TEAMS WORK. IN PROGRESS.

Interim Report
January–September 2015
30 November 2015

STRABAG
SOCIETAS EUROPAEA

Content

KEY FIGURES

KEY FINANCIAL FIGURES

	Q3/2015	Q3/2014	Δ %	9M/2015	9M/2014	Δ %	2014
Output volume (€ mln.)	4,050.84	3,932.05	3	10,255.51	9,711.60	6	13,566.00
Revenue (€ mln.)	3,735.25	3,538.35	6	9,480.72	8,892.29	7	12,475.67
Order backlog (€ mln.)				13,761.27	15,399.91	-11	14,403.44
Employees				73,447	71,987	2	72,906
Cash flow from operating activities (€ mln.)	181.82	72.36	151	-108.25	-108.82	1	805.33
Investments in fixed assets (€ mln.)	81.55	85.00	-4	242.04	251.04	-4	346.49

KEY EARNINGS FIGURES

	Q3/2015	Q3/2014	Δ %	9M/2015	9M/2014	Δ %	2014
EBITDA (€ mln.)	279.96	269.40	4	403.79	349.82	15	719.94
EBITDA margin (% of revenue)	7.5	7.6		4.3	3.9		5.8
EBIT (€ mln.)	184.23	172.26	7	115.81	64.28	80	281.96
EBIT margin (% of revenue)	4.9	4.9		1.2	0.7		2.3
EBT (€ mln.)	169.57	160.41	6	101.84	39.43	158	255.76
Net income (€ mln.)	125.01	119.17	5	63.54	20.28	213	147.50
Net income after minorities (€ mln.)	113.85	107.52	6	58.34	14.40	305	127.97
Net income after minorities margin (% of revenue)	3.0	3.0		0.6	0.2		1.0
Earnings per share (€)	1.11	1.05	6	0.57	0.14	307	1.25
ROCE (%)	2.7	2.6		2.2	1.5		4.3

KEY BALANCE SHEET FIGURES

	30.9.2015	31.12.2014	Δ %
Equity (€ mln.)	3,171.43	3,144.30	1
Equity ratio (%)	29.7	30.6	
Net debt (€ mln.)	100.42	-249.11	n.m.
Gearing ratio (%)	3.2	-7.9	
Capital employed (€ mln.)	5,345.61	5,357.82	0
Balance sheet total (€ mln.)	10,660.89	10,275.54	4

EBITDA = earnings before interest, taxes, depreciation and amortisation
EBIT = earnings before interest and taxes
EBT = earnings before taxes
ROCE = (net income + interest on debt - interest tax shield (25 %))/(average group equity + interest-bearing debt)
Net debt = financial liabilities - non-recourse debt + 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

- Output volume after first nine months of 2015 at € 10.3 billion, increase of 6 %
- Double-digit growth in earnings: EBITDA rises to € 403.79 million, EBIT to € 115.81 million
- Earnings per share at € 0.57 (9M/2015) after € 0.14 (9M/2014)
- Order backlog down 11 % to € 13.8 billion: growth in Poland, but declines particularly in Russia and – from a previous high level – in Germany
- Outlook 2015 confirmed: output volume expected at € 14.0 billion, EBIT at least € 300 million

Dear shareholders, associates and friends of STRABAG SE,

We have set a course to increase our profitability in the medium term – and in 2015, these efforts have had a clearly positive impact on our financial results for the third time in a row. The results for the first nine months of this financial year give us reason to be optimistic that we will be coming one step closer to our goal of increasing the EBIT margin to 3 % sustainably.

So far, we have observed two-digit growth in earnings. Of course, we cannot simply extrapolate these growth rates to the full year. In the construction sector, after all, the fourth quarter is decisive. But we can continue to expect our earnings before interest and taxes to reach at least € 300 million. In terms of the output volume, our forecast remains unchanged with an increase of a few percent to € 14.0 billion.

This good news may appear to be dampened by the minus of 11 % in our order backlog. Naturally, we are making an effort to maintain a constant pipeline of new orders. Our main goal, however, is to increase our profitability. Having a strong risk management also means opting against participation in certain projects due to risk considerations.

I thank you for your trust and am confident that we will meet your expectations again at year's end.

Yours,

Thomas Birtel
CEO of STRABAG SE

IMPORTANT EVENTS

JULY

STRABAG enters the Colombian market with a € 900 million concession project

ANI, Colombia's national infrastructure agency, has awarded the contract to design, build, finance and operate a 176 km road over 25 years to a consortium, where STRABAG holds 37.5 %. The financial close is expected for the fourth quarter of 2016, the total investment volume is around € 900 million. STRABAG will likely contribute equity and junior loans of slightly more than € 50 million. The construction volume amounts to a middle triple-digit million Euro amount. Of this sum, STRABAG's share comes to 37.5 %, too. In addition to partial revenues in the form of hard toll collections, the consortium will receive annual payments from ANI for its services.

A10 Oswaldibergtunnel for € 34 million upgraded by STRABAG

STRABAG will modernise the A10 Oswaldibergtunnel for ASFINAG, Austria's national motorway operator. The two tubes, each with a length of 4.3 km, will be upgraded between July 2015 and June 2017 to represent state of the art; in particular, with respect to tunnel safety standards. The contract has a volume of € 34 million. It includes the redevelopment measures in the fields of road construction, tunnelling and building construction as well as the reinstallation of the entire electrical and mechanical equipment (E&M).

AUGUST

Ed. Züblin extends sewer network in Singapore

The pipe jacking division of Ed. Züblin AG, a subsidiary of construction group STRABAG, expands the 9.8 km long sewer network of Singapur for € 85 million. All prefabricated elements, like pipes and rings of tubbings, will be produced and delivered by the Züblin-owned factory in Malaysia. The pipe jacking method is also called dynamic ramming technique. With this method, concrete or steel pipes may be laid non-disruptively. It is especially suited for in-stallations with relatively small diameters. This project involves diameters between 30 cm and 3.1 m.

Contract for section of A1 in Poland for € 118 million

A Polish STRABAG subsidiary will build the 15 km section between Woźniki and Pyrzowice within a period of 30 months. The contract comprises the construction of the concrete motorway as well as one maintenance facility, two rest stops, 29 bridge structures and several wildlife crossings. The opening in mid-2018 will mark the completion of another portion of the Trans-European Network (TEN).

SEPTEMBER

Center Communication Systems to extend tunnel transmitter system for Vienna underground

The 100 % subsidiary of STRABAG AG has been awarded the largest contract – contract value: € 17.5 million – in its company history. The specialist for mission-critical communication systems and security solutions has been commissioned by Wiener Linien, the public transport operator in Vienna, to modernise and extend the tunnel transmitter system for the underground metropolitan railway (U-Bahn) in the Austrian capital. During the period between August 2015 and July 2020 78.5 km network with more than 100 stations will be equipped.

STRABAG enters the Romanian project development market

The Romanian group company STRABAG SRL took over the development team of Raiffeisen evolution in Bucharest. The team had successfully developed the Sky Tower and the Promenada Mall in Bucharest. The group company STRABAG Real Estate is already one of the leading project development organisations in Germany. With this new step, STRABAG continues to consolidate its position on the European project development market.

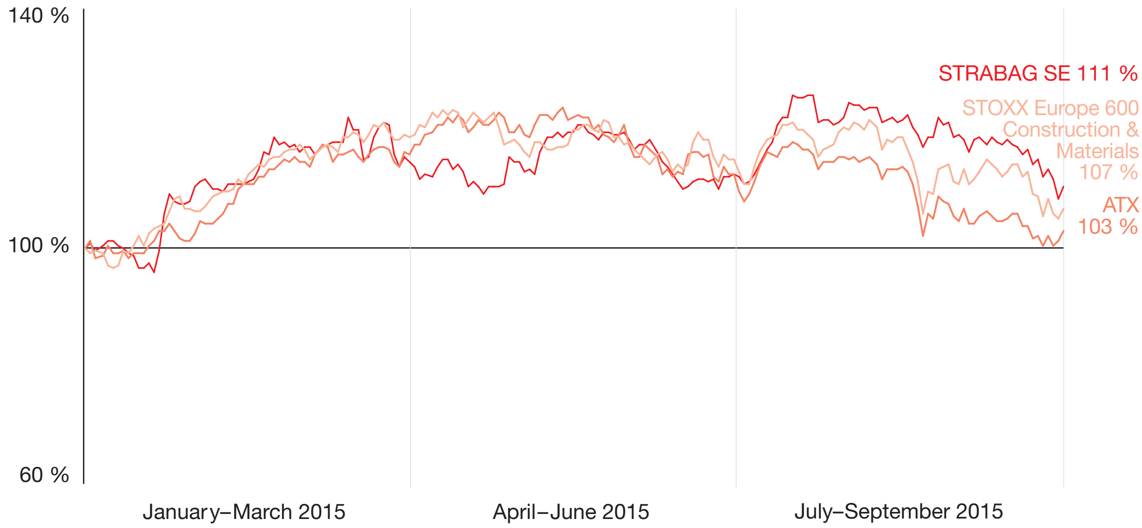
OCTOBER

Design and construction of a 24 km long section of S6 in Poland

The S6 expressway is the main traffic artery between eastern and western Poland. STRABAG will design and build the 24 km long section between Goleniów and Koszalin for about € 83 million. Construction of the dual carriageway asphalt road will take place between November 2015 and June 2019. The contract includes expressway junctions, rest areas and numerous civil engineering structures such as overpasses, bridges and wildlife crossings.

SHARE

DEVELOPMENT OF THE STRABAG SE SHARE PRICE AND OF THE BENCHMARK INDEXES



The development of the STRABAG SE share in the first nine months of the year was characterised by several upwards and downwards movements. After very positive development in the first quarter, the share price lost some of its gains in the second quarter. This was followed by strong growth that led to the current year-to-date high of € 22.95 on 24 July 2015. At the end of the third quarter, the STRABAG SE share listed at € 20.14. This amount is still 11 % above its value from the beginning of the year.

In the third quarter, Austria's benchmark index ATX was forced to cede the gains it had made during the strong first half of the year. This left only slight growth of 3 % after nine months. Development of the STOXX Europe 600 Construction & Materials more or less mirrored that of the ATX, although the industry index was able to recover somewhat better following the August low for an overall plus of 7 % versus its level at the beginning of the year.

The average trade volume per day of STRABAG shares – in continuation of the trend observed in the first six months – fell further to 28,993 shares[1)] after nine months. The total volume of shares traded on the Vienna Stock Exchange in this period amounted to € 118 million[1)].

The STRABAG SE share is currently under observation by nine international banks. The analysts calculated an average share price target of € 22.50. Detailed analyses and recommendations are available on the STRABAG SE website: www.strabag.com > Investor Relations > Share > Equity Research

STRABAG SE SHARE

	9M/2015
Market capitalisation on 30 September 2015 (€ mln.)	2,066.36
Closing price on 30 September 2015 (€)	20.14
Year's maximum on 24 July 2015 (€)	22.95
Year's minimum on 21 January 2015 (€)	17.45
Performance nine months 2015 (%)	11
Outstanding bearer shares on 30 September 2015 (absolute) (shares)	102,599,997
Outstanding bearer shares nine months 2015 (weighted) (shares)	102,599,997
Weight in WBI on 30 September 2015 (%)	2.87
Volume traded nine months 2015 (€ mln.)[1)]	118.45
Average trade volume per day (shares)[1)]	28,993
% of total volume traded on Vienna Stock Exchange	0.27

1) double count

MANAGEMENT REPORT JANUARY–SEPTEMBER 2015

Output volume and revenue

STRABAG SE generated an output volume of € 10,255.51 million in the first nine months of the 2015 financial year. This increase of 6 % was driven primarily by the markets of Slovakia, Germany, the Czech Republic and Poland. The consolidated group revenue, like the output volume, also grew, gaining 7 % to € 9,480.72 million. The ratio of revenue to output volume amounted to 92 %.

The output volume for the third quarter grew by 3 % to € 4,050.84 million. The revenue also increased by 6 %.

Order backlog

Different trends were registered in the order backlog: On the one hand, several expressway projects contributed to an increase of the volume of orders on the books in Poland. On the other hand, this figure fell back particularly in Russia and – from a previous high level – in Germany. Large projects are also being worked off in Hungary, Chile and Slovakia. In total, therefore, the order backlog stood at € 13,761.27 million on 30 September 2015 – a decline of 11 % versus 30 September 2014.

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 half of the year typically has 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.

The higher revenue also resulted in improved earnings before interest, taxes, depreciation and amortisation (EBITDA) in the first nine months of 2015 by 15 % to € 403.79 million. The depreciation and amortisation was at about last year's level, with € -287.98 million compared to € -285.54 million. The earnings before interest and taxes (EBIT) climbed to € 115.81 million. This development was due to the segments South + East and International + Special Divisions.

Positive exchange rate differences, especially regarding the Swiss franc in the amount € 6.61 million compared to € 1.65 million in the comparison period, as well as the lower interest rate for staff-related provisions, resulted in a less negative interest income of € -13.97 million versus the previous year's € -24.85 million. Below the line, this resulted in earnings before taxes (EBT) of € 101.84 million. Despite a doubling of the income tax to € -38.30 million in response to the higher earnings, the net income still managed to grow to € 63.54 million. As a nearly unchanged profit of € 5.20 million was attributable to third-party shareholders, the net income after minorities increased by multiples from € 14.40 million last year to € 58.34 million. With 102,600,000 outstanding shares, this amounts to earnings per share of € 0.57 after € 0.14 in the first nine months of the previous year.

The third quarter exhibited single-digit percent growth. The EBITDA grew by 4 % to € 279.96 million, while the EBIT gained 7 % to € 184.23 million and the net income after minorities increased by 6 % to € 113.85 million.

Financial position and cash flows

The balance sheet total on 30 September 2015 was up slightly versus the end of 2014 (+4 %). Conspicuous was the usual seasonal increase of the trade receivables with a simultaneous reduction of cash and cash equivalents. The non-current financial liabilities increased as well, resulting from a € 200 million bond issue in the first quarter of 2015. The balance sheet inflation led to a slight decline of the equity ratio – although it remained at a similar high level – from 30.6 % at the end of 2014 to 29.7 %. In response to the higher level of cash and cash equivalents, the net debt improved to € 100.42 million from € 472.22 million at the end of September of the previous year.

The cash flow from earnings increased by 20 % to € 310.72 million. However, the cash flow from operating activities, at € -108.25 million, hardly changed versus the same period of the previous year as the business with project developments in the field of building construction expanded. At the same time, it was possible to nearly fully balance out the considerable growth in receivables through higher trade payables. The cash flow from investing activities, with € -179.04 million after € -380.62 million, was less negative due to the fact that last year's figure included the cash outflow from the acquisition of Germany- and Austria-based facility services company DIW Group as well as a noteworthy purchase of financial investments. The cash flow from financing activities – this figure came to rest at € -83.16 million after € -79.99 million – was unable to profit from the aforementioned bond emission due to the concurrent repayment of bank borrowings in a higher amount.

Capital expenditures

In addition to the necessary maintenance expenditures – for the most part in Germany – STRABAG invested especially in project-specific equipment needed for its international business, e.g. in pipe jacking business, in the first nine months of the year. The company also registered a higher investment volume in the Czech Republic and Poland as well as in the construction materials business in Austria and in Germany. The capital expenditures included € 242.04 million for the purchase of property, plant and equipment and intangible assets as well as € 13.04 million for the purchase of financial assets. This time, cash inflows from changes to the scope of consolidation gave the company an additional € 3.10 million.

Employees

The 2 % growth in the number of employees to 73,447 is due to the acquisition of Germany- and Austria-based DIW Group last year. The increases and decreases in the other markets mostly balanced each other out: In the Americas region, for example, the group employed an additional 1,000 persons compared to the first nine months of the previous year, while the employee levels in Africa were reduced by a similarly high amount.

Major transactions and risks

During the first nine 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 nine 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, legal, political and investment risks.

The risks are explained in more detail in the 2014 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

The Management Board of STRABAG SE continues to expect the output volume in the 2015 financial year to grow from € 13.6 billion to € 14.0 billion. The EBIT should increase to at least € 300 million. In this regard, the efforts made thus far to further improve the risk management and to lower costs would already have an impact on earnings. This would bring the company one step closer to its target of achieving an EBIT margin (EBIT/revenue) of 3 % in 2016.

The earnings expectations are based on the observation that demand in the German building construction and civil engineering market remains at the same high level. At the same time, no large increases in investments in transportation infrastructures have been observed in this home market. While the margins in the construction materials business continue to improve in 2015 and the turnaround has been reached in environmental technologies, such a forecast is not yet possible for hydraulic engineering. The company continues to expect positive contributions from its property and facility services units and from real estate development. The price pressure remains strong in the countries of Central and Eastern Europe, although in Poland, for example, the company is capable of successfully bidding for larger tenders. The same can be said of the tunnelling business and of public-private partnerships, i.e. of concession projects, in the home markets, which is leading STRABAG to become more active in this area in non-European markets.

As larger acquisitions are not planned, the net investments (cash flow from investing activities) are expected to decline significantly to around € 350 million after € 435.30 million the year before.

SEGMENT REPORT

North + West

€ mln.	Q3/2015	Q3/2014	Δ %	Δ absolute	9M/2015	9M/2014	Δ %	Δ absolute
Output volume	1,825.23	1,937.24	-6	-112.01	4,569.30	4,586.63	0	-17.33
Revenue	1,688.31	1,713.71	-1	-25.40	4,257.26	4,234.25	1	23.01
Order backlog					5,696.68	6,054.15	-6	-357.47
EBIT	41.63	42.40	-2	-0.77	-52.02	-52.22	0	0.20
EBIT margin (% of revenue)	2.5	2.5			-1.2	-1.2		
Employees					22,461	23,145	-3	-684

The **output volume** of the North + West segment, at € 4,569.30 million, remained nearly unchanged in a year-on-year comparison. In the largest market, Germany, the building construction and civil engineering business generated an output volume that was almost at the same level as during the first nine months of 2014, while the output volume in transportation infrastructures fell back slightly. Declines were reported from Sweden and the Benelux countries. By contrast, Poland, the second largest market in this segment, registered output growth of one fifth thanks to the high level of the order backlog.

The **revenue** and **earnings before interest and taxes** (EBIT) also showed no significant movement after nine months. The revenue stood at € 4,257.26 million (+1 %), the EBIT at € -52.02 million compared to € -52.22 million for the same period the previous year. Here, different trends balanced each other out: While the negative earnings contribution was contained in Sweden, for example, the financials had been burdened by higher winter losses in transportation infrastructure at the beginning of the year – including in railway construction, which was represented in this segment for the first time. Earnings in Germany were down as well. In a third quarter comparison, the revenue (-1 %) and the EBIT (-2 %) also remained more or less stable.

The **order backlog,** at € 5,696.68 million, declined significantly (-6 %) versus the comparison value from 30 September 2014. In the home market of Germany, mainly small and medium-sized projects were acquired in the third quarter. Although the order backlog in Poland – new acquisitions here include the Woźniki–Pyrzowice section of the A1 motorway, at more than € 118 million the largest order in the third quarter – grew by a further 34 % on the year from an already attractive level, this development was unable to compensate for declining orders in Germany, Sweden and Denmark. The high order backlog in building construction and civil engineering in Germany fell back in part due to the completion of large projects such as Allianz Campus Unterföhring.

The **number of employees** in the segment dropped down to 22,461 in the first nine months, a minus of 3 % compared to the same period in the previous year. A part of this development can be ascribed to Germany, but staff numbers also declined in Sweden and in the rest of Europe.

A word on the segment **outlook:** An output volume of € 6.2 billion is expected in the 2015 financial year in the North + West segment. The **German market for building construction and civil engineering** should remain on a high level. Prices for subcontractor services and for construction materials have remained moderate so far despite the lively building construction activity in the country. The price for reinforcing steel, meanwhile, has fallen significantly and is currently at a multi-year low. In **transportation infrastructures,** STRABAG does not expect any significant changes to the current market situation over the year. Possible investment increases in infrastructure on the part of the public sector would reflate market development from 2016 at the earliest.

The **Polish construction sector** has been undergoing a significant recovery since the year 2014. Several road construction contracts helped to boost the order backlog last year. The volume of public-sector tenders will likely reach several billion euros, a comparable level to 2014, of which around € 4.0 billion were already awarded in the nine months of this year. A considerable number of projects are still up for tender. STRABAG also expects to see increasing demand in railway construction. In Poland, on the other hand, more and more tender participants are bidding at very low price levels. Overall, STRABAG forecasts a significant increase of its own output volume with growth in the double-digit percent range.

In **Scandinavia,** the countries of Sweden and Denmark are making the most significant contributions to the output volume. Here, both the overall economic environment and the construction market continue to be stable, although the price levels are on the decline due to the higher number of competitors. The economic environment for building construction in Sweden continues to exhibit growth potential at currently still stable margins.

South + East

€ mln.	Q3/2015	Q3/2014	Δ %	Δ absolute	9M/2015	9M/2014	Δ %	Δ absolute
Output volume	1,369.44	1,167.77	17	201.67	3,256.22	2,966.71	10	289.51
Revenue	1,311.81	1,074.04	22	237.77	3,119.39	2,768.32	13	351.07
Order backlog					3,737.19	4,798.25	-22	-1.061,06
EBIT	102.13	115.85	-12	-13.72	130.21	98.63	32	31.58
EBIT margin (% of revenue)	7.8	10.8			4.2	3.6		
Employees					17,979	18,672	-4	-693

The **output volume** in the South + East segment grew considerably in the first nine months of the year, gaining 10 % to € 3,256.22 million. While Slovakia stood out with especially high growth, and positive figures were registered in the Czech Republic as well, the other markets exhibited varied development.

The **revenue** also grew, with a plus of 13 %. The **earnings before interest and taxes** (EBIT) increased by about one third to € 130.21 million. This development was due, among other things, to agreements reached on large construction projects after their completion and to smaller improvements in several markets of the segment. In the third quarter, the EBIT decreased by 12 % while the revenue increased by 22 %.

The **order backlog** fell by 22 % to € 3,737.19 million. Declines were registered in nearly all markets, with a particularly significant drop in Russia and neighbouring countries (RANC), Hungary and Slovakia, where several large orders acquired during the previous year have to a large degree already been worked off.

The **number of employees** fell slightly by 4 % to 17,979. This decline can largely be ascribed to the RANC region, but also to Austria and Switzerland.

A word on the segment **outlook:** The output volume is expected to grow to € 4.5 billion in the 2015 financial year, although the currently low volume of new orders might require more conservative planning for the years to come. Despite the improvements in the operating business, the earnings forecast must take into consideration the tougher economic environment in several markets in which the segment operates.

In **Austria,** the largest market in this segment, the field of building construction recently began to exhibit an increased price pressure in the greater Vienna area as well. Against the backdrop of lower public investments, this business field had previously compensated the tense – in some regions dramatic – situation in transportation infrastructures for the group.

In 2015, **Hungary** has so far benefited from a good order backlog and from the good weather for transportation infrastructures at the start of the year. But the lower number of EU-financed projects translates into future challenges for the order book situation.

In **Slovakia,** the stable development in both building construction and road construction suggests an improvement of the climate in that country – as evidenced by the tenders for EU-financed infrastructure projects. In the **Czech Republic,** current tenders in building construction are focused mainly on projects in the field of education, such as schools and museums, although competition is contributing to prices being calculated at the limit of profitability.

The **Swiss** market is expected to remain modest at best. On the one hand, an increased number of infrastructure construction projects is coming onto the market after a very quiet period, especially in the greater Zurich area, on the other hand this market is strongly contested. Demand was also up again slightly in building construction, although the bid prices were on the decline here as well. Despite initial signs of recovery, however, the strong Swiss franc continues to put a damper on economic growth.

The strong price competition that characterises **South-East Europe** is expected to increase. In **Croatia** and in **Slovenia,** the group is hoping to be awarded the tender for EU-financed infrastructure measures. The transportation infrastructures business in South-East Europe shows no signs of improvement, however. For this reason, all activities were stopped e.g. in **Moldova** already during the first half of the year.

In **Russia,** the investment climate has been strongly impacted by the consequences of the western economic sanctions, the low oil price, the weak rouble exchange rate and the high inflation. This is true for both the private and public sectors. A considerable economic downturn, with no end in sight, can also be registered in the construction sector in 2015. At best, STRABAG currently expects larger projects in the Moscow housing market to continue to have a chance on the market.

International + Special Divisions

€ mln.	Q3/2015	Q3/2014	Δ %	Δ absolute	9M/2015	9M/2014	Δ %	Δ absolute
Output volume	825.46	796.43	4	29.03	2,331.62	2,072.39	13	259.23
Revenue	728.42	744.44	-2	-16.02	2,084.78	1,872.13	11	212.65
Order backlog					4,318.23	4,539.35	-5	-221.12
EBIT	56.02	32.80	71	23.22	53.64	31.96	68	21.68
EBIT margin (% of revenue)	7.7	4.4			2.6	1.7		
Employees					27,246	24,426	12	2,820

The **output volume** of the International + Special Divisions segment grew by 13 % to € 2,331.62 million in the first nine months of 2015. This development was due to the previous year's acquisition of DIW Group and to increases in the non-European markets, among other things.

The **revenue** was also higher, specifically by 11 %. The **earnings before interest and taxes** (EBIT) grew by 68 % to € 53.64 million, among other things as a result of positive effects from the sale of real estate projects and a lower burden in the raw materials business. In the third quarter, the revenue was slightly lower with -2 % to € 728.42 million: the EBIT, on the other hand, was up 71 % to € 56.02 million.

The **order backlog** sank by 5 % to € 4,318.23 million. The high declines in Italy and Americas, where large projects are continuously being worked off, could not be compensated by growth in several other regions. In Austria, for example, a higher volume of orders resulted from two contracts: one to deliver the electrical and mechanical equipment for the A10 Oswaldibergtunnel and another to extend the tunnel transmitter system for Vienna's underground metropolitan railway. Several medium-sized projects were also acquired in the Middle East.

The number of **employees** in the segment grew by 12 % to 27,246, with considerable differences in the individual regions. While the DIW acquisition resulted in a plus of several thousand employees in Germany and Austria, and the start of a project in Chile helped to grow the number of employees in Americas by nearly 1,000 persons, a reduction of staff levels by more than 1,700 employees was registered in Africa and in the Middle East together.

A word on the segment **outlook:** It should be possible to generate a higher output volume of € 3.2 billion in the segment in the ongoing 2015 financial year, driven in part by the **property and facility services business** – thanks to the impact from the DIW acquisition – and by **tunnelling.** As edge-out competition continues to define the tunnelling business in the core markets of Austria, Germany, Switzerland and Italy, and a reversal of the trend remains elusive, STRABAG is focusing more on northern Europe and the non-European markets.

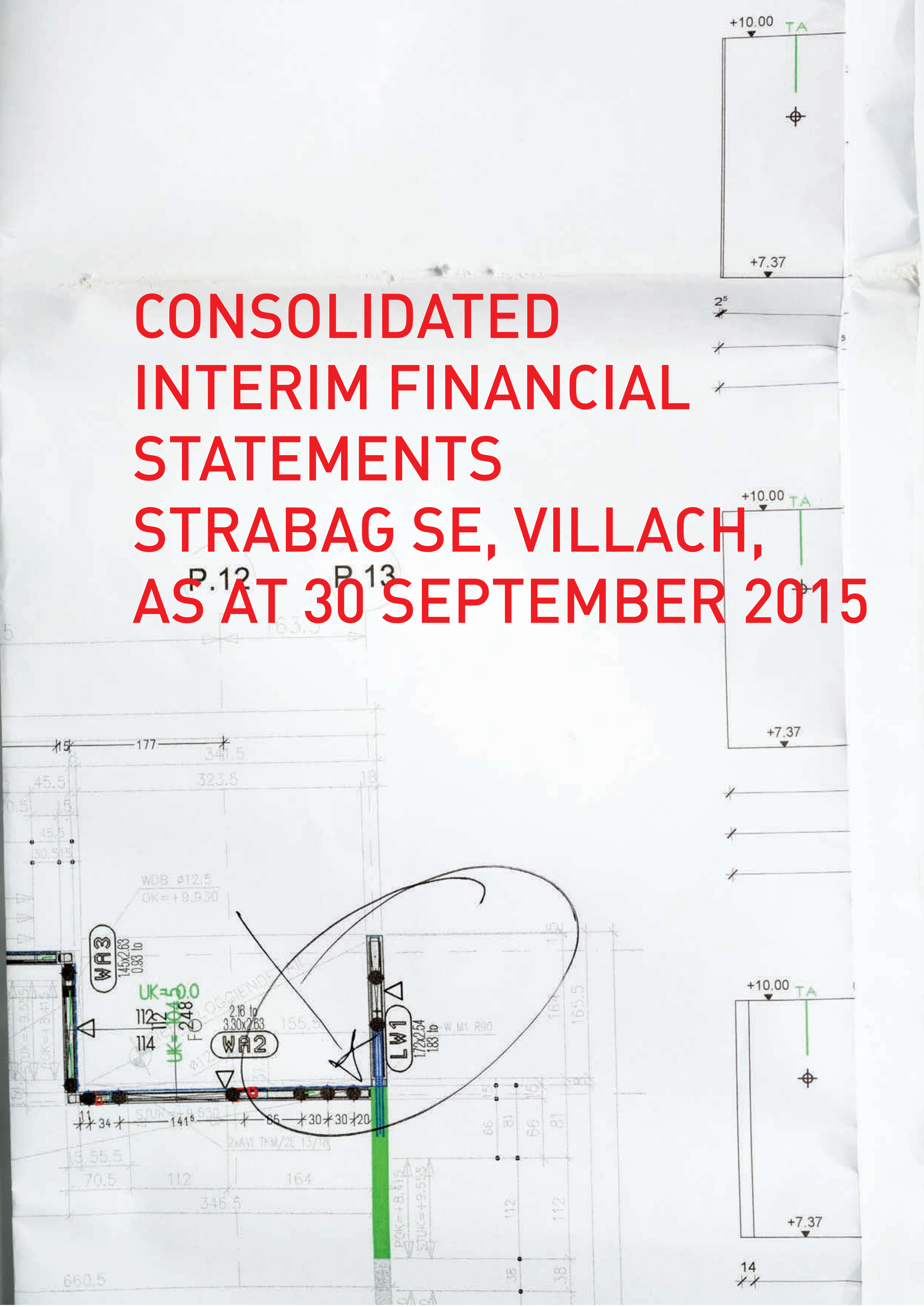
This necessary market expansion can also be observed for the **concession business,** i.e. public-private partnerships. As the market for concession projects remains thin in Western Europe – with the exception of Germany – and the political framework and competition present themselves as challenging in Eastern Europe, the group is working increasingly on the markets of South America. In the third quarter of 2015, for example, the company succeeded in entering the Colombian market via the award of a € 900 million concession project.

Internationally the STRABAG Group also is a successful provider in **specialty fields** such as the tunnelling method of pipe jacking and test track construction. In Singapore, for example, the company was awarded the contract to extend the sewer network using the pipe jacking method in the third quarter. Among the non-European markets, STRABAG is focusing its activities – including its core business – especially on the Middle East, above all Oman. In general, however, market development activities must be very selective, as the Middle East as well as Africa are characterised by strong competition.

As in past years, the **real estate development** business should make a positive contribution to both output volume and earnings. The demand for commercial and residential properties in the core market of Germany remains undiminished and has even grown significantly in a year-on-year comparison. The weak euro has led investors from outside Europe to become increasingly involved in this business field. First steps have already been taken to also develop projects in markets outside of Germany. In September, for example, STRABAG entered the Romanian project development market through the acquisition of the Bucharest-based development team of Raiffeisen evolution. Since 2015, projects have also been under development in Poland.

The **construction materials business** was supported by the incipient stabilisation of the construction economy in several Eastern European markets. This represents a significant improvement of the framework conditions compared to the previous year. In Austria, meanwhile, there are first signs of positive growth.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS AT 30 SEPTEMBER 2015



Consolidated income statement for 1.1.–30.9.2015

T€	1.7.–30.9.2015	1.7.–30.9.2014	1.1.–30.9.2015	1.1.–30.9.2014
Revenue	3,735,253	3,538,346	9,480,722	8,892,290
Changes in inventories	-8,315	-61,181	-26,684	-31,950
Own work capitalised	977	953	2,968	6,553
Other operating income	52,975	53,630	145,196	152,400
Construction materials, consumables and services used	-2,479,718	-2,277,630	-6,331,971	-5,907,940
Employee benefits expenses	-846,749	-809,255	-2,367,724	-2,265,059
Other operating expenses	-208,344	-204,645	-570,717	-549,142
Share of profit or loss of associates	23,153	23,465	46,331	37,856
Net income from investments	10,731	5,713	25,666	14,814
EBITDA	**279,963**	**269,396**	**403,787**	**349,822**
Depreciation and amortisation expense	-95,737	-97,132	-287,985	-285,543
EBIT	**184,226**	**172,264**	**115,802**	**64,279**
Interest and similar income	14,987	11,512	60,152	44,177
Interest expense and similar charges	-29,644	-23,366	-74,116	-69,031
Net interest income	**-14,657**	**-11,854**	**-13,964**	**-24,854**
EBT	**169,569**	**160,410**	**101,838**	**39,425**
Income tax expense	-44,561	-41,241	-38,298	-19,150
Net income	**125,008**	**119,169**	**63,540**	**20,275**
Attributable to: non-controlling interests	11,159	11,645	5,197	5,876
Attributable to: equity holders of the parent company	113,849	107,524	58,343	14,399
Earnings per share (€)	**1.11**	**1.05**	**0.57**	**0.14**

Statement of total comprehensive income for 1.1.–30.9.2015

T€	1.7.–30.9.2015	1.7.–30.9.2014	1.1.–30.9.2015	1.1.–30.9.2014
Net income	**125,008**	**119,169**	**63,540**	**20,275**
Differences arising from currency translation	-18,685	-5,691	13,188	-8,908
Recycling of differences arising from currency translation	0	-34	-3,578	-2,468
Change in hedging reserves including interest rate swaps	-10,170	-11,353	-4,964	-38,544
Recycling of hedging reserves including interest rate swaps	5,811	5,964	18,843	17,268
Deferred taxes on neutral change in equity	892	889	-2,844	4,108
Other income from associates	433	-721	318	-3,867
Total of items which are later recognised (“recycled”) in the income statement	**-21,719**	**-10,946**	**20,963**	**-32,411**
Other income from associates	57	-17	57	-52
Total of items which are not later recognised (“recycled”) in the income statement	**57**	**-17**	**57**	**-52**
Other income	**-21,662**	**-10,963**	**21,020**	**-32,463**
Total comprehensive income	**103,346**	**108,206**	**84,560**	**-12,188**
Attributable to: non-controlling interests	9,420	12,394	4,297	4,604
Attributable to: equity holders of the parent company	93,926	95,812	80,263	-16,792

Consolidated balance sheet as at 30 September 2015

T€	30.9.2015	31.12.2014
Intangible assets	533,681	535,725
Property, plant and equipment	1,965,702	2,015,061
Investment property	16,180	33,773
Investments in associates	390,275	401,622
Other financial assets	220,638	232,644
Receivables from concession arrangements	717,380	728,790
Trade receivables	77,166	72,509
Income tax receivables	3,458	2,331
Other financial assets	198,594	205,883
Deferred taxes	292,671	278,123
Non-current assets	**4,415,745**	**4,506,461**
Inventories	906,536	849,400
Receivables from concession arrangements	23,159	26,654
Trade receivables	3,225,186	2,473,559
Non-financial assets	76,151	58,727
Income tax receivables	57,882	40,004
Other financial assets	396,094	396,713
Cash and cash equivalents	1,560,139	1,924,019
Current assets	**6,245,147**	**5,769,076**
Assets	**10,660,892**	**10,275,537**
Share capital	114,000	114,000
Capital reserves	2,311,384	2,311,384
Retained earnings and other reserves	488,315	459,328
Non-controlling interests	257,735	259,588
Total equity	**3,171,434**	**3,144,300**
Provisions	1,131,961	1,121,609
Financial liabilities[1)]	1,330,829	1,176,724
Trade payables	76,375	56,815
Non-financial liabilities	1,167	1,167
Other financial liabilities	12,547	13,072
Deferred taxes	35,929	39,317
Non-current liabilities	**2,588,808**	**2,408,704**
Provisions	687,918	667,361
Financial liabilities[2)]	248,232	433,198
Trade payables	3,165,704	2,729,754
Non-financial liabilities	344,796	422,419
Income tax liabilities	119,205	104,030
Other financial liabilities	334,795	365,771
Current liabilities	**4,900,650**	**4,722,533**
Equity and liabilities	**10,660,892**	**10,275,537**

1) Thereof T€ 463,928 concerning non-recourse liabilities from concession arrangements (31 December 2014: T€ 489,530)
2) Thereof T€ 49,692 concerning non-recourse liabilities from concession arrangements (31 December 2014: T€ 49,078)

Consolidated cash flow statement for 1.1.–30.9.2015

T€	1.1.–30.9.2015	1.1.–30.9.2014
Net income	63,540	20,275
Deferred taxes	-19,623	-23,885
Non-cash effective results from consolidation	-13,997	-3,599
Non-cash effective results from associates	10,589	3,746
Depreciations/write ups	298,313	287,099
Change in long-term provisions	8,501	-4,351
Gains/losses on disposal of non-current assets	-36,597	-21,166
Cash flow from earnings	*310,726*	*258,119*
Change in inventories	-47,955	-10,383
Change in trade receivables, construction contracts and consortia	-747,024	-467,032
Change in receivables from subsidiaries and receivables from participation companies	-11,837	18,661
Change in other assets	-23,998	-23,415
Change in trade payables, construction contracts and consortia	452,912	180,155
Change in liabilities from subsidiaries and liabilities from participation companies	2,145	-15,178
Change in other liabilities	-57,323	2,790
Change in current provisions	14,104	-52,541
Cash flow from operating activities	**-108,250**	**-108,824**
Purchase of financial assets	-13,039	-102,448
Purchase of intangible assets, property, plant and equipment	-242,039	-251,039
Gains/losses on disposal of non-current assets	36,597	21,166
Disposals of non-current assets (carrying value)	37,321	31,259
Change in other cash clearing receivables	-974	-78,644
Change in scope of consolidation	3,096	-911
Cash flow from investing activities	**-179,038**	**-380,617**
Change in bank borrowings	-130,462	-8,937
Change in bonds	100,000	-7,500
Change in liabilities from finance leases	-610	-1,703
Change in other cash clearing liabilities	5,331	-6,284
Change in non-controlling interests due to acquisition	-221	-387
Distribution and withdrawals from partnerships	-57,205	-55,181
Cash flow from financing activities	**-83,167**	**-79,992**
Net change in cash and cash equivalents	**-370,455**	**-569,433**
Cash and cash equivalents at the beginning of the period	1,906,038	1,684,700
Change in cash and cash equivalents due to currency translation	6,575	-7,121
Change in restricted cash and cash equivalents	11,364	8,715
Cash and cash equivalents at the end of the period	**1,553,522**	**1,116,861**

Statement of changes in equity for 1.1.–30.9.2015

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2015	**114,000**	**2,311,384**	**659,165**	**-112,259**	**-87,578**	**2,884,712**	**259,588**	**3,144,300**
Net income	0	0	58,343	0	0	58,343	5,197	63,540
Differences arising from currency translation	0	0	0	0	10,714	10,714	-1,104	9,610
Changes in financial instruments IAS 39	0	0	0	158	0	158	4	162
Changes in investments in associates	0	0	56	-736	1,047	367	8	375
Change of interest rate swap	0	0	0	13,479	0	13,479	238	13,717
Deferred taxes on neutral change in equity	0	0	0	-2,798	0	-2,798	-46	-2,844
Total comprehensive income	**0**	**0**	**58,399**	**10,103**	**11,761**	**80,263**	**4,297**	**84,560**
Transactions concerning non-controlling interests	0	0	24	0	0	24	-245	-221
Distribution of dividends[1]	0	0	-51,300	0	0	-51,300	-5,905	-57,205
Balance as at 30.9.2015	**114,000**	**2,311,384**	**666,288**	**-102,156**	**-75,817**	**2,913,699**	**257,735**	**3,171,434**

Statement of changes in equity for 1.1.–30.9.2014

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2014	**114,000**	**2,311,384**	**641,977**	**-96,686**	**-53,687**	**2,916,988**	**321,781**	**3,238,769**
Net income	0	0	14,399	0	0	14,399	5,876	20,275
Differences arising from currency translation	0	0	0	0	-10,568	-10,568	-808	-11,376
Changes in financial instruments IAS 39	0	0	0	-261	0	-261	-6	-267
Changes in investments in associates	0	0	-51	-792	-2,987	-3,830	-89	-3,919
Change of interest rate swap	0	0	0	-20,552	0	-20,552	-457	-21,009
Deferred taxes on neutral change in equity	0	0	0	4,020	0	4,020	88	4,108
Total comprehensive income	**0**	**0**	**14,348**	**-17,585**	**-13,555**	**-16,792**	**4,604**	**-12,188**
Transactions concerning non-controlling interests	0	0	-284	0	0	-284	-2,469	-2,753
Distribution of dividends[2]	0	0	-46,170	0	0	-46,170	-9,011	-55,181
Balance as at 30.9.2014	**114,000**	**2,311,384**	**609,871**	**-114,271**	**-67,242**	**2,853,742**	**314,905**	**3,168,647**

1) The total dividend payment of T€ 51,300 corresponds per share of € 0.50 based on 102,600,000 shares.
2) The total dividend payment of T€ 46,170 corresponds per share of € 0.45 based on 102,600,000 shares.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Basic principles

The consolidated interim financial statements of STRABAG SE, based in Villach, Austria, with reporting date 30 September 2015, 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 2014.

The consolidated financial statements of the Group as at and for the year ended 31 December 2014 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 2015.

	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)**
IFRIC 21 Levies	1.1.2014	17.6.2014
Annual Improvements to IFRS 2011–2013	1.7.2014	1.1.2015

The first-time adoption of the aforementioned standards had only minor impact on the interim consolidated financial statements as at 30 September 2015.

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 2014.

Information regarding the accounting and valuation methods can be found in the Annual Report 2014.

Estimates

Estimates and assumptions which refer to the amount and recognition of the assets and liabilities accounted, the income and expenditure as well as the statement of contingent liabilities are necessary for the preparation of the consolidated financial statement according to IFRS. The actual results could deviate from these estimates.

Scope of consolidation

The consolidated interim financial statements as at 30 September 2015 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 (investments in associates).

The number of consolidated companies changed in the first six months of 2015 as follows:

	Consolidation	Equity method
Situation as at 31.12.2014	**263**	**24**
First-time inclusions in year under report	1	0
First-time inclusions in year under report due to merger	1	0
Merger/accretion in year under report	-2	0
Exclusions in year under report	-4	-2
Situation as at 30.9.2015	**259**	**22**

ADDITIONS TO SCOPE OF CONSOLIDATION

Consolidation	Direct stake %	Date of acquisition or foundation
STRABAG Facility Services GmbH (former Clubdorf Sachrang Betriebs GmbH), Nuremberg	100.00	1.1.2015[1)]
Merger		
MIEJSKIE PRZEDSIEBIORSTWO ROBOT DROGOWYCH Sp.z o.o., Bialystok	100.00	1.1.2015[2)]

1) Due to a separation, the company was included in the scope of consolidation of the group for the first time effective 1 January 2015. The foundation/acquisition of the company occurred before 1 January 2015.
2) The company listed under “Merger” was merged with an already consolidated company and is therefore represented as addition to and removal from the scope of consolidation.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As at 30 September 2015, the following companies were no longer included in the scope of consolidation:

Disposals from scope of consolidation	
"Filmforum am Bahnhof" Errichtungs- und Betriebsgesellschaft m.b.H., Vienna	Sale
Kurfürstenanlage GmbH & Co. KG, Pullach i. Isartal	Sale
Möbius Construction Ukraine Ltd, Odessa	Suspension of activities
Zucotec - Sociedade de Construcoes Lda., Lisbon	Loss of control

Merger/Accretion[1]	
MIEJSKIE PRZEDSIEBIORSTWO ROBOT DROGOWYCH Sp.z o.o., Bialystok	Merger
STRABAG Property and Facility Services GmbH, Vienna	Merger

at-equity	
Oder Havel Mischwerke GmbH & Co. KG i.L., Berlin	Fell below significant level
Asphalt-Mischwerke-Hohenzollern GmbH & Co. KG, Inzigkofen	Sale

The deconsolidations resulted in disposals of assets in the amount of T€ 43,929 and of liabilities in the amount of T€ 39,318.

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 30 September 2015 as were used for the consolidated annual financial statements with reporting date 31 December 2014. Details regarding the methods of consolidation and principles of currency translation are available in the 2014 Annual Report.

1) The companies listed under “Merger” were merged with an already consolidated company.

Notes on the items of 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):

T€	1.1.–30.9.2015	1.1.–30.9.2014
Interest income	48,364	49,617
Interest expense	-21,983	-23,622
Net interest income	**26,381**	**25,995**

SHARE OF PROFIT OR LOSS OF ASSOCIATES

T€	1.1.-30.9.2015	1.1.-30.9.2014
Income from investments in associates	15,610	9,252
Expenses arising from investments in associates	-11,945	-4,127
Profits resulting from consortia	79,222	122,404
Losses resulting from consortia	-36,556	-89,673
Share of profit or loss of associates	**46,331**	**37,856**

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.

In 1–9/2015, no goodwill from capital consolidation was capitalised and no impairments were made.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

In 1–9/2015, tangible and intangible assets in the amount of T€ 242,039 (1–9/2014: T€ 251,039) were acquired.

In the same period, tangible and intangible assets with a book value of T€ 32,363 (1–9/2014: T€ 22,485) were sold.

PURCHASE OBLIGATIONS

On the reporting date, there were T€ 45,548 (30 September 2014: T€ 57,749) in contractual commitments for the acquisition of property, plant and equipment which were not considered in the interim financial statement.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

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

In the concession agreement with the Hungarian state, AKA committed to develop, plan, finance and to 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 arrangement 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 swap are recognised directly in equity.

The market value of the interest rate swap in the amount of T€ -58,789 (31 December 2014: T€ -63,677) 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€ 513,620 (31 December 2014: T€ 538,608), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in "Other operating income".

EQUITY

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

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

CONTINGENT LIABILITIES

The company has accepted the following guarantees:

T€	30.9.2015	31.12.2014
Guarantees without financial guarantees	155	155

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 36,206 (31 December 2014: T€ 42,209).

Other notes

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The representation of the cash flow statement was made according to the indirect method and separated into the cash flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects of changes in consolidation were eliminated and represented in the cash flow from investing activities.

The **cash and cash equivalents** are composed as follows:

T€	30.9.2015	30.9.2014
Securities	3,230	3,090
Cash on hand	4,354	4,058
Bank deposits	1,552,555	1,128,266
Restricted cash abroad	-6,352	-7,981
Pledge of cash and cash equivalents	-265	-10,572
Cash and cash equivalents	**1,553,522**	**1,116,861**

The **cash flow from operating activities** contains the following items:

T€	1.1.-30.9.2015	1.1.-30.9.2014
Interest paid	51,623	48,857
Interest received	30,562	29,225
Taxes paid	61,743	60,389

SEGMENT REPORTING

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

Internal reporting is based on the dedicated Management Board areas North + West, South + East and International + Special Divisions, which represent also the 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 1.7.–30.9.2015

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output Volume	**1,825,234**	**1,369,433**	**825,456**	**30,720**		**4,050,843**
Revenue	**1,688,312**	**1,311,815**	**728,416**	**6,710**	**0**	**3,735,253**
Inter-segment revenue	27,198	5,859	86,301	240,033		
EBIT	**41,629**	**102,128**	**56,021**	**185**	**-15,737**	**184,226**
Interest and similar income	0	0	0	11,087	0	11,087
Interest expense and similar charges	0	0	0	-25,744	0	-25,744
EBT	**41,629**	**102,128**	**56,021**	**-14,472**	**-15,737**	**169,569**

Segment reporting for 1.7.–30.9.2014

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output Volume	**1,937,246**	**1,167,775**	**796,428**	**30,602**		**3,932,051**
Revenue	**1,713,710**	**1,074,041**	**744,446**	**6,149**	**0**	**3,538,346**
Inter-segment revenue	25,291	2,883	98,935	238,291		
EBIT	**42,403**	**115,851**	**32,796**	**-704**	**-18,082**	**172,264**
Interest and similar income	0	0	0	11,512	0	11,512
Interest expense and similar charges	0	0	0	-23,366	0	-23,366
EBT	**42,403**	**115,851**	**32,796**	**-12,558**	**-18,082**	**160,410**

Segment reporting for 1.1.–30.9.2015

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output Volume	**4,569,300**	**3,256,217**	**2,331,617**	**98,378**		**10,255,512**
Revenue	**4,257,258**	**3,119,394**	**2,084,779**	**19,291**	**0**	**9,480,722**
Inter-segment revenue	78,385	13,586	182,738	612,173		
EBIT	**-52,017**	**130,208**	**53,637**	**200**	**-16,226**	**115,802**
Interest and similar income	0	0	0	56,252	0	56,252
Interest expense and similar charges	0	0	0	-70,216	0	-70,216
EBT	**-52,017**	**130,208**	**53,637**	**-13,764**	**-16,226**	**101,838**

Segment reporting for 1.1.–30.9.2014

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output Volume	**4,586,632**	**2,966,713**	**2,072,389**	**85,869**		**9,711,603**
Revenue	**4,234,248**	**2,768,319**	**1,872,135**	**17,588**	**0**	**8,892,290**
Inter-segment revenue	70,718	9,668	197,929	614,110		
EBIT	**-52,221**	**98,632**	**31,960**	**58**	**-14,150**	**64,279**
Interest and similar income	0	0	0	44,177	0	44,177
Interest expense and similar charges	0	0	0	-69,031	0	-69,031
EBT	**-52,221**	**98,632**	**31,960**	**-24,796**	**-14,150**	**39,425**

Reconciliation of the sum of the segment earnings to EBT 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 or 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 with EBIT in regards to EBT in the consolidated financial statements in terms of the investment result.

Other minor differences result from entries in other consolidation.

Reconciliation of the internal reporting to IFRS financial statements is allocated as follows:

T€	1.1.–30.9.2015	1.1.–30.9.2014
Net income from investments	-13,378	-11,560
Other consolidations	-2,848	-2,590
Total	**-16,226**	**-14,150**

FINANCIAL INSTRUMENTS

With exception of the financial liabilities the book value of the financial instruments corresponds to the fair value. The fair value of the financial liabilities amounts to T€ -1,622,235 on 30 September 2015 (31 December 2014: T€ -1,663,428) compared to the recognised book value of T€ -1,579,061 (31 December 2014: T€ -1,609,922).

The **fair values as at 30 September 2015** for financial instruments were measured as follows:

T€	Level 1	Level 2	Total
Assets			
Securities	29,664	0	29,664
Cash and cash equivalents (securities)	3,230	0	3,230
Derivatives held for hedging purposes	0	-58,054	-58,054
Total	**32,894**	**-58,054**	**-25,160**
Liabilities			
Derivatives held for hedging purposes	0	-3,283	-3,283
Total	**0**	**-3,283**	**-3,283**

The **fair values as at 31 December 2014** for financial instruments were measured as follows:

T€	Level 1	Level 2	Total
Assets			
Securities	36,546	0	36,546
Cash and cash equivalents (securities)	3,093	0	3,093
Derivatives held for hedging purposes	0	-63,425	-63,425
Total	**39,639**	**-63,425**	**-23,786**
Liabilities			
Derivatives held for hedging purposes	0	-12,980	-12,980
Total	**0**	**-12,980**	**-12,980**

NOTES ON RELATED PARTIES

Notes on related parties may be found in the Annual Report 2014. Since 31 December 2014, there have been no significant changes in this area. Arm's-length business relations exist in transactions with related parties.

EVENTS AFTER THE BALANCE SHEET DATE

No material events occurred after the reporting for this interim financial statements.

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 30 November 2015 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 nine months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining three months of the financial year and of the major related party transactions to be disclosed.

Villach, 30 November 2015

Management Board

Dr. Thomas Birtel
CEO
Responsibility Central Divisions and Central Staff Divisions (except BRVZ)
as well as Division 3L RANC[1)]

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. Dr. Peter Krammer
Responsibility Segment
North + West

Mag. Hannes Truntschnig
Responsibility Segment
International + Special Divisions

Dipl.-Ing. Siegfried Wanker
Responsibility Segment South + East
(except Division 3L RANC)

1) RANC = Russia and Neighbouring Countries

FINANCIAL CALENDAR

Annual Report 2015	**29 April 2016**
Disclosure	7:30 a.m.
Press conference	10:00 a.m.
Investor and analyst conference call	2:00 p.m.
Notice of Annual General Meeting	13 May 2016
Shareholding confirmation record date	31 May 2016
Interim Report January–March 2016	**31 May 2016**
Disclosure	7:30 a.m.
Investor and analyst conference call	2:00 p.m.
Annual General Meeting 2016	**10 June 2016**
Start	10:00 a.m.
Location – to be announced	
Ex-dividend date	17 June 2016
Record date	20 June 2016
Payment date for dividend	21 June 2016
Semi-Annual Report 2016	**31 August 2016**
Disclosure	7:30 a.m.
Investor and analyst conference call	2:00 p.m.
Interim Report January-September 2016	**30 November 2016**
Disclosure	7:30 a.m.
Investor and analyst conference call	2:00 p.m.

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

CORPORATE BONDS

Maturity	Coupon %	Volume € mln.	ISIN	Stock exchange
2011–2018	4.75	175	AT0000A0PHV9	Vienna
2012–2019	4.25	100	AT0000A0V7D8	Vienna
2013–2020	3.00	200	AT0000A109Z8	Vienna
2015–2022	1.625	200	AT0000A1C741	Vienna

CORPORATE CREDIT RATING

Standard & Poor's	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:

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This Interim Report is also available in German. In case of discrepancy the German version prevails.