down significantly from € 197.18 million to € 16.14 million in the first half of 2012. This is due above all to non-operating effects in the second quarter – the second-quarter EBITDA fell from € 256.99 million to € 90.48 million: the unusually high other operating expenses include, among other things, damage compensation expenses in the amount of € 43 million related to the ruling by an arbitral tribunal regarding the failed acquisition of the Cemex activities in Hungary and Austria – a ruling which STRABAG has appealed – as well as noteworthy transfers of losses by consortia. The EBITDA was further burdened by a loss of associates resulting from the inclusion of an equity investment in a cement company in Central and Eastern Europe.

The depreciation and amortisation rose slightly by just 1 % to € 182.86 million. Last year, STRABAG had, for the first time in company history, reached the break-even point in earnings before interest and taxes (EBIT) in the second quarter – instead of in the third quarter as usual. This year, the EBIT after the first half of 2012 stood at € -166.72 million.

At € -30.66 million, the net interest result was significantly more negative than in the same period the previous year (€ -4.13 million) as this figure contained currency exchange rate differences in the amount of € -19.00 million compared to currency exchange gains of € 5.07 million in the first half of 2011. This led to a result before tax of € -197.38 million after € 12.54 million the year before. Accordingly, the income tax was in positive territory with € 40.70 million and thus provided some relief so that the net income stood at € -156.67 million versus € 8.82 million the previous year. The third-party shareholders enjoyed earnings of € 1.59 million (following an unusually high share of € 19.75 million in 2011), resulting in a net income after minorities of € -158.26 million.

Due to the ongoing share buyback programme, the number of weighted outstanding shares was down in the first half of 2012 from 114,000,000 to 104,670,434. The result per share thus amounted to € -1.51 after € -0.10 in the first half of the previous year.

FINANCIAL POSITION AND CASH-FLOWS

At € 10,351.35 million, the balance sheet total remained more or less unchanged in comparison to the end of 2011. Worth mentioning are the seasonally higher current trade receivables, with simultaneous reduction of cash and cash equivalents, as well as the growth of inventories in connection with project developments in Germany and in the field of offshore wind. The current receivables from concession arrangements fell significantly following completion of a motorway project in Denmark.

The equity ratio fell from 30.3 % at the end of 2011 to 28.5 %, which can be explained by the losses sustained in the year to date. Instead of a net cash position, as was the case at year's end and after the first quarter, the seasonal losses and the capital expenditures led to net debt in the amount of € 458.20 million.

Despite the negative cash-flow from earnings of € -26.97 million in the first half of 2012, the cash-flow from operating activities, at € -327.40 million, was just 12 % more negative than during the same period the year before. This is due to the lower growth of current trade receivables, particularly thanks to the aforementioned completion of the large Danish project.

Caution with investments in property, plant and equipment, with intangible assets and with enterprise acquisitions resulted in a decline in the cash-flow from investing activities by around one quarter from € -301.64 million to € -220.20 million. The cash-flow from financing activities was shaped by a significant repayment of bank borrowings, which, however, was compensated by an increase of the funds from the bonded loan and from the bond. As a result of the dividend and the buyback of own shares, the cash-flow from financing activities still moved into negative territory from € 45.85 million to € -67.07 million.

CAPITAL EXPENDITURES

In addition to the necessary maintenance expenditures, which have so far accounted for about 30 % of the total investments in property, plant and equipment, STRABAG invested significantly in equipment for waterway construction in the first six months of 2012. Another focus was on increasing the level of self-sufficiency with construction materials and on the German market in general as well as on expansion expenditures in equipment for large construction sites in Austria and for the international business. The expenditures also include € 215.74 million for the purchase of property, plant and equipment and intangible assets, € 23.63 million for enterprise acquisitions and € 17.60 million for the purchase of financial assets.

EMPLOYEES

The lower output volume resulted in a reduction of the workforce by 3 % to 72,871 employees. Most of this reduction can be explained by the completion of large-scale projects, for example in Poland, the Middle East or Chile. In many other markets, workforce reductions were necessary due to cyclical factors in the construction economy.

TRANSACTIONS WITH RELATED PARTIES AND RISKS

During the first six 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 six 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 2011 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 recognisable which constitute a threat to its continued existence.

OUTLOOK

On 25 July 2012, STRABAG SE published ad hoc an update of its outlook for the full year 2012. The management board of STRABAG SE now believes that the target of € 300 million for the 2012 earnings before interest and taxes (EBIT), which had previously been classified as “more than ambitious”, could be reached only by about two thirds. This is due, among other things, to delays in the handling of contract supplements with public-sector orders in Central and Eastern Europe, especially in Poland, as well as the cautious assessment of several construction projects and the ruinous price competition in the construction materials business.

A detailed outlook with a closer look at the individual segments is currently not available due to a restructuring of the segment composition and a change in the assignment of portfolios in the management board of STRABAG SE effective with the third quarter 2012. STRABAG is departing from the principle of assigning board member responsibility according to business segment as well as from the principle of having a technical and commercial director for each segment at the management board level and will instead assign business responsibility by region. The new segments will be comprised as follows:

North + West
Germany, Poland, Benelux, Scandinavia, Ground and Hydraulic Engineering, Offshore Wind
South + East
Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Russia and neighbouring countries, Railway Structures
International + Special Divisions
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

SEGMENT REPORT

BUILDING CONSTRUCTION & CIVIL ENGINEERING

€ MLN.	Q2/2012	Q2/2011	CHANGE IN %	6M/2012	6M/2011	CHANGE IN %	2011
Output volume	1,377.85	1,323.33	4 %	2,393.47	2,307.11	4 %	5,142.16
Revenue	1,266.89	1,214.98	4 %	2,252.38	2,141.56	5 %	4,968.21
Order backlog				5,985.75	6,402.29	-7 %	5,800.06
EBIT	25.19	50.33	-50 %	13.26	40.58	-67 %	179.09
EBIT margin as a % of revenue	2.0 %	4.1 %		0.6 %	1.9 %		3.6 %
Employees				19,777	20,215	-2 %	20,276

As expected, the second quarter saw a continuation of the positive trend for the **output volume** in the Building Construction & Civil Engineering segment, with STRABAG reporting a plus of 4 % to € 2,393.47 million in the first six months of the ongoing financial year. Noteworthy is the quite distinct development by region: while higher output was registered in Germany and Romania, it was down slightly in Austria and several Eastern European countries.

The **revenue** for the first six months of the year increased by 5 % to € 2,252.38 million. The **earnings before interest and taxes (EBIT)**, however, was down by around two-thirds to € 13.26 million, influenced in particular by the unsatisfactory earnings development in the environmental technology business in Central and Eastern Europe and by the results in the German building construction sector, which, although quite positive, were lower in comparison to the exceptionally good results of the previous year.

The **order backlog** stood at € 5,985.75 million at end of the first six months of the year, a minus of 7 % versus the end of June 2011. Fortunately, the segment showed its strength in Germany, where several new large projects contributed to backlog growth. STRABAG subsidiary Ed. Züblin, for example, was able to win the tender for the station building and further infrastructure related to the Stuttgart 21 rail project. The company was also selected to build new buildings for the Hamm-Lippstadt University of Applied Sciences. The existing orders largely guarantee the output for the full year 2012 in Germany. STRABAG remains just as optimistic regarding the earnings results in the German market despite the noticeable lack of skilled labour.

The clear growth of the order backlog in the Americas region is due to a mining project in Chile. In comparison, the order backlog has been burdened by the unexpectedly strong decline of the public-sector tendering volume after the end of the European Football Championship in Poland, the careful order acquisition in face of the ruinous price competition in Switzerland and some order cancellation in the RANC (Russia and neighbouring countries) region. Strategic changes are due in this latter region: the activities are gradually shifting from building construction in the major cities to industrial projects in the regions. STRABAG is also preparing for market entry in Turkmenistan and Kazakhstan.

In Austria, STRABAG sights possibilities for large orders in the Building Construction & Civil Engineering segment mainly in the Greater Vienna area. In the past months, the group has secured the civil engineering works for two lots related to the extension of Vienna's U1 underground line. In comparison, no more than stability with a tense price situation can be observed in the rest of the country.

The STRABAG Group currently bids for large-scale projects mostly in Central and Northern Europe as well as in the environmental technology sector in Romania, as the market conditions in Eastern and above all in South-East Europe are not very attractive. The construction market has shown itself to be more than sluggish in some countries, public-sector clients have been keeping their expenditures low for some time, and a number of insolvencies have led to increased risk related to the use of subcontractors.

The number of **employees** fell slightly by 2 % to 19,777. Worth mentioning here is a strong increase in Germany with a simultaneous reduction in Austria and in the Americas related to Chilean projects.

TRANSPORTATION INFRASTRUCTURES

€ MLN.	Q2/2012	Q2/2011	CHANGE IN %	6M/2012	6M/2011	CHANGE IN %	2011
Output volume	1,741.42	1,878.86	-7 %	2,448.14	2,627.93	-7 %	6,701.20
Revenue	1,533.76	1,814.61	-15 %	2,170.83	2,529.71	-14 %	6,211.24
Order backlog				4,898.68	5,256.26	-7 %	3,943.47
EBIT	-98.83	58.58	n.m.	-295.49	-99.50	-197 %	60.52
EBIT margin as a % of revenue	-6.4 %	3.2 %		-13.6 %	-3.9 %		1.0 %
Employees				29,711	30,196	-2 %	31,609

The Transportation Infrastructures segment reported an **output volume** of € 2,448.14 million in the first half of 2012, a 7 % drop relative to the same period of the previous year. This is mostly due to the restrained investment activity on the part of the public sector and to the weather-related late start of the construction season in Germany as well as because of the end of the construction boom in Poland. The expansion in Scandinavia, in comparison, had the effect of growing the output volume.

The **revenue**, which sank 14 % to € 2,170.83 million, fell more significantly than the output volume. The different rates of decline can be explained by the fact that the output volume was down among companies included in the consolidated financial statements, yet rose among consortia and participation companies in the Transportation Infrastructures segment. At € -295.49 million, the negative **earnings before interest and taxes (EBIT)** was – as already expected – nearly three times as high than in the first half of the previous year. In contrast to the year before, the second quarter also ended with a negative result. The figures were burdened by the damage compensation expenses for the Cemex arbitration, delays related to large-scale projects in Sweden, among other places, in the field of hydraulic engineering and in the Hungarian railway construction sector. Further reasons can be found in the construction materials business and in provisions for possible losses, above all in Poland. Additionally, public-sector clients in Central and Eastern Europe in general, and in Poland in particular, are slow to deal with contract supplements – if they deal with them at all – and can therefore not be considered in the result.

The average **number of employees** fell by 2 % to 29,711. This, however, is the result of various increases and reductions in the many individual markets. The workforce was reduced most significantly in Poland, Hungary and the Czech Republic, while growth was registered in Scandinavia and Romania.

At € 4,898.68 million, the **order backlog** was – like the output volume – 7 % below the level of the previous year. Here, too, the aforementioned development in Poland could be observed, although in January the company did sign the contract to build a section of the S8 expressway. Two further trends characterised the Transportation Infrastructures segment: on the one hand, delays in contract awarding in the Czech Republic and the lack of financing in Slovakia had a negative impact on the order backlog; on the other hand, the Pedemontana Lombarda, a large-scale project involving the motorway bypass of Milan in Italy, partly filled the order books in the Transportation Infrastructures segment in addition to those of the Special Divisions & Concessions segment. The project will not have a noticeable impact on the output until the year 2013, however.

Nearly all markets are characterised by a decline in the number of public-sector orders and a correspondingly higher level of competition and price pressure. An at least stable output volume can be expected only in Germany. Despite the satisfactory level of tender activity here, however, the price level will likely remain tense.

In Hungary, the construction sector continues to find itself in crisis; in Poland, business is being hindered by price battles, trouble with public-sector clients accepting unforeseen additional claims, and the risk of insolvent subcontractors. Enormous price pressure is also a problem in Romania and in Serbia. Due to STRABAG's long-term prospects in these countries, it is more important than ever to take advantage of opportunities to establish concrete partnerships with selected companies.

The niche field of railway construction has also failed to bring the expected impulses: despite small to medium-sized successes in contract acquisition – one example is the Gyoma-Békéscsaba project in Hungary –, it remains difficult to achieve a profitable use of equipment capacities, which does not help the price situation. In another niche, namely that of waterway construction, the good utilisation of large equipment capacities is countered by significant pressure for results with new acquisitions. Still, STRABAG believes in the future of this business field: the acquisition of Brandner Wasserbau of Wallsee, Austria, effective 1 January 2012, allows the group to work this market in Austria using its own equipment and personnel.

Given the very difficult environment in the European transportation infrastructures segment, it is currently not possible to pass on the continually rising bitumen prices – the petroleum product is necessary in the asphalt production process – to the client. A slight rise in asphalt prices could be seen in the past few weeks, but it was not enough to compensate for the bitumen price rises of the recent past. Regarding concrete, the situation is burdened by delays in the tendering of large-scale projects as well as by overcapacities on the market. In the field of stone and gravel, ruinous price competition has already become apparent in several regions.

SPECIAL DIVISIONS & CONCESSIONS

€ MLN.	Q2/2012	Q2/2011	CHANGE IN %	6M/2012	6M/2011	CHANGE IN %	2011
Output volume	623.68	592.01	5 %	1,129.52	1,134.58	0 %	2,315.28
Revenue	704.55	670.02	5 %	1,265.38	1,230.42	3 %	2,500.22
Order backlog				4,229.23	3,208.62	32 %	3,597.34
EBIT	69.87	50.20	39 %	101.74	69.50	46 %	108.70
EBIT margin as a % of revenue	9.9 %	7.5 %		8.0 %	5.6 %		4.4 %
Employees				17,632	19,383	-9 %	19,342

In the Special Divisions & Concessions segment, the **output volume** remained more or less unchanged in the first half of 2012 at € 1,129.52 million. No characteristic trends could be seen at a national level either. Germany – specifically in the field of Property & Facility Services – again contributed the most significant portion to the output volume, followed by the Middle East.

The **revenue**, on the other hand, grew by 3 % to € 1,265.38 million. The **earnings before interest and taxes (EBIT)** exhibited positive development with a plus of 46 % to € 101.74 million – an expression of the volatile business in tunnelling and internationally.

Two quite distinct trends were observed regarding the workforce and the order backlog, however. The **number of employees** shrank by 9 % to 17,632 due to several construction projects coming to an end in Africa, while the **order backlog** grew by 32 % to € 4,229.23. While the completion of a segment of the A2 motorway in Poland and the on-schedule handover of the segment of the M51 between Kliplev and Sønderborg in Denmark led to a reduction in the order backlog, STRABAG added a new large order in Italy to the books in the first quarter. The project volume of € 1.7 billion – STRABAG's share amounts to about € 1.0 billion and the segment´s share to about € 720 million – for the Milan bypass includes the construction of a 50 km section of dual-carriage motorway with two to three lanes in each direction plus 50 km of spurs and connecting routes to the existing road network. The works also include 50 cut-and-cover tunnels as well as two bored tunnels including technical facilities, bridges and an approx. 80 km bicycle trail.

STRABAG also secured several orders **internationally,** including one to build a bus rapid transit system in Tanzania. Specific markets which – regardless of the type of service – are currently being worked more intensely outside of Europe are the United Arab Emirates, Qatar – the first call for bids in preparation of the 2022 FIFA World Cup are expected here for the end of 2012 –, Oman and Saudi Arabia. Because of the low price level in these regions as a result of the high degree of competition, STRABAG is increasingly offering specialty construction services such as pipe jacking (a special form of tunnelling), mining-related services or services in the field of liquefied natural gas (LNG). The local STRABAG entities have a long presence and are well-established in their respective markets, which allows them to compensate for the impact of the difficult market environment through their competitive strength.

In the **public-private partnership (PPP) Infrastructure** business, which generally faces a satisfactory market for concession projects in Europe, competition is on the rise. For this reason, STRABAG is exploring other markets besides the core markets in Europe, such as Canada, Turkey, India and Chile. Some of these countries also are of interest for **tunnelling** projects despite the high costs involved in bid processing. Several projects will be tendered in Austria and Switzerland in the short to medium term, but the prices in the home markets are in part at a ruinously low level.

By contrast, the activities of the **PPP Building Construction** business are concentrated on the home market of Germany. In Germany, the growth forces are increasingly shifting towards the domestic economy, specifically towards private consumption and housing construction, which, given the clear lack of rental flats in cities and urban agglomerations, should provide some positive impulses for public-private partnership models. On the one hand, this form of financing widens the public sector's scope of action; on the other hand, the consequences of the financial crisis – significantly higher interest premiums and liquidity costs with a trend to shorter financing terms – are having an inhibitory effect. The efficiency advantages of having an integrated solutions approach, i.e. through the observation of the life-cycle costs, are offsetting the disadvantages in the current market environment. As a result, a positive mood can be observed in the field of real estate development among companies – together with such private clients, STRABAG is currently developing several building construction projects in Germany such as the Milaneo shopping centre in Stuttgart. STRABAG sees such commercial real estate as an opportunity with a promising future in Central and Eastern Europe.

CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS OF 30 JUNE 2012

CONSOLIDATED INCOME STATEMENT FOR 1.1. – 30.6.2012

	1.4.-30.6.2012 T€	1.4.-30.6.2011 T€	1.1.-30.6.2012 T€	1.1.-30.6.2011 T€
Revenue	3,508,463	3,707,288	5,701,115	5,917,323
Changes in inventories	-27,505	-10,150	6,445	22,151
Own work capitalised	8,191	25,743	12,017	39,289
Other operating income	47,784	72,457	104,750	125,158
Raw materials, consumables and services used	-2,353,853	-2,528,745	-3,849,550	-4,076,750
Employee benefits expenses	-783,468	-804,117	-1,458,000	-1,449,649
Other operating expenses	-317,055	-211,742	-503,066	-384,923
Share of profit or loss of associates	2,085	785	-6,617	482
Net investment income	5,837	5,468	9,047	4,102
EBITDA	**90,479**	**256,987**	**16,141**	**197,183**
Depreciation and amortisation expense	-92,531	-94,938	-182,856	-180,517
EBIT	**-2,052**	**162,049**	**-166,715**	**16,666**
Interest and similar income	15,419	16,375	32,314	34,486
Interest expense and similar charges	-11,561	-17,292	-62,974	-38,612
Net interest income	**3,858**	**-917**	**-30,660**	**-4,126**
Profit before tax	**1,806**	**161,132**	**-197,375**	**12,540**
Income tax expense	660	-35,447	40,704	-3,725
Net income	**2,466**	**125,685**	**-156,671**	**8,815**
Attributable to: non-controlling interests	10,176	19,093	1,592	19,752
Attributable to: equity holders of the parent company	-7,710	106,592	-158,263	-10,937
Earnings per share (€)	**-0.07**	**0.94**	**-1.51**	**-0.10**

STATEMENT OF COMPREHENSIVE INCOME FOR 1.1. – 30.6.2012

	1.4.-30.6.2012 T€	1.4.-30.6.2011 T€	1.1.-30.6.2012 T€	1.1.-30.6.2011 T€
Net income	**2,466**	**125,685**	**-156,671**	**8,815**
Differences arising from currency translation	-26,908	10,321	27,045	27,289
Change in hedging reserves including interest rate swaps	-8,184	-2,904	-11,479	11,173
Other income from associates	146	-482	3,595	-931
Deferred taxes on neutral change in equity	1,628	438	2,265	-2,289
Other income	**-33,318**	**7,373**	**21,426**	**35,242**
Total comprehensive income	**-30,852**	**133,058**	**-135,245**	**44,057**
Attributable to: non-controlling interests	9,524	18,649	2,201	19,125
Attributable to: equity holders of the parent company	-40,376	114,409	-137,446	24,932

CONSOLIDATED BALANCE SHEET AS OF 30.6.2012

ASSETS	30.6.2012 T€	31.12.2011 T€
Non-current assets		
Intangible assets	533,697	536,510
Property, plant and equipment	2,180,115	2,154,238
Investment property	51,161	53,278
Investments in associates	399,585	402,279
Other financial assets	260,754	249,062
Receivables from concession arrangements	811,761	839,332
Trade receivables	94,169	74,082
Non-financial assets	4,413	3,833
Other financial assets	45,315	48,017
Deferred taxes	183,728	173,724
	4,564,698	**4,534,355**
Current assets		
Inventories	1,004,466	818,390
Receivables from concession arrangements	21,908	160,743
Trade receivables	2,984,401	2,629,738
Non-financial assets	135,492	117,844
Other financial assets	536,849	424,747
Cash and cash equivalents	1,103,533	1,700,237
	5,786,649	**5,851,699**
	10,351,347	**10,386,054**

EQUITY AND LIABILITIES	30.6.2012 T€	31.12.2011 T€
Group equity		
Share capital	114,000	114,000
Capital reserves	2,311,384	2,311,384
Retained earnings	289,214	513,360
Non-controlling interests	230,844	211,098
	2,945,442	**3,149,842**
Non-current liabilities		
Provisions	959,281	923,976
Financial liabilities [1]	1,341,660	1,298,653
Trade payables	52,385	60,424
Non-financial liabilities	1,385	1,481
Other financial liabilities	37,294	25,919
Deferred taxes	30,801	48,401
	2,422,806	**2,358,854**
Current liabilities		
Provisions	762,476	790,976
Financial liabilities [2]	427,851	433,304
Trade payables	3,114,112	2,910,153
Non-financial liabilities	285,723	360,656
Other financial liabilities	392,937	382,269
	4,983,099	**4,877,358**
	10,351,347	**10,386,054**

[1] Thereof T€ 607,305 concerning non-recourse liabilities from concession arrangements (31 December 2011: T€ 630,311)
[2] Thereof T€ 44,368 concerning non-recourse liabilities from concession arrangements (31 December 2011: T€ 123,867)

CONSOLIDATED CASH-FLOW STATEMENT FOR 1.1. – 30.6.2012

	1.1.-30.6.2012 T€	1.1.-30.6.2011 T€
Net income	-156,671	8,815
Deferred taxes	-73,508	-26,266
Non-cash effective results from associates	11,644	1,075
Depreciations/write ups	182,626	185,631
Changes in long term provisions	29,988	3,059
Gains/losses on disposal of non-current assets	-21,050	-16,943
Cash-flow from profits	**-26,971**	**155,371**
Change in items		
Inventories	-80,654	-85,042
Trade receivables, construction contracts and consortia	-169,631	-402,223
Receivables from subsidiaries and receivables from participation companies	-91,343	-40,411
Other assets	-28,284	-14,961
Trade payables, construction contracts and consortia	158,791	130,421
Liabilities from subsidiaries and liabilities from participation companies	312	18,371
Other liabilities	-50,337	-26,829
Current provisions	-39,280	-26,869
Cash-flow from operating activities	**-327,397**	**-292,172**
Purchase of financial assets	-17,602	-25,270
Purchase of property, plant, equipment and intangible assets	-215,741	-246,778
Gains/losses on disposal of non-current assets	21,050	16,943
Disposals of non-current assets (carrying value)	12,445	32,096
Change in other cash clearing receivables	3,281	799
Change in scope of consolidation	-23,630	-79,429
Cash-flow from investing activities	**-220,197**	**-301,639**
Change in bank borrowings	-128,424	19,624
Change in bonded loan	140,000	0
Change in bonds	25,000	100,000
Change in liabilities from finance leases	-1,374	-7,524
Change in other cash clearing liabilities	-8,153	7,371
Change due to acquisitions of non-controlling interests	-2,257	-6,456
Acquisition of own shares	-22,941	0
Distribution and withdrawals from partnership	-68,921	-67,166
Cash-flow from financing activities	**-67,070**	**45,849**
Cash-flow from operating activities	-327,397	-292,172
Cash-flow from investing activities	-220,197	-301,639
Cash-flow from financing activities	-67,070	45,849
Net change in cash and cash equivalents	**-614,664**	**-547,962**
Cash and cash equivalents at the beginning of the period	1,700,237	1,952,452
Change in cash and cash equivalents due to currency translation	17,960	748
Cash and cash equivalents at the end of the period	**1,103,533**	**1,405,238**
Interest paid	38,548	37,160
Interest received	26,681	28,007
Taxes paid	111,232	62,058

STATEMENT OF CHANGES IN EQUITY FOR 1.1. – 30.6.2012

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	GROUP EQUITY T€	NON-CONTROLLING INTERESTS T€	TOTAL EQUITY T€
Balance as of 1.1.2012	**114,000**	**2,311,384**	**656,913**	**-97,816**	**-45,737**	**2,938,744**	**211,098**	**3,149,842**
Net income	0	0	-158,263	0	0	-158,263	1,592	-156,671
Differences arising from currency translation	0	0	0	0	31,940	31,940	795	32,735
Change in hedging reserves	0	0	0	1,775	0	1,775	43	1,818
Change of interest rate swaps	0	0	0	-15,122	0	-15,122	-270	-15,392
Deferred taxes on neutral change in equity	0	0	0	2,224	0	2,224	41	2,265
Total comprehensive income	**0**	**0**	**-158,263**	**-11,123**	**31,940**	**-137,446**	**2,201**	**-135,245**
Transactions concerning non-controlling interests	0	0	-1,267	0	0	-1,267	23,974	22,707
Own shares	0	0	-22,941	0	0	-22,941	0	-22,941
Distribution of dividends[1)]	0	0	-62,492	0	0	-62,492	-6,429	-68,921
Balance as of 30.6.2012	**114,000**	**2,311,384**	**411,950**	**-108,939**	**-13,797**	**2,714,598**	**230,844**	**2,945,442**

STATEMENT OF CHANGES IN EQUITY FOR 1.1. – 30.6.2011

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	GROUP EQUITY T€	NON-CONTROLLING INTERESTS T€	TOTAL EQUITY T€
Balance as of 1.1.2011	**114,000**	**2,311,384**	**724,317**	**-73,296**	**14,705**	**3,091,110**	**141,328**	**3,232,438**
Net income	0	0	-10,937	0	0	-10,937	19,752	8,815
Differences arising from currency translation	0	0	0	0	28,078	28,078	-789	27,289
Change in hedging reserves	0	0	0	3,008	0	3,008	44	3,052
Change of interest rate swaps	0	0	0	7,026	0	7,026	164	7,190
Deferred taxes on neutral change in equity	0	0	0	-2,243	0	-2,243	-46	-2,289
Total comprehensive income	**0**	**0**	**-10,937**	**7,791**	**28,078**	**24,932**	**19,125**	**44,057**
Transactions concerning non-controlling interests	0	0	-11,884	0	0	-11,884	21,915	10,031
Distribution of dividends[2)]	0	0	-62,700	0	0	-62,700	-4,466	-67,166
Balance as of 30.6.2011	**114,000**	**2,311,384**	**638,796**	**-65,505**	**42,783**	**3,041,458**	**177,902**	**3,219,360**

1) The total dividend payment of T€ 62,492 corresponds to a dividend per share of € 0.60 based on 104,153,000 shares.
2) The total dividend payment of T€ 62,700 corresponds to a dividend per share of € 0.55 based on 114,000,000 shares.

NOTES TO THE CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS OF 30 JUNE 2012

BASIC PRINCIPLES

The consolidated semi-annual financial statements of STRABAG SE, based in Villach, Austria, with reporting date 30 June 2012 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 semi-annual financial statements do not contain all the information and details required of annual financial statements. The semi-annual statements should therefore be read in conjunction with the annual financial statements of STRABAG SE, Villach, with reporting date 31 December 2011.

The consolidated financial statements of the group as at and for the year ended 31 December 2011 are available at www.strabag.com.

CHANGES IN ACCOUNTING POLICIES

The following amended or new accounting standards are effective for annual periods beginning on or after 1 January 2012:

	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO IASB)	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO EU ENDORSEMENT)
IFRS 7 Disclosures in the notes to the financial statements regarding the transfer of financial instruments	1.7.2011	1.7.2011

The first-time application of the IFRS and IFRIC mentioned had secondary consequences on the semi-annual consolidated financial statements for the period ending 30 June 2012.

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 2011.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2011.

ESTIMATES

The establishment of the semi-annual 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 semi-annual financial statements as of 30 June 2012 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 first six months as follows:

	CONSOLIDATION	EQUITY METHOD
Situation on 31.12.2011	**308**	**21**
First-time inclusions in the reporting period	13	0
Merger/accretion in the reporting period	-1	0
Situation on 30.6.2012	**320**	**21**

ADDITIONS TO SCOPE OF CONSOLIDATION

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

COMPANY	DIRECT STAKE %	DATE OF ACQUISITION OR FOUNDATION
Consolidation		
Atlas Tower GmbH & Co. KG, Cologne	100.00	1.1.2012[1)]
Baunova AG, Dällikon	100.00	21.3.2012
Northern Energy GAIA I. GmbH, Aurich	100.00	10.1.2012
Northern Energy GAIA II. GmbH, Aurich	100.00	10.1.2012
Northern Energy GAIA III. GmbH, Aurich	100.00	10.1.2012
Northern Energy GAIA IV. GmbH, Aurich	100.00	10.1.2012
Northern Energy GAIA V. GmbH, Aurich	100.00	10.1.2012
Northern Energy Seastorm I. GmbH, Aurich	100.00	10.1.2012
Northern Energy Seastorm II. GmbH, Aurich	100.00	10.1.2012
Northern Energy SeaWind III. GmbH, Aurich	100.00	10.1.2012
Northern Energy SeaWind IV GmbH, Aurich	100.00	10.1.2012
Zweite Nordsee-Offshore-Holding GmbH, Pressbaum	51.00	10.1.2012
Merger/Accretion[2)]		
Ucka Asfalt d.o.o., Zagreb	100.00	1.1.2012

Effective 21 March 2012, STRABAG acquired 51 % of the Swiss construction company Baunova AG, Dällikon. The company has about 100 employees and generates annual revenues of approximately CHF 60 million. The acquisition serves to further expand the market presence in the building construction segment in Switzerland. Due to a put option by the minority shareholders, the company has already been 100 % fully consolidated and a liability was recognised in the amount of the estimated assignment price.

STRABAG acquired 51 % of Zweite Nordsee-Offshore-Holding GmbH, Pressbaum, effective 10 January 2012. The holding company holds several project companies which develop, build and operate offshore wind turbines in the North Sea. With the acquisition, STRABAG expands its existing competence as a wind turbine builder.

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

	ACQUISITIONS T€
Acquired assets and liabilities	
Goodwill	719
Other non-current assets	972
Current assets	110,394
Increase in non controlling interest	-24,964
Non-current liabilities	-25,644
Current liabilities	-34,790
Purchase price	**26,687**
Less non-cash-effective purchase price component	-163
Acquired cash and cash equivalents	-2,894
Net cash outflow from the acquisition	**23,630**

Assuming a fictitious initial consolidation on 1 January 2012 for all acquisitions in the reporting period, the consolidated revenue would amount to T€ 5,703,561.

All companies which were consolidated for the first time in the reporting period contributed T€ 4,898 to revenue.

METHODS OF CONSOLIDATION AND CURRENCY TRANSLATION

The same methods of consolidation and principles of currency translation were applied in drawing up the consolidated semi-annual financial statements with reporting date 30 June 2012 as were used for the consolidated annual financial statements with reporting date 31 December 2011. Details regarding the methods of consolidation and principles of currency translation are available in the 2011 annual report.

1) Due to its increased business volume, the company was included in the scope of consolidation of the group for the first time effective 1 January 2012. The foundation/acquisition of the company occurred before 1 January 2012.
2) The companies listed under "Merger/Accretion" were merged with/accrued on already fully consolidated companies and as such are at once represented as additions to and removals from the scope of consolidation.

NOTES ON THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT

SEASONALITY

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

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

OTHER OPERATING INCOME

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

	1.1.-30.6.2012 T€	1.1.-30.6.2011 T€
Interest income	35,281	36,866
Interest expense	-18,473	-18,612
Total	**16,808**	**18,254**

OTHER OPERATING EXPENSES

The other operating expenses include damage compensation expenses in the amount of € 43 million related to the arbitration with Cemex. The arbitral tribunal ruled that the withdrawal from the contract to buy the Cemex activities in Hungary and Austria was unlawful. STRABAG has already filed an appeal against this decision.

NOTES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

GOODWILL

Goodwill assets are subjected to an annual impairment test in accordance with IAS 36. The impairment test is carried out in the last two months of the financial year and no impairments were made.

In 1-6/2012, a total goodwill from capital consolidation on the basis of the preliminary purchase price allocations in the amount of T€ 719 was capitalised and no impairments were made.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In 1-6/2012, tangible and intangible assets in the amount of T€ 215,741 (1-6/2011: T€ 246,778) were acquired.

In the same period, tangible and intangible assets with a book value of T€ 30,880 (1-6/2011: T€ 11,407) were disposed of.

PURCHASE OBLIGATIONS

On the reporting date, there were € 112 million (30 June 2011: € 158 million) in contractual commitments for the acquisition of property, plant and equipment which were not considered in the semi-annual financial statements.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

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

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

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

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

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

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

The market value of the interest rate swaps in the amount of T€ -43,620 (31 December 2011: T€ -27,217) is also recognised as long-term receivables from concession arrangements.

Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 651,673 (31 December 2011: T€ 673,927), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in "Other operating income".

The STRABAG consortium KMG – Kliplev Motorway Group was awarded the tender for Denmark's first PPP project. The consortium will plan and build 26 km of the M51 motorway from Kliplev to Sønderborg as well as 18 km of side roads and seven interchanges and will operate the road over a period of 26 years from completion. The motorway was completed in March 2012 and was transferred to the state. The operation will then be paid for by regular payments from the state. The interim financing of the construction works included non-recourse financing in the amount of T€ 80,251 as of 31 December 2011.

EQUITY

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

The following resolutions were passed at the Annual General Meeting of 15 June 2012:

The management board was authorised to acquire no-par bearer or registered shares of the company on the stock market or over the counter to the extent of up to 10 % of the share capital during a period of 12 months from 10 July 2012 at a minimum price per share of € 1.00 and a maximum price per share of € 34.00. The purpose of the acquisition may not be to trade with own shares. The authorisation can be exercised in full or in part or in several partial amounts for one, several purposes by the company, a subsidiary (Section 228 Paragraph 3 of the Austrian Commercial Code) or third parties acting on behalf of the company.

The management board of STRABAG SE can decide to acquire shares on the stock exchange but must inform the supervisory board following decision to do so. Over-the-counter purchases require prior approval by the supervisory board.

The management board shall be authorised, for a period of five years from this resolution (Section 65 Paragraph 1b of the Austrian Stock Corporation Act), to sell or assign its own shares, with approval by the supervisory board, in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation can be exercised in full or in part or in several partial amounts for one, several purposes by the company, a subsidiary (Section 228 Paragraph 3 of the Austrian Commercial Code) or third parties acting on behalf of the company.

The further authorisation of the management board to acquire own shares thus seamlessly follows the authorisation as per resolution by the Annual General Meeting of 10 June 2011.

The authorisation is to be exercised by the management board in such a way that, under consideration of the already acquired number of shares, a maximum of 11,400,000 shares is not exceeded and at no time the acquisition of own shares exceeds the 10 % limit.

The management board was authorised, with approval from the supervisory board, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG), in particular convertible bonds, income bonds, profit participation rights with a total nominal value of up to € 1,000,000,000 which may also confer subscription and/or exchange rights for the acquisition of up to 50,000,000 shares of the company and/or may be designed in such a way that they can be issued as equity, also in several tranches and in different combinations, up to five years inclusive from the day of this resolution, also indirectly by way of a guarantee for the issue of financial instruments through an associate or related entity of the company with conversion rights on shares of the company. For the servicing, the management board may use the conditional capital or own shares. The issue amount and issue conditions, as well as the possible exclusion of the shareholders' subscription rights for the issued financial instruments, are to be determined by the management board with the approval of the supervisory board.

Also approved was a conditional increase of the share capital of the company pursuant to Section 159 Paragraph 2 No. 1 of the Austrian Stock Corporation Act (AktG) by up to € 50,000,000 through the issue of up to 50,000,000 new bearer shares with no face value (no-par shares) for issue to creditors of financial instruments within the meaning of the Annual General Meeting resolution of 15 June 2012, provided the creditors of financial instruments exercise their subscription and/or exchange rights for shares of the company. The issue amount and the exchange ratio are to be determined based on recognised actuarial methods and the price of the shares of the Company in a recognised pricing procedure. The newly issued shares of the conditional capital increase carry a dividend entitlement corresponding to that of the shares traded on the stock market at the time of the issue. The management board is authorised, with the approval of the supervisory board, to establish the further details of the implementation of the conditional capital increase. The supervisory board is authorised to pass resolution on any amendments to the Articles of Association resulting from the issue of shares within the scope of the conditional capital.

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

CONTINGENT LIABILITIES

The company has accepted the following guarantees:

	30.6.2012 T€	31.12.2011 T€
Guarantees without financial guarantees	1,988	1,988

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 31,401 (31 December 2011: T€ 45,541).

SEGMENT REPORTING

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

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

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

SEGMENT REPORTING FOR 1.4.–30.6.2012

	BUILDING CONSTRUCTION & CIVIL ENGINEERING 1.4.-30.6.2012 T€	TRANSPORTATION INFRASTRUCTURES 1.4.-30.6.2012 T€	SPECIAL DIVISIONS & CONCESSIONS 1.4.-30.6.2012 T€	OTHER 1.4.-30.6.2012 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 1.4.-30.6.2012 T€	TOTAL 1.4.-30.6.2012 T€
Output Volume	**1,377,849**	**1,741,421**	**623,686**	**30,693**		**3,773,649**
Revenue	**1,266,888**	**1,533,751**	**704,550**	**3,274**	**0**	**3,508,463**
Inter-segment revenue	45,517	13,583	0	278,184		
EBIT	**25,191**	**-98,830**	**69,872**	**125**	**1,590**	**-2,052**
Interest and similar income	0	0	0	15,419	0	15,419
Interest expense and similar charges	0	0	0	-11,561	0	-11,561
Profit before tax	**25,191**	**-98,830**	**69,872**	**3,983**	**1,590**	**1,806**

SEGMENT REPORTING FOR 1.4.–30.6.2011

	BUILDING CONSTRUCTION & CIVIL ENGINEERING 1.4.-30.6.2011 T€	TRANSPORTATION INFRASTRUCTURES 1.4.-30.6.2011 T€	SPECIAL DIVISIONS & CONCESSIONS 1.4.-30.6.2011 T€	OTHER 1.4.-30.6.2011 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 1.4.-30.6.2011 T€	TOTAL 1.4.-30.6.2011 T€
Output Volume	**1,323,328**	**1,878,869**	**592,005**	**32,880**		**3,827,082**
Revenue	**1,214,972**	**1,814,609**	**670,022**	**7,685**	**0**	**3,707,288**
Inter-segment revenue	48,333	27,666	0	282,365		
EBIT	**50,327**	**58,580**	**50,204**	**-224**	**3,162**	**162,049**
Interest and similar income	0	0	0	16,375	0	16,375
Interest expense and similar charges	0	0	0	-17,292	0	-17,292
Profit before tax	**50,327**	**58,580**	**50,204**	**-1,141**	**3,162**	**161,132**

SEGMENT REPORTING FOR 1.1.–30.6.2012

	BUILDING CONSTRUCTION & CIVIL ENGINEERING 1.1.-30.6.2012 T€	TRANSPORTATION INFRASTRUCTURES 1.1.-30.6.2012 T€	SPECIAL DIVISIONS & CONCESSIONS 1.1.-30.6.2012 T€	OTHER 1.1.-30.6.2012 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 1.1.-30.6.2012 T€	TOTAL 1.1.-30.6.2012 T€
Output Volume	**2,393,470**	**2,448,138**	**1,129,523**	**65,054**		**6,036,185**
Revenue	**2,252,381**	**2,170,826**	**1,265,377**	**12,531**	**0**	**5,701,115**
Inter-segment revenue	98,112	32,638	0	432,825		
EBIT	**13,264**	**-295,490**	**101,741**	**290**	**13,480**	**-166,715**
Interest and similar income	0	0	0	32,314	0	32,314
Interest expense and similar charges	0	0	0	-62,974	0	-62,974
Profit before tax	**13,264**	**-295,490**	**101,741**	**-30,370**	**13,480**	**-197,375**

SEGMENT REPORTING FOR 1.1.–30.6.2011

	BUILDING CONSTRUCTION & CIVIL ENGINEERING 1.1.-30.6.2011 T€	TRANSPORTATION INFRASTRUCTURES 1.1.-30.6.2011 T€	SPECIAL DIVISIONS & CONCESSIONS 1.1.-30.6.2011 T€	OTHER 1.1.-30.6.2011 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 1.1.-30.6.2011 T€	TOTAL 1.1.-30.6.2011 T€
Output Volume	**2,307,108**	**2,627,934**	**1,134,579**	**66,708**		**6,136,329**
Revenue	**2,141,556**	**2,529,711**	**1,230,418**	**15,638**	**0**	**5,917,323**
Inter-segment revenue	92,076	49,554	0	438,080		
EBIT	**40,579**	**-99,504**	**69,503**	**-220**	**6,308**	**16,666**
Interest and similar income	0	0	0	34,486	0	34,486
Interest expense and similar charges	0	0	0	-38,612	0	-38,612
Profit before tax	**40,579**	**-99,504**	**69,503**	**-4,346**	**6,308**	**12,540**

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

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

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

Other minor differences result from the other consolidation entries.

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

	1.1.-30.6.2012 T€	1.1.-30.6.2011 T€
Investment income	18,466	6,715
Other consolidations	-4,986	-407
Total	**13,480**	**6,308**

STRABAG restructured its segments effective 1 July 2012. The operating segments Building Construction & Civil Engineering, Transportation Infrastructures and Special Division & Concessions have been replaced by the operating segments “North + West”, “South + East” and “International + Special Divisions”. The segment defined as “Other” remains unchanged.

The segment “North + West” bundles the construction activities in Germany, Poland, Benelux and Scandinavia as well as the ground engineering, hydraulic engineering and offshore wind activities. The segment “South + East” comprises the railway structures activities as well as the construction activities in Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe and Russia and neighbouring countries. The segment “International + Special Divisions” includes the international construction activities, tunnelling, services, real estate development and infrastructure development as well as the construction materials business.

NOTES ON RELATED PARTIES

Notes on related parties may be found in the 2011 consolidated financial statements. Since 31 December 2011, there have been no significant changes in this area. Arm`s-length business relations exist in transactions with related parties.

EVENTS AFTER THE REPORTING DATE

No material events occurred after the reporting period for this semi-annual financial statements.

AUDIT WAIVER

The present semi-annual 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 semi-annual financial statements as of 30 June 2012 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 six months of the financial year and their impact on the condensed semi-annual financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Villach, 31 August 2012

Management Board

Dr. Hans Peter Haselsteiner
Chairman of the Management Board
Responsibility for Internal Service Units

Dr. Thomas Birtel
Responsibility for Internal Service Units and region Russia and Neighbouring Countries (RANC)

Dr. Peter Krammer
Responsibility for Segment North + West

Mag. Hannes Truntschnig
Responsibility for Segment International + Special Divisions

Dipl.-Ing. Siegfried Wanker
Responsibility for Segment South + East

FINANCIAL CALENDAR

Semi-annual report 2012	**31 August 2012**
Publication	7.30 am
Investor and analyst telephone conference	2.00 pm

Interim Report January–September 2012	**30 November 2012**
Publication	7.30 am
Investor and analyst telephone conference	2.00 pm

Annual report 2012	**30 April 2013**
Disclosure	7.30 am
Press conference	10.00 am
Investor and analyst conference call	2.00 pm

Interim report January-March 2013	**29 May 2013**
Disclosure	7.30 am
Investor and analyst conference call	2.00 pm

Notice of Annual General Meeting	17 May 2013
Shareholding confirmation record date	4 June 2013
Annual General Meeting 2013	**14 June 2013**
Start	10.00 am
Location – to be announced	
Ex-dividend date	21 June 2013
Payment date for dividend	24 June 2013

Semi-annual report 2013	**30 August 2013**
Disclosure	7.30 am
Investor and analyst conference call	2.00 pm

Interim report January–September 2013	**29 November 2013**
Disclosure	7.30 am
Investor and analyst conference call	2.00 pm

All times are CET/CEST. Please find the current road show schedule on the website www.strabag.com -> Investor Relations -> Company Calendar

CORPORATE BONDS

MATURITY	COUPON	VOLUME	ISIN	STOCK EXCHANGE
2008–2013	5.75 %	€ 75 million	AT0000A09H96	Vienna
2010–2015	4.25 %	€ 100 million	AT0000A0DRJ9	Vienna
2011–2018	4.75 %	€ 175 million	AT0000A0PHV9	Vienna
2012–2019	4.25 %	€ 100 million	AT0000A0V7D8	Vienna

CORPORATE CREDIT RATING

Standard & Poors	BBB-	Outlook stable

CODES

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

FOR FURTHER QUESTIONS, PLEASE CONTACT OUR INVESTOR RELATIONS DEPARTMENT:

STRABAG SE, Donau-City-Str. 9, 1220 Vienna, Austria
+43 800 880890
investor.relations@strabag.com
www.strabag.com

This semi-annual report is also available in German.
In case of discrepancy the German version prevails.