Annual Report 2007

The future is our tradition

Key Data

in EUR million	2007	Change	2006*	2005
Profit and loss account				
Gross revenues	2,214.4	+15.3%	1,921.0	1,828.2
Production output	2,743.7	+18.1%	2,322.7	2,258.0
of which domestic	1,791.5	+9.7%	1,632.4	1,553.5
of which foreign	952.2	+37.9%	690.3	704.5
Foreign share of total production output in percent	34.7	+5.0 PP	29.7	31.2
EBIT	53.2	+27.6%	41.7	49.3
EBT	38.6	+9.3%	35.3	32.4
Consolidated profits	31.5	+17.5%	26.8	25.2
Balance sheet				
Balance sheet total	1,853.2	+15.5%	1,604.2	1,527.6
Assets (long-term)	859.2	+16.9%	735.1	706.8
Assets (short-term)	994.0	+14,4%	869.2	820.8
Payables (long-term)	674.5	+17.8%	572.6	507.9
Payables (short-term)	816.5	+6.0%	770.4	768.7
Equity capital (including minority shares)	362.2	+38.6%	261.3	251.0
Equity capital as percentage of total capital	19.5	+3.2 PP	16.3	16.4
Cash flow and investments				
Cash flow from revenues	76.1	+19.4%	63.7	77.0
Cash flow from operating activities	43.6	+192.6%	14.9	64.2
Cash flow from investing activities	–43.0	+16.7%	–51.6	–4.3
Cash flow from financing activities	44.5	+1,680.0%	2.5	–41.9
Investments	54.0	–35.1%	83.2	66.7
Depreciation	52.2	+20.0%	43.5	47.8
Operating data				
Order receipts	3,175.3	+10.6%	2,870.9	2,219.8
Order balance at year end	2,445.1	21.4%	2,013.4	1,465.3
Average staffing level	11,555	+8.9%	10,615	10,241
of which foreign in percent	23.5	+2.2 PP	21.3	21.5
Value creation				
EBIT margin (in percent)	2.4	+0.2 PP	2.2	2.7
ROCE (in percent	7.3	+0.3 PP	7.0	9.9
ROE (in percent)	8.7	–1.6 PP	10.3	12.8

Facts and Figures

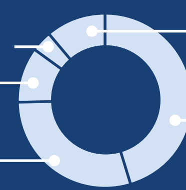
	2007	Change	2006*	2005
Key data concerning shares				
PE ratio (at year end)				
Ordinary share	19.7	+55.3%	12.7	10.0
Preference share	22.7	+76.6%	12.9	9.0
Earnings per share (in EUR)	10.8	+7.1%	10.1	12.4
Dividend per share	2.2 [1)]	26.4%	1.7	1.7
Dividend yield in percent (as of 31st December)				
Ordinary share	1.0	–0.4 PP	1.4	1.4
Preference share	0.9	–0.4 PP	1.3	1.5
Payout ratio (as percentage of annual profit)	20.3	+3.1 PP	17.2	14.0
Market capitalisation in EUR million (at year end)				
Ordinary share	285.7	+66.4%	171.7	166.4
Preference share	157.9	+89.1%	83.5	72.2
Cash earnings / share	37.5	+19.5%	31.3	37.9

[1)] Proposal to annual shareholders' meeting

in EUR	Preference share	Ordinary share
Key data concerning stock market developments for 2007		
Rate at year end 2006 (28.12.)	130.0	128.0
Rate at year end 2007 (28.12.)	246.0	212.9
High for 2007	(on 03.09.07) 295.0	(on 12.06.07) 275.0
Low for 2007	(on 02.01.07) 126.9	(on 03.01.07) 125.0
Market capitalisation at year end 2007	157.9 Mio. EUR	285.7 Mio. EUR
Listing on Vienna Stock Exchange	Official trading standard market continuous	Official trading standard market auction
ISIN-Codes	AT 000 060 963 1	AT 000 060 960 7
Security code	POV	POS

	Volume	Interest	Coupon day	Redemption
PORR Corporate Bonds				
Corporate Bond 2007	70 Mio. EUR	5.875% p.a.	31.05. & 30.11.	31.05.2012
Corporate Bond 2006 – Austria	60 Mio. EUR	5.625% p.a.	29.06. & 29.12.	29.06.2011
Corporate Bond 2006 FRN – Czech Republic	200 Mio. CZK	variable	29.06. & 29.12.	29.06.2011
Corporate Bond 2005	100 Mio. EUR	4.5% p.a.	29.06.	29.06.2010

PORR shareholder structure (ordinary shares*)



*Note: Only a very small number of preference shares are deposited in respect of annual shareholders' meetings; for this reason, no reliable statements can be made concerning the shareholder structure for this share category.

Investor Relations

Allgemeine Baugesellschaft –
A. Porr Aktiengesellschaft
Konzernmanagement
A-1103 Vienna, Absberggasse 47
rolf.petersen@porr.at

* For more on changes to the Annual Report 2006, see Notes to the Consolidated Accounts point 6.3.

Positioning

Construction creates change. Change carries with it responsibility. Today we are building an environment which our children will live in tomorrow and for years to come. We have faced this responsibility head on since 1869. For nearly 140 years our core competencies have included project development and construction management. Our position since then has not changed: PORR is committed to achieving consistently high quality in all activities and decisions, along with sustainable revenue growth and performance for the Group. And because we want to continue our record of excellence well into the future, we also need solid foundations and meticulous planning. Therefore the same holds true for employees, customers and shareholders in equal measure:

The future is our tradition.

Contents

Title page **Black and white photograph: Johannesgasse 1, Vienna, 1962**
Colour photograph: Thermal treatment plant Arnoldstein, Carinthia, 2002
Staff member in the foreground: Özgün Hasan

Foreword by the Executive Board

Dear shareholders and business partners,

Qualitative growth remains top priority

The fiscal year 2007 proved to be an important and exceptionally successful one for our Group. We succeeded in increasing revenues (our construction production) by 15.3 percent to EUR 2.2 bn. Our EBIT also improved to EUR 53.2 m, a 27.5 percent increase. Despite higher exchange rate fluctuations, attributed to world-wide developments on the capital market, there were increases on last year not only in our share price but also in our market capitalisation.

The PORR Group's positive figures are attributable to our strategy for qualitative growth. At the forefront of our strategy is the generation of revenue from high-margin market segments, rather than recording high turnover with modest profits. Favourable economic conditions constituted an additional reason for the exceptional results in the last financial year.

The economic downturn which has been predicted for 2008 will affect some economic sectors more than others. When it comes to the Austrian construction market, we nevertheless expect that the high backlog in the infrastructure segment will result in high investment levels and high demand. We therefore expect healthy returns to continue in future years.

Growth despite predicted economic slowdown

We predict strong growth rates in the CEE and SEE markets, given the fact that the demand for construction services is overriding the currently tough banking situation. This demand is a result of historic underinvestment in infrastructure and tight public sector budgets. With this in mind, we predict consistently high growth to continue in the eastern European construction industry and for this growth to be markedly higher than in western Europe.

Against this background the energy sector also plays a key role for us, as the demand for energy correlates to the continually increasing economic growth in our markets. We enjoy vast expertise in this segment and intend to establish ourselves in the energy sector not only as a construction services provider, but as an investor and operator together with strategic partners.

Group Structure and Organisation

Positioning as a multi-utility group covers the entire value creation chain

As a multi-utility group, PORR is able to realise almost any construction project. Our corporate structure guarantees the best possible flexibility and has yet again proved to be a basis for success in this fiscal year. The holding functions as a strategic 'ceiling', under which our four most important supra-regional subsidiaries are joined and vertically ordered. The three traditional segments of civil engineering, building construction and road construction are ideally complemented by PORR SOLUTIONS. This subsidiary encompasses all Austrian and international service provision related to planning, project development, project management, facility management, infrastructure expertise, licensing models, operational models and Public Private Partnership models. Across all sectors, responsibility for the customer is handled regionally. All of this adds up to a water-tight value creation chain which also allows the realisation of complex projects thanks to the

Wolfgang Hesoun

Helmut Mayer

comprehensive expertise of the PORR Group. This matrix structure allows us to react to regional fluctuations and changes in the individual construction sectors in a flexible and customer-oriented manner.

Financing

Successful issue of corporate bond and profit participation rights

In 2007 the financing structure of the PORR Group was again strengthened towards a long-term approach. In May 2007 we issued a corporate bond of EUR 70 m with a maturity of five years, which attracted an extremely high level of interest from investors. The second step was taken in December 2007 when we issued profit-participation rights (jouissance rights) through a subsidiary, again worth EUR 70 m, which strengthened the company's available capital resources.

Internationalisation

Further increase in foreign activities

The internationalisation of the PORR Group is progressing rapidly. Our increasing growth in CEE countries means that within the next three years our revenue distribution between domestic and foreign will swing from the current 65/35 to 50/50. We intend to maintain these ratios in order to ensure that also in the future we have sufficient resources for our core market of Austria. This is our basis for solid growth.

There are two factors in particular which are vital for PORR's healthy and sustainable growth:

a) Risk management: We are intent on significantly diversifying the risk regarding security of supply in the field of raw materials.

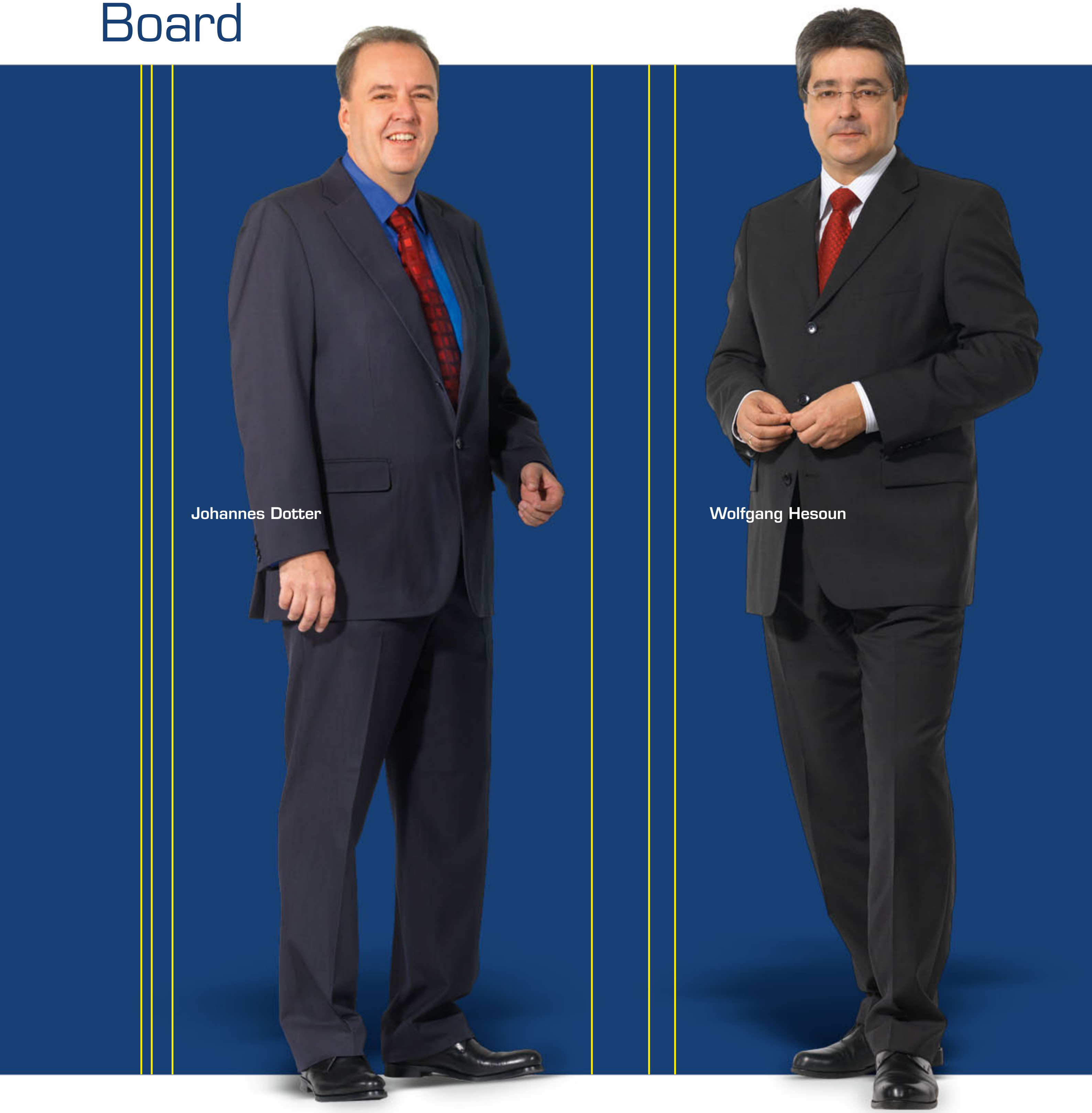
b) Human resources: In order to be able to realise projects to the highest quality standards long into the future despite our fast expansion, we are going to markedly increase the number of available staff over the next years. In order to make the PORR Group even more appealing to new and existing employees, the coming years will see increased training and development programmes, alongside additional measures to promote employee satisfaction and staff retention.

In the last year PORR has achieved excellent results and set the course for a successful future. We have our staff to thank for this success; their exceptional dedication, reliability and loyalty have been a key contributing factor in these positive results. We must also thank our customers for their confidence in us and with whom we look forward to cooperating on the challenges that await. A big thank you must also go to our shareholders who have remained loyal and supported us over the past years in taking the necessary steps to secure a successful future. We therefore intend to reward you with an above-average performance and excellent perspectives for the coming years.

Johannes Dotter

Peter Weber

Executive Board



Johannes Dotter

Wolfgang Hesoun

Born 1961, married with two children; Executive Board Member of PORR AG since September 2007. Responsible for operative construction issues, building construction, civil engineering, road construction, technology management and equipment.

Born 1960, married with one child; Executive Board Member of PORR AG since March 2003, Chief Executive Officer of PORR AG since 2007. Responsible for strategy, organisation, human resources, public relations, auditing, and project development in civil engineering and building construction.

Born 1949, married with two children; Executive Board Member of PORR AG since 2003. Responsible for group structure and information management, real estate portfolio, resources, controlling, and legal and quality management.

Born 1953, married; Executive Board Member of PORR AG since 2003. Responsible for financial management and capital markets, project financing, accounting, IT, insurance and purchasing.

Corporate Strategy

Developing from a Construction Supplier into a Multi-Utility Group

Allgemeine Baugesellschaft – A. Porr AG was founded in 1869 and has been in the construction industry for 139 years. We are therefore convinced that our wealth of experience makes us one of the best construction companies in Europe and enables us to understand our customers' needs and to identify and implement tailor-made solutions.

Building on this core competence, PORR has spent the last two decades developing into an international multi-utility Group, covering the entire value creation chain in the field of construction. Extending the range of services offered, in particular in the fields of project development, project management, facility management and other similar construction-related services, has meant that PORR's qualitative growth now rests on multiple pillars. This provides for stability and continuity in the business development of the Group.

Allgemeine Baugesellschaft – A. Porr AG is not only one of the building contractors with the longest tradition in Austria, but is also one of the oldest listed companies on the Vienna stock exchange. PORR was already listed in its founding year of 1869, in order to guarantee a broad financing basis for the realisation of numerous large-scale projects along the Viennese Ringstrasse. This shows our long-standing experience in the capital market which is the catalyst for the growth and dynamism of our Group.

The Multi-pillar Strategy of Qualitative Growth

The complex questions of the modern construction industry require differentiated responses. Many new projects present technical, economic and legal questions which need an interdisciplinary and practical solution. PORR enjoys the relevant experience and comprehensive expertise to meet this challenge. The PORR Group has four supra-regional leading companies under one company 'ceiling', with which we cover all services for the European construction market ranging from project development, building construction, civil engineering and road construction through to facility management.

Increased Expansion in South-eastern Europe

The PORR Group has been building up an international presence in the CEE and SEE markets for many years. The countries in these regions offer high growth opportunities, political stability and investment security. In the field of infrastructure in particular there exists a huge need to play catch-up, hence the large amounts of money flowing into this segment. PORR is very well established as a specialist in infrastructure projects and we will increase our focus on these markets still further in the coming years.

The increasing internationalisation also makes a definitive contribution to the risk diversification of the PORR Group. This has the effect that regional and economic fluctuations can be equalized as much as possible.

One of PORR's key aims is a further increase in CEE and SEE activities. In 2007 the revenue distribution between domestic and foreign activities was already 65 to 35 percent. We are aiming for a ratio of 50/50 within the next three years.

New Opportunities with Energy and Equity Investments

The energy sector will play a decisive role for PORR over the next few years. The reason for this is the urgent demand in Europe for power stations, along with all forms of alternative energy production. The (south) eastern European countries in particular have a pressing backlog in this segment, but public funding for this is scarce. PORR's solution is long-term PPP projects, which guarantee budget neutrality for the respective states. On the one hand, this allows the respective governments to access the urgently needed investments. On the other hand, PORR can significantly and sustainably increase revenues from activities in this high-margin segment.

PPP as a Future Model

Partnerships between private and public legal representatives are the ideal solution for us when it comes to large-scale infrastructure projects. The private suppliers contribute project management know-how; the public institutions secure the long-term perspective as strategic partners. A good example of a successful PPP project is the M6 motorway in Hungary. By means of public private partnerships, big projects could be quickly realized to the highest quality standards. The PPP segment will also continue to be an important building block for PORR's qualitative growth well into the future.

More Innovation through Human Resources Development

In 2007 PORR employed an average of 11,500 employees. Expanding further and even more rapidly will require intensive work in the field of human resource recruitment. We intend to attract new staff to the company with targeted HR marketing over the coming years, in addition to improving the loyalty and retention of existing staff through professional development measures.

By offering educational and professional development opportunities to our staff, we also guarantee that PORR remains a leading innovator in the construction industry. While PORR was a pioneer in tunnel construction in the past, the future focus will be on the market segments of environment and energy. This secures us a clear competitive advantage over the competition.

Sustainability as the Top Priority

The PORR Group has always maintained a responsible atmosphere of cooperation – no matter whether it concerns our own employees, our customers or our shareholders. The harmonious balance between economy, ecology and society is important to us.

With this in mind, PORR is the first large construction company in Austria to introduce an integrated management system. This system allows us to define and maintain our high standards for quality, environment and health and safety across the whole Group, ensuring responsible protection of staff and affected parties. This guarantees the optimum realisation of our strategic aim – to achieve consistently high quality in all activities and decisions, along with sustainable revenue growth and performance.

Highlights 2007

The structural work on the last section "U 2/5 – Stadium" for the U2 extension to the Ernst-Happel Stadium has been completed. With the extension of the U2 underground line from the current final stop of Schottenring to the venue of the EURO 2008 championship finals, there is now a high-capacity transport connection for this major sporting event.

The proceeds from issuing a corporate bond worth EUR 70 m significantly contributed to improving the financial portfolio, strengthening our financial power and extending business operations. The heavy oversubscription of this bond is once again testament to the good position of PORR in the capital market.

January | February | March | April | May | June

Construction has begun on the Grzybowska park office complex in Poland. The 8-storey office building, for around 1,000 people, has a gross floor space of around 15,000 m² and should be completed by May 2008.

St. Pölten Advanced Technical College has been completed in just 19 months. There are five auditoriums, 24 seminar rooms, ten multimedia laboratories, seven computer rooms and a modern library available for 1,400 students.

In the Wienerwald Tunnel the break-through is between the east and west heading. This presently constitutes the pinnacle of Austrian tunnel construction and is the biggest and most technically demanding plan to date. Numerous technologies, which were only just developed for tunnel construction, were used when building the 13.35 km twin tunnel through the Vienna woods. During this the tunnel boring machine reached record performance levels of up to 52.0 m per day.

The stadium in Klagenfurt has been completed. 32,000 spectators will take their seats during Euro 2008. PORR was responsible not only for the construction, but also the entire planning and project management.

Record order receipts of EUR 3.2 billion (+10.6 percent)
Record order balance of EUR 2.4 billion (+21.4 percent)
Construction output up to EUR 2.7 billion (+18.1 percent)
Gross revenues of EUR 2.2 billion (+15.3 percent)
EBT rises to EUR 38.6 million (+9.2 percent)
Earnings per share: EUR 10.82
Dividend per share: EUR 2.20

July

August

September

October

November

December

Extension of the Salzburg football stadium completed during the current season. By building up an additional stand, we created the required capacity of 30,000 spectator seats and 900 extra media places.

PORR was awarded the contract for the mega project EUROVEA. The building construction project is the biggest to date in Slovakia and worth more than EUR 300 million. The built-up surface area of EUROVEA amounts to 40,000 m². After a construction time of 28 months, this project will form its own part of the city on the edge of the historical centre of Bratislava, and is directly situated on the banks of the Danube.

Profit-participation rights issued to strengthen the capital resources for further qualitative growth in the eastern European markets. A 100 percent subsidiary of PORR AG issued profit-participation rights with a total nominal value of EUR 70 m in EUR 50,000 denominations.

Executive Bodies of the Company

Executive Board

Wolfgang Hesoun, Chief Executive Officer
(since 24.05.2007, Deputy Chief Executive Officer until 24.05.2007)
Horst Pöchhacker, Chief Executive Officer (until 24.05.2007)
Johannes Dotter (since 13.09.2007)
Helmut Mayer
Peter Weber

Supervisory Board

Friedrich Kadrnoska*), Chairman (since 24.05.2007)

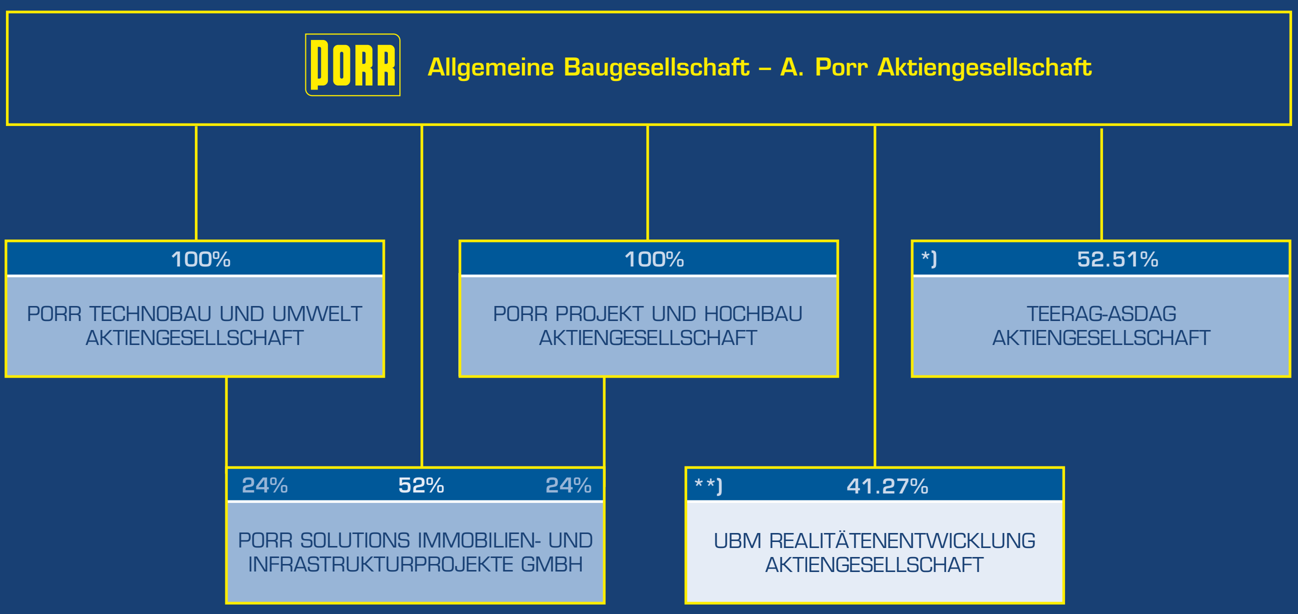
Klaus Ortner*), Deputy Chairman (since 24.05.2007,
Chairman until 24.05.2007)
Karl Schmutzer, Deputy Chairman (until 24.05.2007)
Georg Riedl*), Deputy Chairman
Günther W. Havranek*)
Martin Krajcsir*)
Walter Lederer*)
Heinz Mückstein*)
Karl Samstag*)

Members delegated by works council:

Peter Grandits
Walter Huber
Walter Jenny
Johann Karner

*) All shareholder representatives are elected for the period until the end of the AGM which rules on the fiscal year 2008.

Organisational Structure



As a multi-utility Group, PORR is able to realise almost any construction project. Our corporate structure guarantees the best possible flexibility and has yet again proved to be a basis for success in this fiscal year. The holding functions as a strategic 'ceiling', under which our four most important supra-regional subsidiaries are joined and vertically ordered. The three traditional segments of civil engineering, building construction and road construction are ideally complemented by **PORR SOLUTIONS**. **PORR SOLUTIONS** encompasses all Austrian and international service providers involved in planning, project development, project management, facility management, infrastructure expertise, licensing models, operational models and Public-Private-Partnership models. Across all sectors, responsibility for the customer is handled regionally. All of this adds up to a water-tight value creation chain which also allows the realisation of complex projects thanks to the comprehensive expertise of the PORR Group. This matrix structure allows us to react to regional fluctuations and changes in the individual construction sectors in a flexible and customer-oriented manner.

As of 31.12.2007

* indirect share ** minority share

Locations

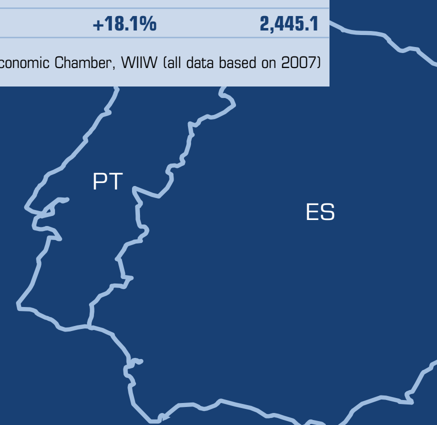
The PORR Market

The PORR Group has significantly extended its international presence over the past few years. Today PORR's market area stretches from Austria to Germany, Switzerland, eastern and south-eastern Europe, right through to the Ukraine. Around 250 million people live in this economic area with huge growth potential. The tables highlight the massive growth potential of this region. While the GDP per capita in CEE and SEE countries (adjusted for purchasing power) was just 40-70% of Austrian levels in 2007, most of these countries' growth rates outstripped Austrian growth by a wide margin in real terms. This strengthens PORR's resolve to pursue one of the most important targets for the coming years: continued expansion of CEE and SEE activities.

Country	GDP/capita (in PPP EUR)	Population (in million)	Economic growth (real-terms GDP in %)	Production output (in EUR million)	Change in production output against 2006	Order balance (in EUR million)
Austria	31,959	8.3	3.4	1,791.5	+9.7%	1,172.2
Germany	28,149	82.3	2.5	187.8	+38.7%	229.9
Croatia	13,183	4.4	6.0*	25.3	–18.6%	41.7
Poland	13,473	38.1	6.5	168.5	+2.1%	149.8
Switzerland	33,500*	7.5	3.1	41.0	+2.5%	157.9
Slovakia	16,722	5.4	8.7*	47.9	+444.3%	106.0
Slovenia	22,327	2.0	6.1	6.8	–21.8%	4.9
Czech Republic	20,075	10.3	5.8*	208.8	+10.3%	168.2
Hungary	15,869	10.2	1.3	191.0	+102.7%	221.6
Group				**2,743.7**	**+18.1%**	**2,445.1**

*predicted values

Source: EUROSTAT, Austrian Federal Economic Chamber, WIIW (all data based on 2007)



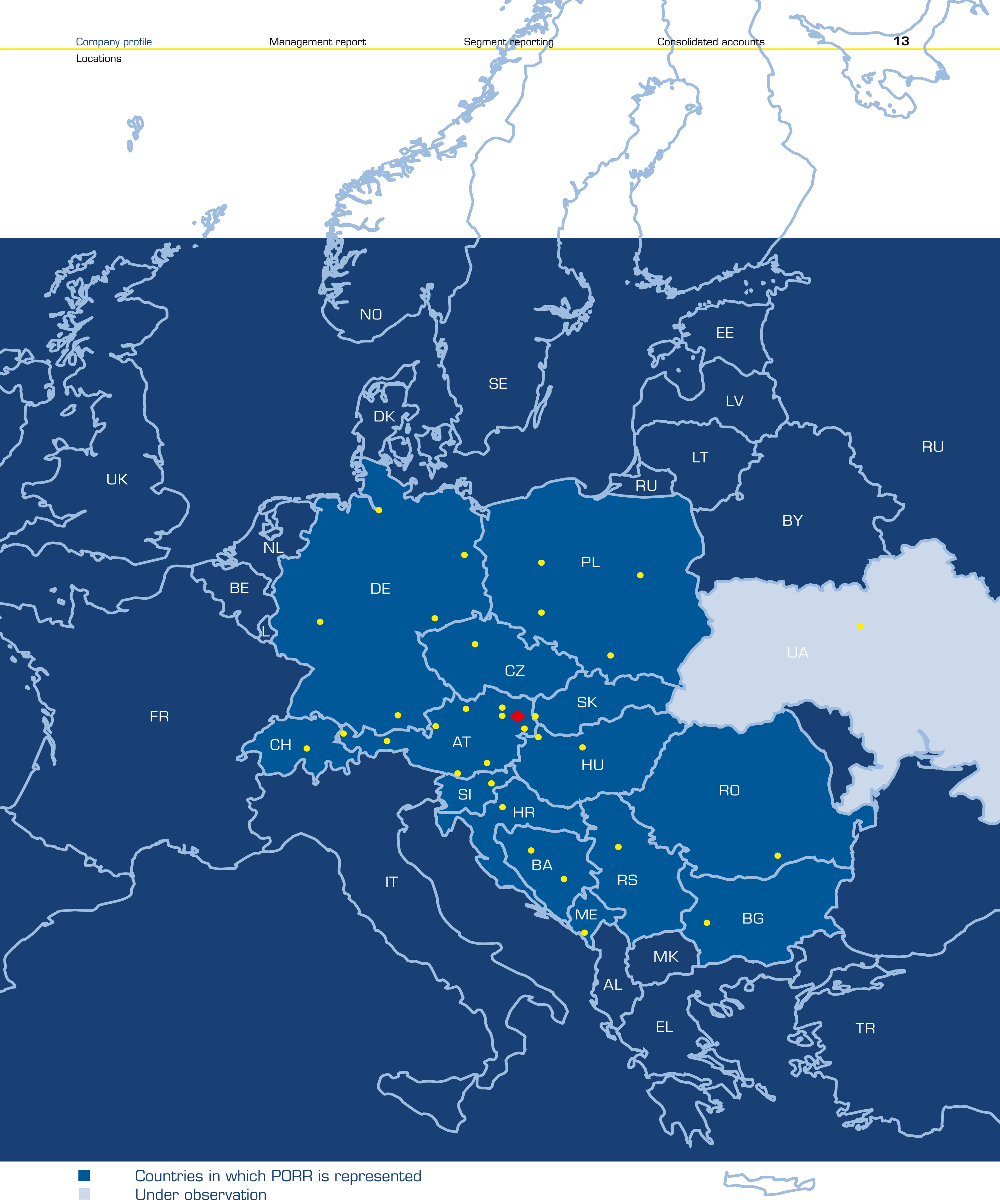
The countries in which PORR is represented:

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

Vienna Headquarters

Main branches

Country symbols conform to the inter-institutional rules of publication within the European Community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Countries in which PORR is represented
Under observation

PORR on the Stock Exchange

Development of the International Capital Markets

Turbulent year on the stock exchange and growing inflation concerns

The year 2007 on the stock exchange was marked by extremely high price fluctuations. Taking the year as a whole, the majority of stock exchanges just managed an overall positive development in their respective share indices. After the first correction at the end of February, the following months saw particularly pleasing growth. Carried by positive company results as well as numerous acquisitions and mergers, many stock market indices achieved new records, or at least the highest levels for several years, between the end of May and mid July. The second half of the year was influenced in particular by the crisis in the US mortgage market (subprime crisis), which led to a need for high value adjustment among financial institutions and a distinctive fall in risk acquisition among both private and institutional investors. Concerns about economic growth, as well as fears of inflation regarding prices of oil, raw materials and food also contributed to sluggish market trends. The banks of issue helped to stabilise the markets by releasing additional liquidity and making corresponding adjustments to interest rates.

The leading ATX index just managed to achieve a positive performance with a plus of 1.1 percent, while the WBI (Vienna Stock Exchange Index), which covers the entire market, closed with a minus of 1.4 percent. On account of the dominance of mid and small caps among the listed companies in Vienna, the ATX did not manage to match the performance of DJ Eurostoxx 50. In the first half-year national economic data, corporate data and company acquisitions inspired the Austrian stock market. After closing at an all-time high (4,981.87 points) on the 9 July 2007, the ATX Viennese stock market index rates fell sharply, following the pattern of the international markets. In the second half of the year, a spate of negative news about certain securities led to widespread downward revisions of the profits which had been generated in the first six months. The average monthly commercial revenues on the Vienna Stock Exchange developed extremely dynamically, rising from EUR 10.5 bn to EUR 14.7 bn. Market capitalisation grew by 8 percent from EUR 146.2 bn (year-end 2006) to EUR 157.9 bn as of 31 December 2007.

PORR Shares

Shares in PORR, which are listed on the Vienna Stock Exchange, experienced severe fluctuations in line with developments of the entire market in 2007. Thus the stock market price of ordinary shares rose from EUR 128 at year-end 2006 to a high of EUR 275 in June 2007, falling back to EUR 212.90 at the end of 2007. The more widely dispersed preference shares saw a similar trend, rising from EUR 130 (year-end 2006) to EUR 295 (September 2007) and ending 2007 at EUR 246.

PORR shares significantly outperform ATX

The price rise in the Group's ordinary and preference shares also led to a convincing increase in market capitalisation from EUR 255.2 m as of end 2006, up to EUR 443.6 m at year-end 2007.

PORR Capital Share Certificates in 2007

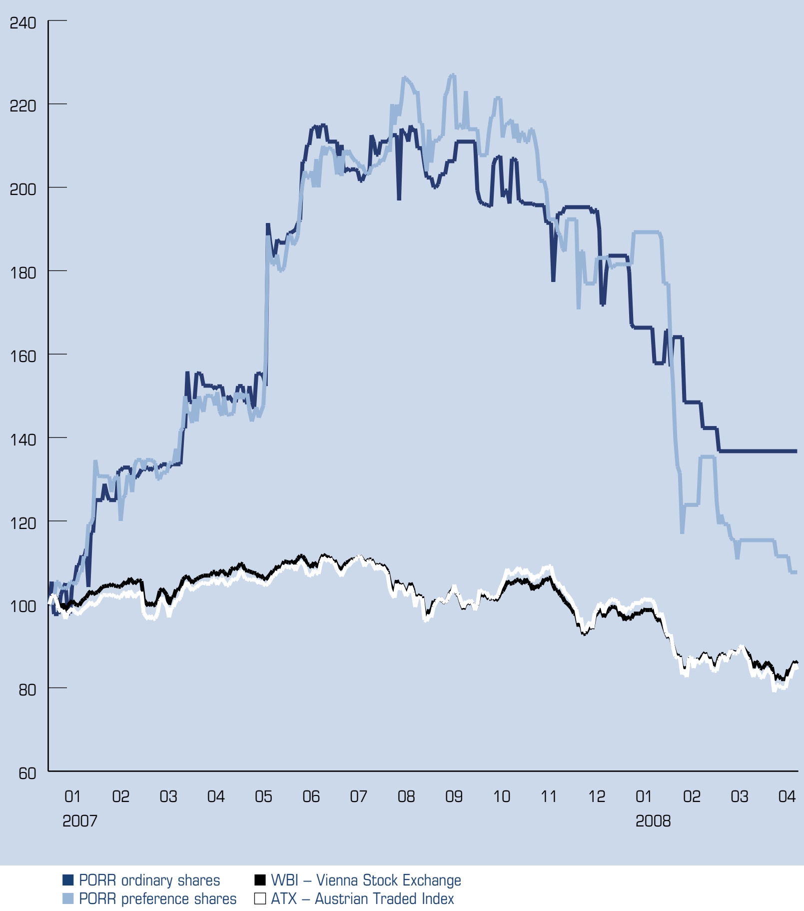
PORR capital share certificates experienced similar trends to the company shares. While the price at the beginning of the year still lagged at EUR 85.01, the capital share certificates reached a high of EUR 245 in June 2007, before registering a year-end price of EUR 229 – an increase of 126.7 percent on last year's closing price.

Stock market data

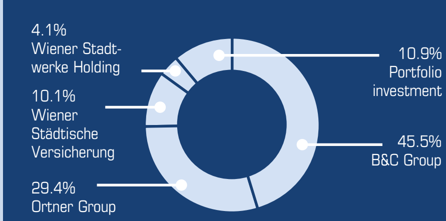
in EUR	2007 Ordinary	2007 Preference	2006 Ordinary	2006 Preference	2005 Ordinary	2005 Preference
Rate as of 31.12.	212.9	246	128	130	124	112.5
Highest rate	275	295	135	132	133.12	133
Lowest rate	125	126.9	109.3	100	94	70.51
Profit per share	10.82	10.82	10.1	10.1	12.4	12.4
Dividend per share[1]	2.20	2.20	1.74	1.74	1.74	1.74
Price/earnings ratio as of 31.12.[2]	19.7	22.7	12.7	12.9	10.0	9.0
Dividend yield as of 31.12. in %	1.0	0.9	1.4	1.3	1.4	1.5
Market capitalisation at year-end in million	285.7	157.9	171.7	83.5	166.4	72.2
Payout ratio in %[3]	20.33	20.33	17.2	17.2	14.0	14.0

1) Proposal to annual shareholders' meeting
2) Price/earnings ratio: rate as of 31.12./ profit per share
3) Payout ratio: Dividend per share/profit per share in %

Development of the price of PORR shares from January 2007 to April 2008 in percent (indexed on 01.01.2007)



PORR shareholder structure (pie chart showing ordinary shares*)



*Note: Only a very small number of preference shares are deposited in respect of annual shareholders' meetings; for this reason, no reliable statements can be made concerning the shareholder structure for this share category.

PORR Corporate Bond 2007

Given the fact that the PORR bonds issued in 2006 were exceptionally well received by the market, the Group issued another corporate bond in May 2007, once again with great success. In order to meet high demand, the issue volume was raised from EUR 60 m to EUR 70 m. The bond has a coupon rate of 5.875 percent and a maturity of five years.

ABAP Profit-participation Rights in 2007

Successful issue of bond and profit-participation rights

In order to boost the financing structure still further, in December 2007 ABAP Beteiligungs Holding GmbH issued profit-participation rights with a total nominal value of EUR 70 m. ABAP is a newly founded PORR subsidiary into which the TEERAG-ASDAG AG shares have been incorporated. The initial rate of return is fixed at eight percent per annum, rising by a further five percent after a period of five years. This is known as so-called hybrid capital, which is classed in the IFRS consolidated accounts as equity capital. This step means that we have further diversified our financing sources. For 2008 we plan to list the profit-participation rights on the regulated unofficial market (open market) of the Vienna Stock Exchange.

Meeting Austrian Compliance Guidelines

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

PORR on the Vienna Stock Exchange

	ISIN-Codes	Number of shares quoting/nominals	First quoted
PORR ordinary shares	AT 000 060 960 7	1,341,750	08.04.1869
PORR preference shares	AT 000 060 963 1	642,000	03.11.1986
PORR capital share certificates	AT 000 060 966 4	49,800	22.10.1990
PORR bond 4.5% 05-10	AT 000 049 270 7	EUR 100,000,000.00	29.06.2005
PORR bond 5.625% 06-11	AT 000 0A0 19D6	EUR 60,000,000.00	29.06.2006
PORR bond CZK FRN 06-11	AT 000 0A0 19E4	CZK 200,000,000.00	29.06.2006
PORR bond 5.875% 07-12	AT 000 0A0 5DC4	EUR 70,000,000.00	31.05.2007

Corporate Governance

So far, PORR has made no formal declaration committing itself to observance of the Austrian Corporate Governance Code. Despite this, however, the company complies with all mandatory regulations and most of the 'comply or explain' regulations.

Investor Relations

PORR is one of the oldest listed companies in Austria. We believe that this tradition reflects our commitment and duty to ensure open and regular communication. The Executive Board and the IR team take part in numerous investor meetings, providing information about the Group and our strategy. For all company-related information and to view our quarterly and annual reports, visit our website www.porr.at. Please address any questions to Rolf Petersen (rolf.petersen@porr.at).

Financial calendar	
Publication of annual financial report 2007	29.04.2008
Financial results press conference	29.04.2008
Publication of interim report on the 1st quarter	09.05.2008
128th annual shareholders' meeting at Absberggasse 47, 1103 Vienna at 1pm	29.05.2008
Ex-dividend trading on Vienna Stock Exchange	02.06.2008
Dividend payment day for fiscal year 2007	03.06.2008
Publication of half yearly financial report	29.08.2008
Publication of interim report on the 3rd quarter	11.11.2008

Supervisory Board Report

The fiscal year 2007 was once again highly satisfactory for PORR. In addition to the existing core countries, the intensification of the activities above all in eastern and south-eastern Europe was extremely positive. Last year, the company profited above all from the excellent economic growth within CEE. Order receipts exceeded expectations, leading to a marked increase in the Group's performance. The corporate bond issued in May 2007 of EUR 70 m, as well as the issue of profit-participation rights worth an additional EUR 70 m via a subsidiary in December 2007, have improved the basis for realising further operational and strategic objectives.

The Supervisory Board has actively encouraged and supported this development in keeping with the responsibilities assigned to it. The Supervisory Board has been kept constantly informed of full details of the development of the business and financial position of the Group and its shareholdings, of staff and planning matters and of investment and acquisition projects through spoken and written reports from the Executive Board, and the latter has discussed strategy, business development and risk management with the Supervisory Board. In a total of five meetings, the Supervisory Board passed the relevant resolutions that were required. The necessary approval for the transactions for which consent is required under § 95 section 5 of the Stock Corporation Act and/or pursuant to the rules of procedure was obtained for the Executive Board; in urgent cases, written voting was used for authorisation of this nature. The average level of attendance at Supervisory Board meetings on the part of the members that had been elected by the AGM was 85 percent.

The Supervisory Board formed a financial audit committee, consisting of the following Supervisory Board members: Friedrich Kadrnoska (since 24 May 2007), Klaus Ortner, Karl Schmutzer (until 24 May 2007), Günther W. Havranek, Peter Grandits and Walter Huber. On 26 April 2007, a meeting of the financial audit committee was held in the presence of the auditors, for the purpose of auditing the 2006 financial statements and preparing them for adoption. The personnel committee of the Supervisory Board, consisting of Supervisory Board members Friedrich Kadrnoska (since 24 May 2007), Klaus Ortner, Karl Schmutzer (until 24 May 2007) and Georg Riedl, dealt with the settlement of the contractual stipulations in connection with changes in the Executive Board.

The annual financial statements of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft prepared as of 31 December 2007, including the notes on the accounts and the (Group) management report, and the consolidated accounts that had been prepared as of 31 December

2007 in accordance with the International Financial Reporting Standards (IFRS) and the (Group) management report, were jointly audited by Deloitte Wirtschaftsprüfungs GmbH of Vienna and BDO Auxilia Treuhand GmbH of Vienna. The audit, based on the bookkeeping and documentation of the company as well as the explanations and documentation provided by the Executive Board, revealed that the bookkeeping records and the annual financial statements and consolidated accounts complied with the legal requirements and provided no cause for complaint. The (Group) management report accords with the annual and consolidated financial statements. The aforementioned audit companies have therefore issued an unqualified audit certificate for the annual and consolidated financial statements.

The audit reports prepared by the auditors and the proposal of the Executive Board regarding the appropriation of profit were dealt with in detail with the auditors on 24 April 2008 in the financial audit committee and were submitted to the Supervisory Board. The financial audit committee and the Supervisory Board approved the annual financial statements as of 31 December 2007 and the (Group) management report following intensive discussion and auditing. The annual financial statements as of 31 December 2007 have thus been adopted. The financial audit committee and the Supervisory Board also approved the consolidated accounts for 2007 that had been prepared in accordance with the IFRS and the (Group) management report. The Supervisory Board agreed with the proposal of the Executive Board regarding the appropriation of profit.

The Supervisory Board thanked the customers and shareholders for the confidence they had placed in PORR and their commitment to the company, as well as the Executive Board and staff for the dedication they had demonstrated over the past year and the constructive collaboration it had enjoyed with them.

Vienna, April 2008

Friedrich Kadrnoska (*)
Chairman of the Supervisory Board

(*) manu propria

Management Report

General Economic Environment

The Global Economy in 2007

Record levels followed by turbulent development

2007 was a turbulent year for the economy, which was characterised by strong growth in the first months, then a short decline in summer, followed by record highs on the international stock exchanges. As a result of the US financial and real estate crisis, the most important indexes lost up to 30 percent of their value at the beginning of 2008, while the price of one barrel of crude oil rose to more than USD 100 at times. The continuing depreciation of the US dollar against the Euro (16 percent in 2007 alone) meant that the rise in raw material prices did not affect the European countries tied to the Euro as strongly as in other parts of the world.

In the first quarter of 2008 there is still no recognizable turnaround in economic trends on the international financial markets. According to experts, the North American markets are on the brink of, or already experiencing, a recession, while the Asian economic powers of India and China have reduced their growth forecasts to just over 10 percent for 2008.

Economic Development in Europe

GDP of EU-27 rises, budget deficits and unemployment rates fall

The European stock exchanges and finance companies came under pressure, but thanks to the dynamic development in eastern and south-eastern Europe, as well as the strong ties of these currencies to the Euro, the general economic environment remained stable and positive as far as possible.

The economy of the EU-27 experienced strong growth in 2007 in spite of the international financial crisis. GDP of the EU-27 rose by 2.9 percent year-on-year and by 2.6 percent in the Euro zone. Real growth in CEE countries ranged between 2.0 percent in Poland and around 9.0 percent in Slovakia, Bulgaria and Romania in 2007.

EU budget deficit forecasts show a decrease for 2007 from –1.5 percent to –1.0 percent. The standardised unemployed rates of the EU-15 fell from 7.7 percent in 2006 to 6.9 percent in 2007.

in percent	Growth rate for real-terms GDP	Inflation rate (HICP basis)	Unemployment rate
Economic development indicators in 2007			
European Union	2.7	2.1	7.0
Euro zone	2.6	2.1	7.4
Germany	2.5	2.3	8.4
France	1.9	1.6	8.3
Lithuania	8.8	8.1*	4.3
Austria	3.4	2.2	4.4
Poland	6.5	2.5	9.6
Switzerland	3.1	0.7	2.8
Slovakia	8.7	2.8	11.3
Slovenia	6.1	5.6*	4.8*
Czech Republic	5.8	3.0	5.3
Hungary	1.3	8.0	7.3

Sources: Eurostat,
*Bank Austria Creditanstalt AG

At the time of writing, we predict economic growth to continue in the coming years, particularly in the target markets identified by the PORR Group. However, growth in western Europe is not expected to reach the levels seen over the last two years. Key influences are predicted from the eastern and south-eastern European markets and these states will also be an essential indicator for continuing sharp rises in construction investment.

CEE/SEE region expected to be a decisive factor in the coming years

The Austrian Economy

Thanks to the excellent economic development in the whole Euro zone and the adjoining CEE states, the Austrian economy could achieve a probable growth rate of over 3 percent – not only in 2006, but also in 2007. These figures, along with significant falls in unemployment, constitute rates not seen for several years.

The developments in inflation were less pleasing. December, with 3.6 percent, registered the highest increase in the Austrian annual comparison since 1993. Calculated for the whole of 2007, inflation stood at 2.2 percent (just 1.5 percent in 2006). Once again energy and raw materials were factors affecting price increases, in addition to rising costs for accommodation and food. As a result of this, consumer spending in Austria continued to fall and the number of private bankruptcies increased in relation to company insolvencies. Economic growth forecasts were adjusted in light of these trends and for 2008 economic growth in Austria is only expected to be around 2.0 percent.

Excellent growth cools off in 2008

Developments in the European Construction Industry

The recent expansion of the European construction industry continued in 2007 and experts believe it will also continue over the coming years. The tough situation on the financial and property markets is still not markedly affecting the construction industry in the PORR Group's core markets. The reason for this is the demand for new buildings in parts of western Europe, along with the need to play catch up in the developing growth markets of eastern and south-eastern Europe, especially in the infrastructure sector. The situation looks decidedly different in Spain and Great Britain where excessive real estate prices are already having negative effects on the construction industry.

The Euroconstruct Network predicts growth rates of between 1.5 to 1.9 percent over the next three years. During this period, real growth in construction volume in western Europe will be modest, while CEE growth is still expected to reach between 7.5 and 8 percent. The main factors for this boom in eastern and south-eastern Europe are investments in upgrading transport networks (road and rail), as well as environmental projects and energy projects, where these countries reap long-term benefits from EU subsidies. Growth in the overall infrastructure sector is set to reach double digits for the stated period. In Hungary, for example, a rise of between 12 and 18 percent has been forecast. The PORR Group's extensive experience in infrastructure construction and environmental technology means that we are well placed to play an active role in these developments.

Slowdown in western Europe, continuing growth in CEE/SEE

The building construction segment is primarily concentrated on office and commercial construction, strongly supported by industrial investors. Although the importance of new residential construction in eastern and south-eastern Europe is on the rise, the volume is still significantly below that of the old EU member states. Here too, the Group is already successfully represented on these markets.

PORR has strengthened its activities on the booming CEE markets over the last years and can therefore feel the huge benefits of this development. In the medium term these countries will make a decisive contribution to the growth of the PORR Group.

In western Europe the construction industry developed on a high level in 2007. The main growth factor was civil engineering, in particular the investments in infrastructure and Trans-European transport networks. This development will continue to define the market in the coming years, albeit in a weakened form.

As the level of investment in construction reflects general economic growth trends, the construction industry is used as a key indicator of national economies. The current positive factors are expected to remain in the following years.

Developments in the Austrian Construction Industry

Above average growth set to continue

Following 2006 trends, construction in Austria increased significantly in 2007 marked by new construction in the infrastructure and residential sectors. Although previous growth rates of 5.5 percent look unlikely to be repeated in the coming years, the Austrian construction industry is set to develop with growth rates of about 2 percent. This growth is higher than other industries in Austria and should also make a significant contribution to further falls in unemployment.

As a crossroads on the Trans-European transport network, Austria is obliged to adapt road and rail infrastructure to meet rising requirements. In particular, road links to our eastern European neighbours will be extensively upgraded over the coming years.

Developments in the European Real Estate Industry

Record year despite subprime crisis, no sharp decline expected

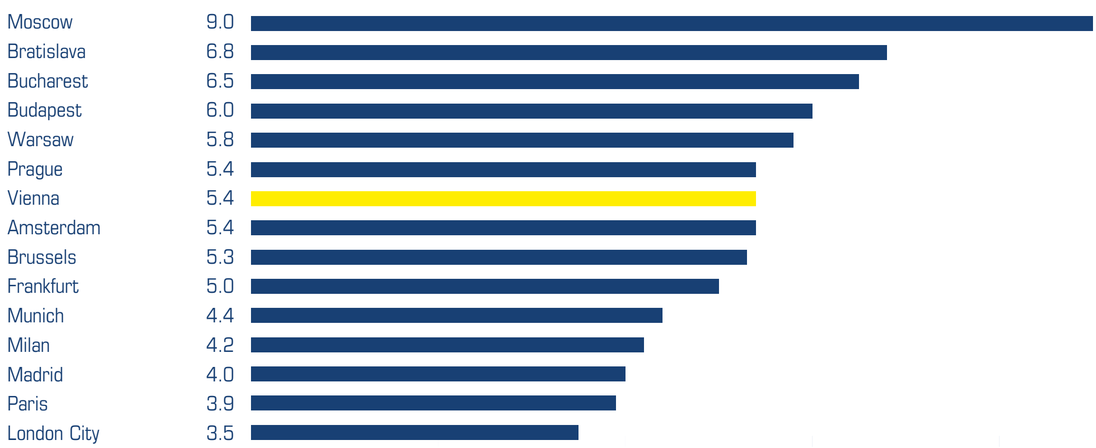
2007 will go down in real estate history as the year of two halves: pre subprime and post subprime. The second half year saw a turnaround in rates of return and a sharp reduction in trade volume. The first half still offered nearly unlimited opportunities for financing and refinancing, allowing real estate transactions at record levels. The trend was towards international investors and trading of large-volume real estate packages. This trend then slowed considerably in the last few months as a result of the crisis. Nevertheless, 2007 was a record year overall for the European property market.

No further serious decline is currently expected in the European investment markets in the next years. Basic data for both national economies and real estate looks robust; available liquidity from national and international investors still exists in sufficient measure. However, transaction volumes are expected to decrease temporarily.

With regard to the European office property market, returns in some countries slipped back slightly against 2006, but nevertheless remained at a high level. Thus returns on office real estate in Moscow fell by about 9.0 percent, however in Vienna they remained at last year's rates of 5.4 percent. Across Europe the general picture shows that eastern European cities generally kept their levels, while rates in western capitals showed a slight decline.

The extremely low vacancy rates in office real estate meant that top rental rates increased still further in 2007. In London’s West End the price per square metre was EUR 133 at the end of 2006, rising by around 9.0 percent to EUR 145 in 2007. Moscow saw the fastest growth, with rental rates almost doubling to EUR 81 per square metre within one year.

Top returns on office properties in percent – European comparison 2007



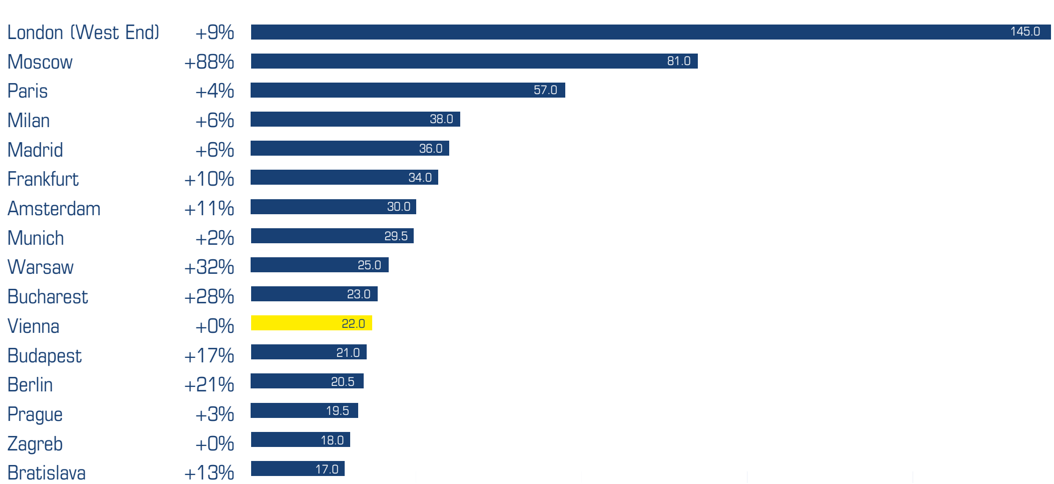
Source: CPB

The Austrian Property Market

The recent trend – demand from international investors in Austrian real estate – continues, as international companies see Vienna as a starting point for their eastern European business. Suitable real estate is therefore experiencing high demand levels, above all in the high price segment. Demand for renting will continue to outstrip new construction in the coming years, with the consequence that the current vacancy rate of 6.0 percent will drop even further.

For international companies Austria remains a gateway to eastern Europe

Peak rents in Europe 2007 (in EUR/m²/M), development since 2006



Source: CPB

Development of Output

Definition of Production Output

Within the PORR Group, production output is determined from the annual construction output of all operational Group companies according to certain economic criteria. As opposed to the gross revenues reported in the Group profit and loss account, the output of joint ventures involving PORR AG or one of its subsidiaries is included proportionately in the calculation of production output. Only the TEERAG-ASDAG Group, in which PORR has a stake of 52.5 percent but of which it holds industrial management control, deviates from this share-ownership ratio rule under commercial law in that 100 percent of it is included in the production output figure.

Development of Production Output

Production output improves by 18.1 percent

The year 2007 saw the strongest ever performance in company history. With a production output of EUR 2.7437 bn, the volume generated was around 18.1 percent higher than in 2006, an increase of EUR 421 m.

Favourable weather conditions for the construction industry meant that throughout the year high output volumes could be generated with no significant adverse affects.

Development of the Domestic Market

Austria: 9.7 percent rise

In Austria, last year's output of EUR 1.6324 bn increased by EUR 159.1 m (+9.7 percent) to EUR 1.7915 bn. Across the federal provinces, trends showed not only an increased focus in completed construction output in eastern Austria (approx. 74 percent), but also the highest growth rates against 2006 were achieved in the federal provinces of Vienna, Burgenland and Lower Austria. Salzburg registered an impressive increase in construction output with a 50-percent increase, however at EUR 91.2 m, it is still clearly behind Vienna (EUR 665.0 m) or Lower Austria (EUR 291.7 m).

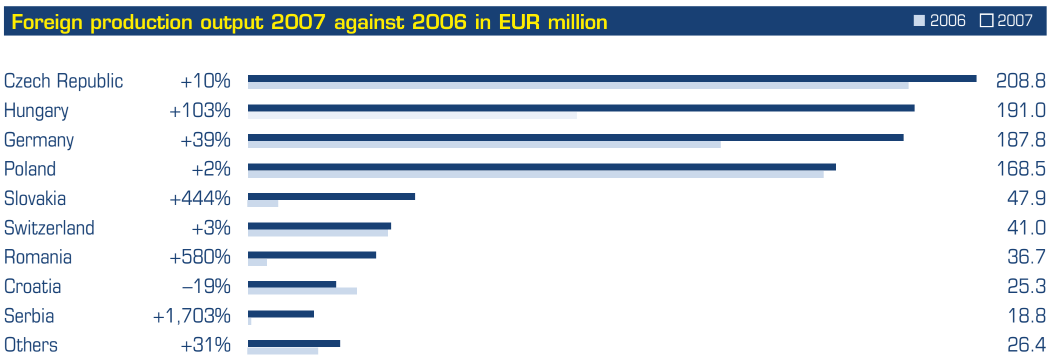
Development of Foreign Markets

Foreign share: already 34.7 percent, predicted to approach 50 percent in 2008

The continuing boom on the eastern and south-eastern European property markets, as well as massive investments in the infrastructure and environmental sectors, brought the PORR Group large-volume order receipts in 2007. The processing of these order receipts was responsible for a significant change in the regional output distribution in the year under review. Therefore the foreign share rose by 37.9 percent to EUR 952.2 m and already accounts for 34.7 percent of the total output volume. With it the foreign share increased by 5 percentage points against 2006. A continuation of this development, which seems probable based on the order receipts, means that in 2008 the foreign share is likely to come close to the 50 percent mark of the PORR Group.

In addition to the disproportionate growth – albeit starting from a modest base level – in Slovakia (+444.3 percent to EUR 47.9 m), Romania (+579.6 percent to EUR 36.7 m) and Serbia to EUR 18.8 m, other significant growth rates were achieved in all other markets.

Dominating markets with regard to construction volume outside Austria are the Czech Republic (EUR 208.8 m), Hungary (EUR 191.0 m), Germany (EUR 187.8 m) and Poland (EUR 168.5 m). They each account for a 6 to 7 percent share of the total volume.



Three countries then contribute an average of 1.5 percent to the whole volume: Slovakia (EUR 47.9 m), Switzerland (EUR 41.0 m) and Romania (EUR 36.7 m). The remaining markets each have a share of less than 1 percent.

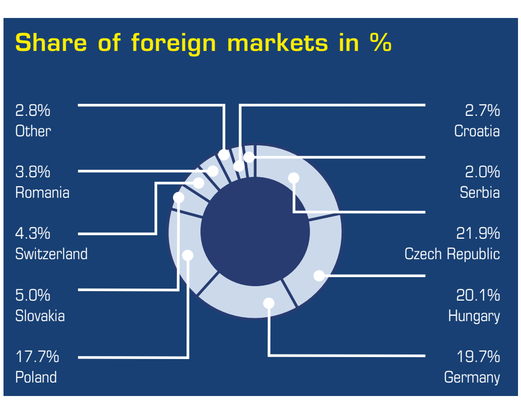
Development of Production Output by Sector

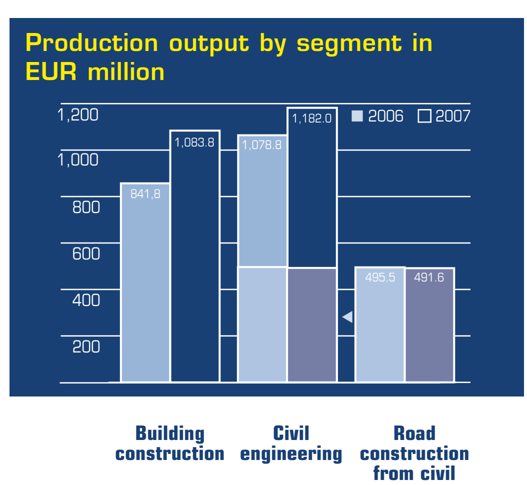
Civil engineering: EUR 1.2 bn
Building construction: EUR 1.1 bn

Developments in international investments are having a long-term effect on both the civil engineering and building construction sectors: While civil engineering increased the generated output volume by EUR 103.2 m (+9.6 percent) against 2006 to EUR 1.1820 bn, building construction increased its construction output by EUR 242.0 m (+28.7 percent) to EUR 1.0838 bn, breaking through the 1 bn Euro mark for the first time.

The most important civil engineering segment remains road construction with a share of 41.6 percent, although with an output volume of EUR 491.6 m, this is roughly the same as in 2006. However, significant increases were made in tunnel construction (+91.5 percent to EUR 152.8 m) and bridge construction, with a growth rate of 51.2 percent to EUR 116.4 m.

In the building construction segment, the main growth areas in 2007 were commercial and office construction with an increase of 34.9 percent to EUR 344.9 m, and industrial construction with an increase of 77.6 percent to EUR 118.4 m. The increasing trend towards renovation/refitting in the building construction segment led to a plus of 70.7 percent to EUR 41.1 m.





Order Balance

Record Level of Order Receipts

As in 2006, 2007 was also marked by continuing rises in order volume. While in 2006 the order balance crossed the EUR 2.0 bn mark for the first time, in 2007 the PORR Group had order receipts totalling more than EUR 3.0 bn for the first time in company history.

Order receipts exceed EUR 3 bn for the first time ever

Total order receipts amounted to EUR 3.18 bn, of which EUR 1.47 bn was generated abroad and EUR 1.71 bn domestically. The growth rate was therefore 10.6 percent. The importance of the export markets is becoming ever clearer, and now makes up 46.2 percent. This supports the strategic decision of the PORR Group to increase the focus on export markets and has laid the foundations for success in the coming years. In addition, this established base enables a selective, solid range of options for acquiring new orders and developing new markets. The PORR Group not only uses these opportunities in the CEE states, but the growth risks can also be moderated thanks to excellently functioning mechanisms and systems.

Order Balance for 2007

Foreign share overtakes Austrian share for the first time

As of the end of 2007 the total order balance of the PORR Group amounted to EUR 2.4451 bn, of which the foreign share accounted for 52.1 percent, or EUR 1.2729 bn, outstripping the Austrian share of EUR 1.1722 bn for the first time. While the foreign order balance rose by 68.2 percent, or EUR 516.3 m, against 2006, the Austrian share is currently just short of last year’s levels. Despite the slightly sluggish domestic order balance on the reporting day, in the coming years the PORR Group can expect to operate again at very high levels in Austria based on the numerous orders acquired in 2007.

From the current order balance of EUR 1.8417 bn, more than 57.0 percent of the overall output level forecast for this year is accounted for.

In Germany, positive economic growth has led to an increase of the order balance of 23.7 percent, to EUR 229.9 m in 2007.

Thanks to good acquisition results and the long-standing high quality of the output, the PORR Group in Poland raised the order balance by year-end by 97.4 percent to EUR 149.8 m. Almost all of this volume will be processed in 2008.

Compared with 2006, PORR increased the order balance by 42.8 percent (+EUR 50.4 m) to EUR 168.2 m in the Czech Republic. Also here the prevailing share will be completed in 2008.

A consistently high level of orders remained in Hungary with EUR 221.6 m. In 2008 a record volume of EUR 210.0 m will be processed in Hungary.

In Romania – currently the fastest growing market of the PORR Group – PORR registered order receipts of EUR 162.9 m in 2007. Here, a very good basis has been established for long-term market development on account of the current order balance of EUR 135.0 m.

As a result of more infrastructure orders, the order balance in Switzerland experienced positive growth, rising by 262.2 percent to EUR 157.9 m.

In Slovakia the order balance increased to EUR 106.0 m, a 74.6 percent rise on 2006, whereby significant expansion of the annual output is also expected in this country.

When it comes to acquiring orders, the strategy of the PORR Group leans towards quality over quantity, in order to improve the earnings situation rather than just increasing production output. In addition to the necessary structural and organisational adjustments, thanks to the solid order base we can also pay more attention to profitable projects in the acquisition stage.

Earnings Situation

The statements and values set out below are generally based on the consolidated accounts alone, since, given the Group structure (holding function), these also have the greatest relevance to the economic situation of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft.

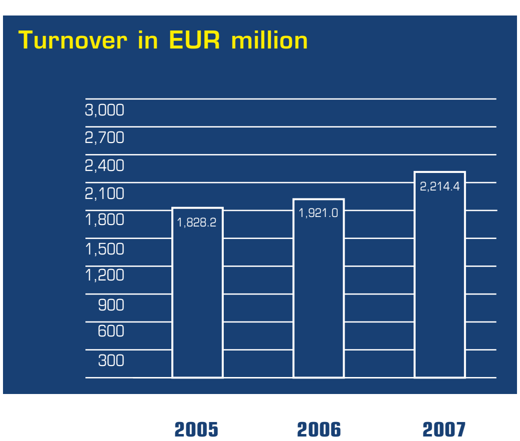
Gross revenues +15.3 percent to EUR 2.2144 bn

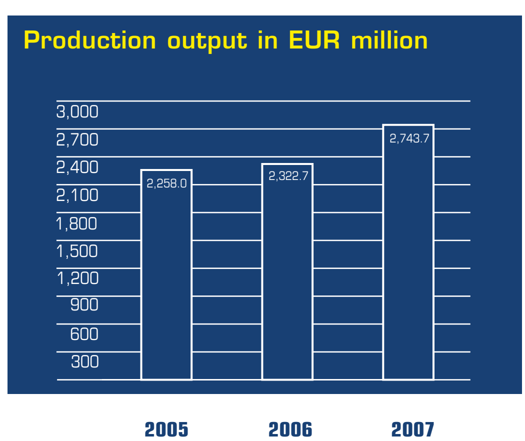
In the reporting year 2007, the consolidated gross revenues amounted to EUR 2.2144 bn. Compared with 2006 (EUR 1.921 bn) this represents growth of 15.3 percent or EUR 293.4 m and with it the highest gross revenues in the history of the PORR Group.

This figure includes invoiced construction work on own construction sites, goods and services to joint ventures, profit transfers from joint ventures and other ancillary revenue. The disparity in production output as against the gross revenues stated in the profit and loss account mainly results from the differing treatment of joint ventures (the reporting of sales only shows output for which joint ventures were actually invoiced, and profit transfers). The increase in gross revenues in 2007 is primarily accounted for by the increased activity in the PORR Group's new target markets and also the resultant organic growth in these states.

EBT rises to EUR 38.6 m

In spite of the additional burdens that accompanied growth in 2007, the PORR Group did not only manage to increase gross revenues, but also achieved an improvement in earnings. The earnings before taxes (EBT) increased by EUR 3.3 m. This represents an increase of 9.2 percent year-on-year to EUR 38.6 m. With restructuring to improve efficiency and programmes to increase productivity, the focus of the next years is to achieve significant targeted rises in earnings in addition to the necessary turnover growth.





With regard to expenses, as last year the largest share went on materials and other production costs. This amounted to EUR 1.4245 bn, an increase of 16.4 percent year-on-year. The additional turnover led to a rise in expenses for energy and raw materials, exacerbated by significant price rises and also by the increased use of subcontractors. The expenditure for related services rose by 15.8 percent or EUR 132.2 m to EUR 966.4 m and the expenditure for materials by 17.8 percent, rising from EUR 389.1 m. to EUR 458.2 m.

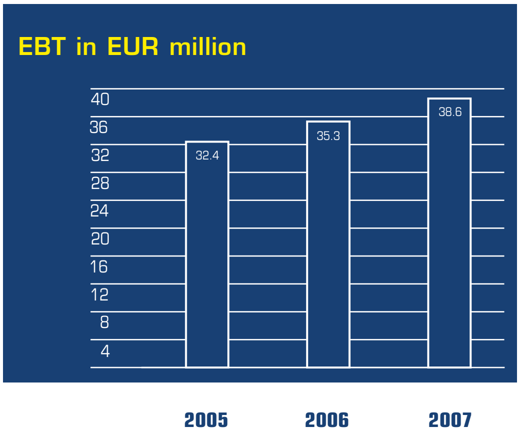
The organic growth of the PORR Group was also reflected in staff expenditure. However, with regard to both the number of staff (+8.9 percent) and the value, this represents a disproportionately low rise in comparison to the increases in output and/or turnover. The staff costs rose by EUR 32.2 m, or 6.2 percent, to EUR 547.9 m.

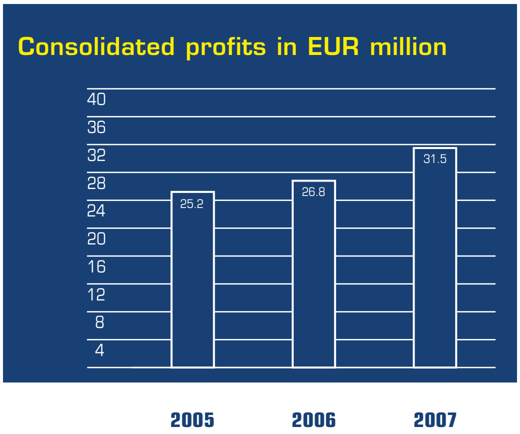
Depreciation and amortisation of fixed assets rose by 20.0 percent to EUR 52.2 m, therefore representing a share of 2.4 percent of gross revenues in 2007.

As a consequence of growth, other company expenditure also increased by 18.1 percent to EUR 174.7 m. In addition to legal expenses and consultancy fees, other operating expenses essentially comprise office running costs, accommodation and travel expenses, taxes and duties, legal, audit and consultancy costs, advertising expenditure, other third party services, general administrative costs and shares of losses linked to orders processed through joint ventures; this item also includes payments relating to rental and leasing agreements.

EBIT grows by 27.5 percent

In spite of the increase in expenses caused on the one hand by growth, and on the other hand by significant price rises, the EBIT showed a year-on-year improvement of EUR 11.5 m (+27.5 percent). Therefore the EBIT margin in relation to gross revenues increased from 2.2 percent in 2006 to the current 2.4 percent. The earnings share of the overall shareholding results of associated companies showed only restrained development. After significant growth last year, they decreased in 2007 by 10.0 percent to EUR 14.7 m. The yields from other financial and current assets fell by 25.5 percent to EUR 8.3 m. The equity position of the PORR Group, which is quite modest in comparison with other companies, led to an increase in usage of outside funds for financing growth ambitions. Hence, the general rise in interest rates led to significant rises in financing expenditure of 11.2 percent to EUR 37.6 m.





On the basis of the EBT of EUR 38.6 m (+9.2 percent compared with EUR 35.3 m in 2006), and deduction of taxes on income amounting to EUR 7.0 m, annual net income amounted to EUR 31.5 m. This amount represents a change of EUR 4.7 m on last year's reporting figures (see also 6.3 in the notes to the consolidated accounts 2007). After deducting profits due to minorities of EUR 9.5 m (+50.8 percent on 2006), the proportion for shareholders of the parent company stood at EUR 22.0 m. This produced earnings per share of EUR 10.82 and therefore an increased return of 7.1 percent year-on-year (EUR 10.10 in 2006).

Annual net income EUR 31.5 m

Dividends

On the basis of the results for 2007, the Executive Board intends to propose payment of a dividend of EUR 2.20 to bearers of ordinary and preference shares and capital share certificates at the 128th annual shareholders' meeting taking place on 29th May 2008. This represents an increase of 26.4 percent year-on-year. Therewith a dividend of 30.2 percent of the share capital is available for payout.

Proposed dividend: EUR 2.20

Financial Position

The growth year 2007 was not only marked by gross revenues of the PORR Group, but also led to an increase of 15.5 percent – or EUR 249.0 m – in the balance sheet total, to EUR 1.8532 bn (EUR 1.6042 bn in 2006). Above all, the strong growth outside Austria was accountable for this rise. Regarding long-term assets, the most striking changes arose from financial real estate (increasing by EUR 60.7 m or 37.4 percent to EUR 223.0 m) from newly included companies; tangible assets (increasing by EUR 35.3 m or 10.0 percent to EUR 389.3 m) from investments in development-stage projects; and shareholdings in associated companies (increase of EUR 26.9 m or 36.1 percent to EUR 101.6 m) from including a shareholding in the infrastructure sector. Overall, long-term assets increased by EUR 124.1 m or 16.9 percent to EUR 859.2 m. With regard to short-term assets, which rose by EUR 124.9 m or 14.4 percent to EUR 994.0 m, the capital influx from issuing profit-participation rights led to a rise in liquid funds on 31 December 2007 of EUR 49.5 m to EUR 117.4 m (+72.9 percent). Receivables from suppliers and services, trade debtors, showed a significant, but disproportionately low, increase of 9.6 percent, or EUR 66.7 m, to EUR 761.0 m.

Balance sheet total rises by 15.5 percent to EUR 1.8532 bn

Financing Structure

Not accounting for funds due to minorities and profit-participation rights, at the end of 2007 the PORR Group had equity capital of EUR 217.7 m. The change of 10.0 percent against 2006 amounts to EUR 19.7 m, and is based primarily on the inclusion of the annual net income with the revenue reserves.

The capital from profit-participation rights as of December 2007, to the amount of EUR 70.0 m, is entered in the balance sheet under equity capital. The addition of profits due to minorities from subsidiary companies results in equity capital of EUR 362.2 m at year-end 2007. The resultant equity ratio of 19.5 percent is equivalent to a rise of 3.3 percent on 2006.

Equity capital share rises by 19.5 percent

During 2007 we continued to apply the approach of replacing short-term bank liabilities with long-term bond liabilities, which has been successfully underway for several years. In May 2007 another EUR 70.0 m bond was issued on the stock exchange. The overall total value of bonds

Bonds worth EUR 70.0 m

issued since 2005 thereby increased by 29.3 percent to EUR 309.6 m. Project development and execution involves a higher long-term use of funds, leading to the expansion in volume of long-term financial liabilities by 27.7 m EUR or 16.9 percent to EUR 191.1 m. In overall terms, the long-term liabilities increased by 17.8 percent or EUR 101.9 m to EUR 674.5 m.

The aforementioned measures (issue of bonds and profit-participation rights) prevented a more pronounced rise in short-term liabilities, in spite of convincing turnover expansion. Although liabilities to trade creditors have increased by 21.9 percent to EUR 401.7 m because of services rendered, total short-term liabilities increased by a mere EUR 46.1 m or 6.0 percent to EUR 816.5 m, as a result of the reduction in short-term financial liabilities (–33.5 percent).

Cash flow from earnings EUR 76.1 m

The cash flow from earnings rose by 19.4 percent to EUR 76.1 m. This rise is based primarily on the increased annual net income of EUR 31.5 m (+17.5 percent) and the depreciations included therein of EUR 53.4 m.

Cash flow from operating activities EUR 43.6 m

The decisive factors for the clear rise in cash flow from operating activities – of 192.6 percent or EUR 28.7 m against 2006 to EUR 43.6 m – were the increase of short-term reserves at the rate of EUR 1.8 m and an increase in liabilities by EUR 77.3 m. This is essentially based on the increase in liabilities to trade creditors. Above all, a further effect came from the increase in receivables from suppliers and services of EUR 68.8 m to EUR 103.4 m.

Cash flow from investment activities –EUR 43.0 m

Reductions in payments from selling tangible assets and financial real estate (–EUR 8.1 m to EUR 18.1 m), as well as diminished investments in tangible assets and financial real estate (decrease of EUR 16.8 m to EUR 41.4 m) and the key acquisition of a subsidiary company (increase in payments from the acquisition of subsidiaries of EUR 13.0 m to EUR 14.0 m), proved responsible for the change in cash flow from investment activities, at –EUR 8.6 m to –EUR 43.0 m.

Payments from issuing profit-participation rights at the rate of EUR 70.0 m and from bonds worth EUR 69.5 m were partially used for paying back loans amounting to EUR 90.6 m. Therefore, on balance, there is a significantly higher capital influx arising from financing activities –EUR 44.5 m against EUR 2.5 m in 2006.

As of the balance sheet date, the liquid funds of the Group amounted to EUR 117.4 m (2006: EUR 67.9 m).

Staff

Openness and tolerance build trust and increase motivation

The increased strategic focus on CEE and SEE as well as continuing business growth on the Austrian market have led to a further rise in the number of staff employed by the PORR Group in 2007. The PORR Group currently employs a workforce of around 11,500 across 16 countries. Therefore the staffing level in 2007 rose by over 8 percent. The ratio of skilled workers to salaried employees is around 65 percent to 35 percent. The number of staff employed outside Austria accounts for around 24 percent of the total workforce.

These positive developments present a huge challenge for human resource management as the exceptional economic growth and low unemployment rates mean that the shortage of skilled staff is keenly felt, particularly in the construction sector. For this reason we are implementing extra measures in the fields of HR marketing, recruiting and HR development in particular, in order to strengthen the company's positioning as an attractive employer.

Human Resource Marketing

PORR is synonymous with outstanding specialist and technical expertise and the highest quality standards. To make sure this continues well into the future, we will be on the spot right where qualified new employees are being trained: at universities and vocational and technical colleges. The key word is "HR marketing". The importance of this field is constantly increasing and the HR management will implement it even more forcefully in the future.

With this in mind, PORR is part of numerous projects such as supporting 'high potential programmes' at technical and economic universities, and is also represented at countless vocational fairs (IAESTE, graduate fairs etc.).

Recruiting

Professional application management system

In order to meet the challenges presented by a tight employment market and to improve our reputation as a top service provider among applicants and business partners, we have attracted new staff with experience in HR consulting to our recruitment team and implemented a professional web-based application management system. This allows the service-oriented and efficient handling of job applications. Thanks in no small part to these measures, in 2007 more than 350 recruitment processes were successfully conducted in the salaried employees segment.

Development of average staffing levels

		2007	Change	2006	2005
Domestic	skilled workers	6,244	+6.46%	5,865	5,639
	salaried employees	2,600	+4.46%	2,489	2,396
	Total	**8,844**	**+5.87%**	**8,354**	**8,035**
Foreign	skilled workers	1,250	+7.57%	1,162	1,208
	salaried employees	1,461	+32.94%	1,099	998
	Total	**2,711**	**+19.90%**	**2,261**	**2,206**
Overall	skilled workers	7,494	+6.65%	7,027	6,847
	salaried employees	4,061	+13.18%	3,588	3,394
	Total	**11,555**	**+8.86%**	**10,615**	**10,241**

Human Resource Development

Newly established department as staff partner

HR development was established as an individual department integrated into HR management in order to meet the increasing challenges and growing demand. The aim is to position staff as strategic partners with a part to play in support and consulting.

To this end, in 2007 we started holding a "Welcome Day" for all new staff, supporting the initial transition to the company. Another focus was extending the education and training programme. A total of 120 different educational institutes offered practical seminars to improve both operational and personal skills.

Integrating staff from foreign subsidiaries

The solid growth of the PORR Group's foreign business, especially in eastern and south-eastern Europe, means that the HR development team are increasing their focus on targeted activities in learning, development and change processes. Targeted development programmes assist in overcoming cultural and language barriers and lead to faster integration of the new foreign subsidiaries.

A top priority is making sure that youngsters are supported right from the start of their professional lives. With our successful apprentice training programme, there are currently 200 apprentices across Austria learning skilled and commercial vocations. These efforts are our contribution to reducing the lack of skilled staff on the Austrian employment market.

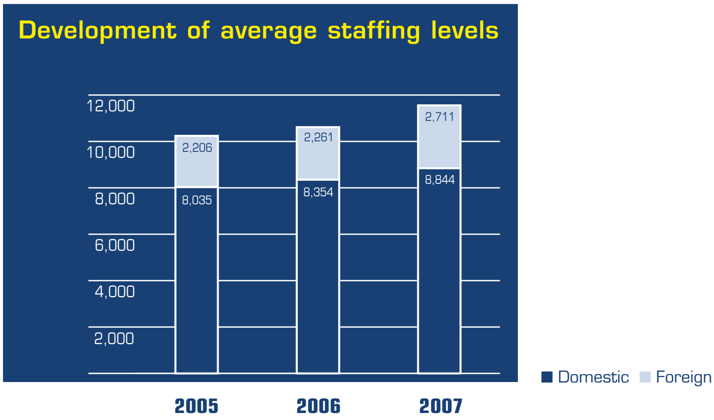
Thanks go to our staff

All of our staff deserve special thanks from the management for their extensive expertise and dedication, which made a significant contribution to achieving the Group's aims. Credit must also go to the employee representatives for their critical and constructive cooperation.

Research and Development

Numerous cooperation projects with universities

HR recruiting is not the only field in which the PORR Group is intensifying cooperation with universities, colleges and other public institutions. Noteworthy initiatives are also underway in the field of research and development. As an example of this, the following takes a closer look at our cooperation with the Christian Doppler Laboratory (CD laboratory):



Example: Christian Doppler Laboratory, Vienna Technical University

In 2007, TEERAG-ASDAG AG was involved in an extremely successful initiative, providing subsidies and technical support to the CD laboratory for optimising the practical usage of flexible road surfaces ("application-behaviour-orientated optimization of flexible road connection"). The CD laboratory was equipped to optimise asphalt roads with a view to accommodating increases in traffic loads and reducing maintenance costs. The location and scientific base of the laboratory is the Vienna Technical University. Over a period of five years the CD laboratory has developed methods to evaluate long-term effects on asphalt surfaces with regard to buckling, wear and tear, and crack formation. The results were well received across Europe, which also led to their inclusion in European norms. On the basis of the developed evaluation methods, the effects of the asphalt surface on the usage were examined in an interdisciplinary programme with civil engineering, chemical and mechanical institutes. To put the results into practice and evaluate their economic value, industrial and economic partners agreed to continue the cooperation for a further two years.

Material optimisation in numerous areas

The model of close, long-term cooperation between PORR and the universities has now been extended to other specialist areas such as concrete construction, developing energy-efficient buildings, resource conservation and ecological building. The research facilities of colleges and universities are therefore increasing their focus on practical projects with a higher likelihood of application.

Improving the quality and cost efficiency of infrastructure construction is the target of various research projects being carried out by PORR in cooperation with scientific institutes. A method was developed for determining the diameter of grout bodies underground, enabling higher safety levels during production. An additional project was the quality optimisation of special concrete for civil engineering. This should contribute to avoiding quality lacks and reducing the amount of material needed for difficult surfaces.

R & D, also for process optimisation

Our research activities are not only focused on materials optimisation. PORR considers technical expertise to be a crucial area which can above all be applied to development in construction processes. Developments in the field of tunnel construction by mechanical methods which increase output, and application of new formwork systems in building construction, are just two examples from construction operation where continuous innovation has given us a competitive advantage.

Corporate Social Responsibility

Construction creates change. Change carries with it responsibility.

Responsibility for people and environment in corporate mission statement

"Our activities also have an influence on the environment. We want to identify these influences and keep any potential negative effects to an absolute minimum – in particular on precious resources (people, water, air and earth) – taking into account legal frameworks, the latest technology and economic feasibility. Each and every staff member makes a contribution in their own way to enhancing the environment, through their conduct and accomplishments. With our activities we want to achieve long-lasting positive effects on the environment and in particular to make a significant contribution to reducing ever-increasing climate change.

It is the aim of our Group to ensure the life, the health and the well-being of all of our staff. In all of our activities, a high value is placed on the safety of employees and third parties; damage to people and objects should be avoided. These aims are achieved by strict adherence to regulations, identifying potential dangers and proscribing appropriate measures."

These lines describe company policy and are taken from the mission statement of the PORR Group. They are a declaration of responsibility – from the Group management through to every staff member – and manifest themselves in our value-oriented company culture.

Social responsibility is also a key component of our corporate culture. This comes from the individual social competence of each and every staff member and manager. The beneficial effects of our company on society are manifested on many levels including the political, social and educational, that is, the infrastructure of an international company: We build for people and meet our responsibilities head on.

The following elaborates on a few points from the three dimensions – economy, ecology and social affairs – of sustainability reporting.

Economy

The economic principle forms the basis of our value-oriented company management and promotes, controls, regulates and proportions the activities of the PORR Group in the fields of social affairs and ecology.

Occupational Social Benefits

Our corporate pension plan for all Austrian skilled labourers and salaried employees has been in effect since 1 January 2005 and is the second pillar alongside the state pension for retirement provision for our staff. PORR is therefore the only company in the Austrian construction industry to offer all employees across the country a corporate pension plan.

The Group company agreement for skilled labourers and salaried employees in Austria was enforced on 1 January 2005 and covers general rights and duties of the employees as well as the employer, which partially exceed the legal regulations. The focus of the company agreement lies on voluntary allowances from an active employer-employee relationship, such as a corporate pension plan, as well as additional payment for occupational accidents and anniversary bonuses for 25 and 35 year periods. In the medium term the PORR Group is working on implementing this company agreement at a cross-European level.

Ecology

The activities in the course of business operations affect various precious aspects of the environment such as neighbours, air, earth, water and resources. Disposal of hazardous and non-hazardous waste is particularly important.

Programme for Reducing CO_2 Emissions

Although construction output is only directly responsible for a meagre share of CO_2 emissions, we address this issue nonetheless. Reducing CO_2 emissions is an important and current topic for PORR. Converting to natural-gas vehicles is one possible way of reducing emissions.

The PORR Group has over 3,000 vehicles in its fleet. The subsidiary TEERAG-ASDAG AG is currently testing the use of natural-gas double-cabin flatbed trucks and passenger cars as part of a pilot project.

Measures in the Field of Project Development

In the field of project development we are implementing measures together with our clients for the development of energy-efficient buildings like passive houses. Our activities in this area focus on construction under the "Life-Cycle Costs" approach.

Social Affairs

Staff

PORR hired 352 new salaried employees in 2007; 211 employees left the company (including retirement figures). This results in a fluctuation of around ten percent in salaried employees as a share of the total workforce, with an increase in the overall number of staff.

Measures against "winter unemployment"

With regard to skilled labourers, there were seasonal fluctuations owing to the construction-specific "winter unemployment". In the past years PORR has been working on implementing work models in the direction of ensuring year-round work. The aim of the Group's employment policy is to use these measures to retain the expertise of skilled labourers within the Group.

The internationalisation of the company in recent years has led to the increasing significance of foreign postings for both skilled workers and management staff. The guidelines for foreign deployment, drawn up in collaboration with the works council, have been standardised across the Group, and mean that foreign postings for staff are regulated.

To meet growing challenges and the rising demand for qualified staff, a specific department for HR development in the PORR Group was set up in 2007. This department is available to support and advise both management and staff.

In order to keep up with the continuous developments of the job market and to deal with the new challenges of people, methods and technologies, the decisive success factors for PORR are learning, flexibility and open-mindedness. For this reason, PORR values effective apprentice training programmes. The internal extra training for skilled apprentices – divided into one week for theoretical and one for practical training per year for our skilled trainees – as well as the targeted support of our commercial trainees are the best guarantee for the PORR Group that we will have a pool of exceptionally well qualified staff to draw from in the future. In 2007 there were a total of 172 skilled apprentices (of which 1 female) and 27 commercial trainees (of which 18 female) undergoing training with PORR in Austria.

Future fund for education programmes

At the beginning of 2008 a future fund of EUR 1 million was established for the long-term training of commercial and skilled staff. This measure is for staff who are at the beginning of their careers within the PORR Group and will benefit from completing a tailor-made educational programme.

Health and Safety Management

Further improvements in support services

Healthy and productive employees are the backbone of each and every company. We therefore view occupational health and safety measures and accident prevention as a long-term investment in the future.

In 2007 seven occupational health practitioners were working at PORR in Austria. Therefore the staff had regular access to a doctor who could not only give comprehensive medical advice about legal obligations where necessary, but also offer tips and support regarding health care. In 2007 the occupational health department from the PORR headquarters introduced an additional day each month, on which health examinations were carried out with approval from the public health insurance organisation.

Accidents and Occupational Illness

One of the top priorities of the PORR Group is not only to reduce work-related accidents, injuries and occupational illness, but wherever possible to prevent them altogether. Health promotion, occupational health and safety and awareness raising (trainings) for staff all mean that the Group management far exceed basic legal obligations to support employees. The certified safety management system in accordance with OHSAS 18001:1999 guarantees that international standards are adhered to across the whole Group and that individual staff protection targets can be defined and achieved.

Accident statistics for PORR show that in 2007 in Austria only one percent of working hours were lost as a result of accidents.

Society

Active in representation of interests

PORR is active in legal representation of interests, through the Trade Association of the Construction Industry (Austrian Federal Economic Chamber), as well as other organisations. In addition, PORR actively participates in the Federation of Austrian Industrial Building Contractors (VIBÖ) and the Federation of Austrian Industry. Through representation of interest PORR is involved in all political processes relevant to construction, including law-making and administration, and contributes its extensive practical expertise to this end. PORR actively participates in both executive committees and in practical work in order to be best placed to contribute to frame conditions in the construction economy.

With regard to political opinion forming and lobbying activities, PORR is currently concentrated on the following issues:

- Overcoming the existing skills deficit through improved education and training measures, image campaigns and deregulation of the construction employment market (opening up to staff from the new EU member states).
- Promoting domestic investment in the energy sector (power plants and pipelines) to improve security of supply.
- Introducing a practice-oriented employer liability model for construction companies in order to reduce organised benefit fraud.
- Analysing existing disparity between rising costs and prices and implementing measures to secure a sustainable earnings situation for construction companies (incl. best-bidder principle in tender awarding, practicable price recalculation for long-term construction projects).
- Legitimising applications of the ‘representation of interest’ bodies for the enforcement of legal guidelines on conditions for bids for tender.

PORR is aware of the national economic responsibility in which the construction industry plays a key role in the economic situation and the quality of location. Accordingly, PORR is intent on a fair social balance of interests.

Risk Management

Newly implemented: strategic corporate planning

Our aspiration to ensure long-term growth and to increase the company's value is also accompanied by risks. With the help of risk management, an integral component of our business strategies, these risks are controlled and avoided as much as possible. This also gives special significance to our newly implemented process of strategic corporate planning and the internal report system. While the strategic corporate planning aids the timely identification of potential risks, the report system provides an overview during the realisation and execution of our business processes.

The following lists the most significant risks known to us, which can have a lasting influence on our assets, financial position and earnings situation.

Human Resource Risks

The high level of competition for qualified staff, arising from the construction boom in the CEE states in particular, can have a negative effect on business operations. On the one hand we continue to be confronted with enticement; on the other hand, it is difficult to find suitably qualified staff. Our future success therefore lies in the long-term retention of existing employees, as well as finding highly qualified staff and key personnel.

We are aware of this risk and place a high value on appropriate structured programmes for trainees, further development and vocational training across the company, enabling us to secure a successful future.

Financial Risks

Functional separation of commerce, processing and accounting

Managing financial risks, in particular liquidity risks, interest rate/currency risks and risks from fluctuating raw material prices, are governed by standard Group guidelines. To minimise the risks as far as possible, derivative and non-derivative hedging instruments are used in line with evaluations. Nevertheless, in general the only risks which are anticipated are those which have consequences on the Group's cash flow. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trade or other speculative purposes.

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

Payment Risks/Default Risks

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

Liquidity Risks

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

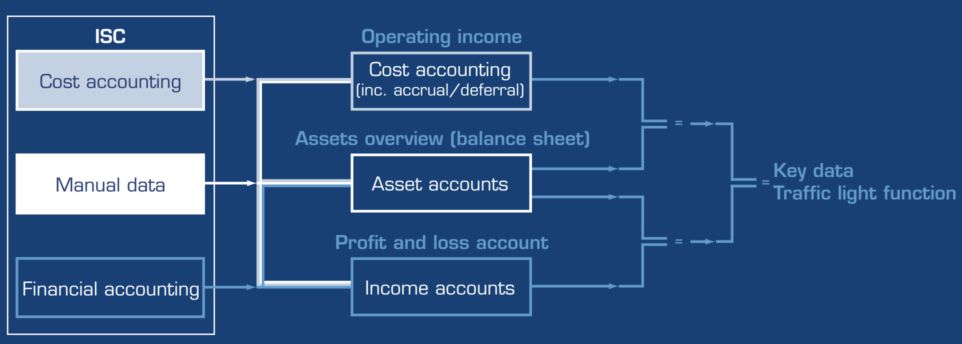
As of 31 December 2007, net debt amounted to EUR 488.1 m. The short-term monetary assets exceed the short-term monetary liabilities by EUR 359.2 m. Therefore, if the short-term reserves materialised at the rate of EUR 101.1 m, a debit balance of EUR 258.1 m would remain.

Net debt EUR 488.1 m

The short-term financial liabilities amounted to EUR 104.8 m and are more than covered by the liquid funds of EUR 117.4 m. 63 percent of the long-term financial liabilities concern bonds, whereby the first instalment of EUR 100.0 m is first up for return in June 2010. The plan is to finance the payback of bonds through primary offering.

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

Bank lines for cash loans: EUR 311.8 m



Interest Rate Risks

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

Market Risks

Risk: background conditions
Opportunity: balancing out influences

The strategic aim of increasing the focus on the markets of eastern and south-eastern Europe, on the one hand brings with it the risk of the differing economic and political conditions. On the other hand, it offers the opportunity to balance the regional and economic influences more successfully. In addition, the PORR Group is confronted with competitors, to varying degrees, some of whom have more extensive resources at their disposal.

Our expertise and flexibility mean that we are as well prepared as possible to meet this challenge.

Supplier Risks

Building up stable, long-term relationships with suppliers and subcontractors

The strategic decision to transform the PORR Group into a multi-utility supplier means that we offer a comprehensive service portfolio, but also that we are increasingly dependent on external companies. The risks connected with this concern quality, delivery times and expenses and can lead to supply difficulties in times of increased demand. The increasing challenges for the operational areas in recent years are the price increases in the energy and raw material sectors. As long as it is not possible to transfer these costs to the customer, they will have a negative effect on the earnings situation.

Building up stable, long-term relationships with suppliers and subcontractors is therefore seen as an urgent priority and enables us to minimise these risks.

Risks from Changes in Raw Material Prices

In 2007, material purchases were examined in view of the possibility of hedging the prices through derivative contracts. The result of this analysis led to hedging in the form of futures for a good two thirds of the prospective demand in diesel for the first half year of 2008. Because of the lack of functioning derivative markets in this area, the price risk of other significant materials purchases could only be assured through conventional, long-term price setting.

Hedge for Future Diesel Purchasing

In the fiscal year 2007, futures in the form of standardised contracts (ULSD 10PPM) were concluded for a total of more than 7,710 tonnes. These hedge the purchase price to meet the expected demand for diesel in the first half year of 2008. Valued at the concluded hedging rate, this corresponds to a total value of around EUR 4.2 m.

Foreign Currency Risks

Group policy: complete hedging

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

Hedging of Currency Risks

As of 31 December 2007, PORR had concluded foreign exchange futures amounting to EUR 162.2 m. Of these, around EUR 136.3 m were designated as a cash flow hedges and around EUR 25.9 m as other currency hedges.

Cash Flow Hedges

Effective prospectively and retrospectively

In the financial year 2007 PORR concluded exchange rate hedges in the form of foreign exchange futures for currency risks from local purchases; these are designated as cash flow hedges. These are concerned with construction contracts in Euros, namely in Poland, Romania and Slovakia where local purchases and subcontractor payments are expected in local currency. In this respect they concern hedges up to now classified as unrecognised firm commitments against foreign currency risks on the basis of spot price changes. As the currency exposures are exclusively concluded with foreign exchange futures, namely in view of the planned maturity in each case of the cash flow, they are by definition effective both prospectively and retrospectively. In the fiscal year 2007, a total of EUR 10.4 m of equity (hedging reserve) was realised from the change in fair value of the foreign exchange futures from cash flow hedges.

Other Currency Hedges

For the purposes of centrally performed currency management, exposures from Group-internal foreign currency financing are secured by the Group treasury. The secured financing volume amounted to EUR 25.9 m as of the balance sheet date. In the fiscal year 2007, the change in fair value of the foreign exchange futures from these hedges was successfully realised.

Capital Risk Management

On the basis of the current capitalisation, the Group strives to stabilise and steadily increase the equity ratio. This development will be achieved via the operational management objectives to maximise the EBIT margin and EBT margin.

Forecast Report

Economic Development

Although at a significantly slower pace, the positive growth of the world economy will continue in 2008, even as the effects of the financial crisis are also noticeable in parts of Europe and Asia at the beginning of the year. The main risks for economic growth remain the high prices of oil and raw materials, the high Euro and the instability of financial markets, along with political changes. For the coming years the largest growth generators will be the countries of eastern and south-eastern Europe and India. Also, in Latin America, Brazil and Venezuela will play an increasing role.

The Construction Industry

Austria: booming infrastructure and residential construction

The international economic climate for the construction industry will vary widely from region to region in the following years. While in the USA construction work will drop off noticeably, within the Euro zone the slowdown in growth should be much less pronounced. The most important growth areas for the construction industry will primarily remain CEE and Asia. For the western European construction industry, the continuing economic recovery in Germany will be a decisive factor.

The growth generators in Austria will be the massive investment in infrastructure along with residential building. After a long period of stagnation, investments will once again rise sharply in 2007 – a positive development which is set to continue in coming years. Austria continues to be an important gateway for foreign investors to eastern Europe, and also for the Trans-European transport network. The structures supporting Austria's gateway function to eastern and south-eastern Europe must be maintained and extended through further construction, so that this competitive advantage remains even when all of our eastern neighbours have become full EU members.

CEE: high catch-up demand, human resource deficit

In the CEE area there is still enormous demand for infrastructure, residential and commercial construction. This growth potential was quickly identified by construction companies, leading to the foundation of subsidiaries and branch offices to ensure market cultivation. This also brings with it a "human resource risk potential", as qualified staff from western Europe are often still reluctant to move to the eastern European growth markets, despite higher remuneration. In these countries themselves, there are still not enough qualified staff available.

Development of Output in First Quarter 2008

Increase of 44.8 percent

In the first two months of 2008 the PORR Group succeeded in outperforming last year's production output, which increased by EUR 100.1 m (44.8 percent) to EUR 323.4 m, of which the foreign share accounted for 49.2 percent. In Austria, the year-on-year rise was 19.5 percent to EUR 164.2 m, while for foreign business the increase was 85.3 percent (EUR 73.3 m) to EUR 159.2 m.

Output Forecast and Earnings Situation in 2008 and 2009

The strategy of the PORR Group is to increase activities in the growth markets of central, eastern and south-eastern Europe. This will allow successful progress to continue, despite the current tense situation on the international financial and real estate markets. Our good market positioning, high quality and renowned customer benefits mean that in these markets the PORR Group is also in a position to improve profitability, rather than just turnover growth, when it comes to order acquisition.

On the basis of the current order situation, in 2008 production output will be around EUR 2.95 bn, meaning a rise on last year of at least EUR 200 m, or around 7.5 percent. An improvement in results should be possible thanks to optimisation across the whole Group and the continued focus on high-margin sectors.

Further improvements in results expected

We expect further performance growth in 2009 on the basis of current conditions. In terms of profits, we expect further positive developments to arise from measures already underway, be it on the condition that there is no significant change in the general economic environment.

Current Orders Situation

Orders situation end of February 2008: +17.1 percent

The strategic focus of the PORR Group in the direction of CEE countries is reflected in the current orders situation. The orders situation at the end of February 2008 is EUR 2.624 bn. This is a year-on-year rise of 17.1 percent, or EUR 382.3 m. Against the same period for 2007, where foreign business accounted for 37.5 percent, this year the level is already 49.8 percent, or EUR 1.3075 bn. This is EUR 473.8 m (56.8 percent) higher than in 2007 when it was EUR 833.7 m. Despite a slight fall in the Austrian share at EUR 1.3164 bn (–6.5 percent against end of February 2007), a considerable volume continues to be generated in Austria.

PORR Branch Offices

As of the balance sheet date, PORR AG maintained branch offices in Vienna, Lower Austria, Burgenland, Upper Austria, Styria, Salzburg, Carinthia, Tyrol and Vorarlberg (with the company form 'Branch Office') as well as Maribor in Slovenia. These offices (with the exception of Maribor) are merely concluding outstanding work and are no longer involved in operational activities. In line with Group strategy, all other activities have been transferred to the new branch offices of Porr GmbH.

Disclosure According to Article 243a of the Commercial Code

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

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

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

   The right of shareholders to the securitisation of shares is excluded.

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

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

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

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

B&C-Group:	45.5 percent
Ortner-Group:	29.4 percent
Wiener Städtische AG:	10.1 percent

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

Given the fact that only a very small number of preference shares is furnished at company annual shareholders' meetings, it is not possible to offer reliable statements regarding the shareholder structure for this share category.

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

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

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

7. Above and beyond the direct legal provisions, Executive Board members are not specially authorised to issue or repurchase shares.

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

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

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

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

Civil Engineering 1972

Tauern Tunnel – Salzburg

Facts and Figures

Business Development

The production output of the PTU Group saw sharp rises in the year under review, increasing by 21.7 percent year-on-year, of which the foreign share rose by 4.2 percent. Earnings before interest and taxes rose by 31.3 percent to EUR 23.1 m (EUR 17.6 m in 2006), while investments shrank by EUR 11.3 m to EUR 35.4 m.

At year end the order balance reached a new record high, rising by 14.8 percent, and providing the basis for further economic growth for the PTU Group.

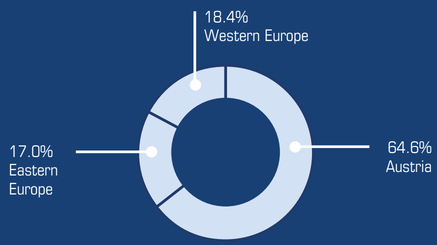
Key data for the PTU Group

	2007	Change	2006	2005
Production output in EUR million	**1,040.7**	+21.7%	855.3	880.9
Foreign share	**35.3%**	+4.2 PP	31.1%	38.6%
Order balance at year end in EUR million	**1,254.4**	+14.8%	1,092.8	663.8
Ø Staffing level	**4,672**	+17.2%	3,988	3,562

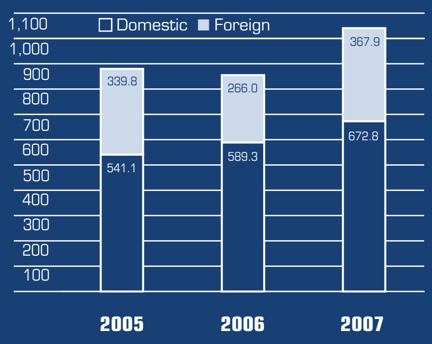
Key financial data

in EUR million	2007	Change	2006
Production output	**1,040.7**	+21.7%	855.3
of which foreign	**367.9**	+38.3%	266.0
EBIT	**23.1**	+31.3%	17.6
Investments	**35.4**	–24.2%	46.7
Segment assets	**1,509.7**	+14.1%	1,323.4
Segment liabilities	**1,215.4**	+15.8%	1,049.3

Production output in 2007 domestic and foreign in %

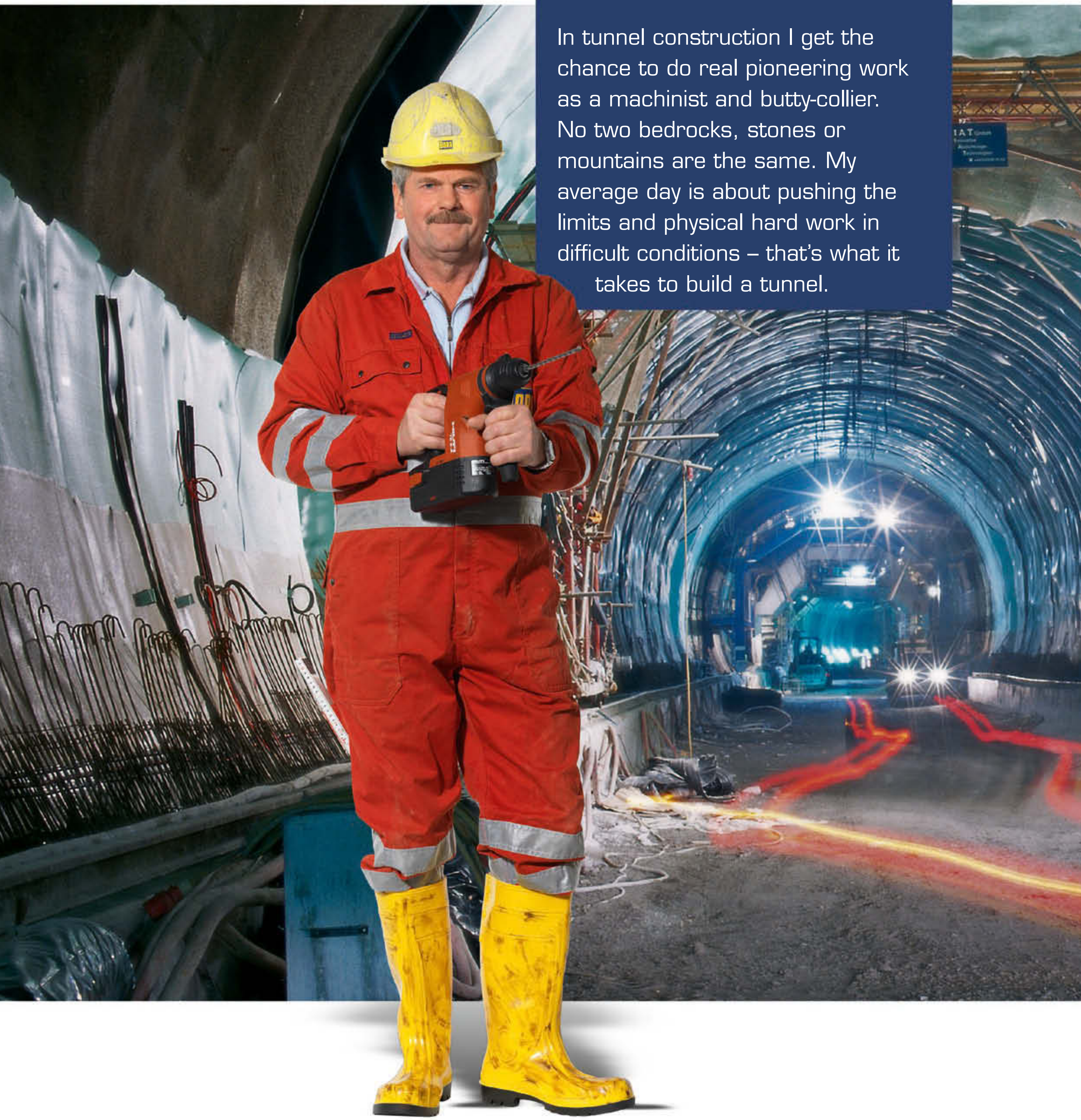


Production output in 2007 domestic and foreign in EUR million



Johann Hribernik

In tunnel construction I get the chance to do real pioneering work as a machinist and butty-collier. No two bedrocks, stones or mountains are the same. My average day is about pushing the limits and physical hard work in difficult conditions – that's what it takes to build a tunnel.



2007

Brixlegg tunnel, Tyrol

Civil Engineering Segment/PTU Group

Company Profile

Porr Technobau und Umwelt AG (PTU) encompasses all of the PORR Group's civil engineering activities. This field covers the areas of expertise in engineering construction, environmental technology and resource management, as well as operator and franchise models. The close cooperation between supra-regional specialist departments and regional cross-sector branch offices enables us to secure successful acquisitions and guarantee competitive, competent execution of construction projects. Additionally, our highly dedicated staff and top quality standards combine to form a solid foundation for our successful business operations.

Extensive experience and a broad service portfolio

The area of operations and expertise of the PTU Group covers the whole order spectrum of modern civil engineering. The company has years of experience and broad expertise in the sectors of railway, bridge, power plant, tunnel, underground railway and transport construction as well as foundations, environmental technology and prestressing technology. Operator and franchise models linked to road construction, waste disposal and various plant engineering projects have been increasingly offered across our whole market area. The resources of construction raw materials and disposal access guarantee our chances on the market well into the future and reduce our dependency on external sources of raw materials.

The sustainable expansion of our core business areas combined with geographical expansion in central, eastern and south-eastern Europe forms the growth strategy of Porr Technobau und Umwelt AG. Other priorities include the training and professional development of staff in order to maintain the company's high quality standards, taking advantage of market developments, and adapting our organisation to meet new challenges.

Service Portfolio

Engineering Construction

The Vienna office and Porr GmbH are responsible for engineering construction services at the regional level in Austria. Supra-regional services are delivered by the Vienna office and the

Executive Board members (from left to right): Alfred Jahn, Stephan Gillich (C.E.O.), Alfred Sebl-Litzlbauer and Hubert Wetschnig (since 26 April 2007)

During the course of the **renovation of the ramp and fountain of the Parliament building** in Vienna, the ramp and steps were dismantled and refitted from scratch. We also carried out the stone renovation works.

supra-regional civil engineering department, along with the PTU companies abroad. Supra-regional civil engineering, plant construction and the major projects department play a leading role in complex engineering construction projects. The Vienna office carries out the whole range of regional engineering construction activities and municipal civil engineering services both in the city and at a supra-regional level. Their service portfolio ranges from bridges, incinerating plants, underground raliway construction, garages and industrial plants through to sewers, district heating systems and sound barriers. Here the Group won major contracts such as the Traismauer Danube Bridge, flood defences in Krems and the main district heating pipeline in Pfaffenau.

Leading position in complex engineering construction projects

Railway Construction

The core competence of the railway construction department covers both new construction and upgrading of railway-related structures such as railway bridges, stations, underpasses, substructures, platforms and tracks. The "reinforced track system", developed by Austrian Federal Railways (ÖBB) and PORR, is a technological development in which embedded monoblock sleepers are enclosed in rubber. This innovative solution was used in the Lainzer Tunnel project and the Arlberg Tunnel. In 2007, key operations in Austria included ÖBB orders in the east of Austria such as the refurbishment of St. Pölten station and renovation of the Vienna – St. Pölten track, and contracts for the Viennese Transport Authority such as the upgrading of Südtirolerplatz station in Vienna, as well as track construction work on the Vienna underground system. In the reporting year 2007, the Group also acquired a major order in Romania for the construction of the Campina-Predeal railway line.

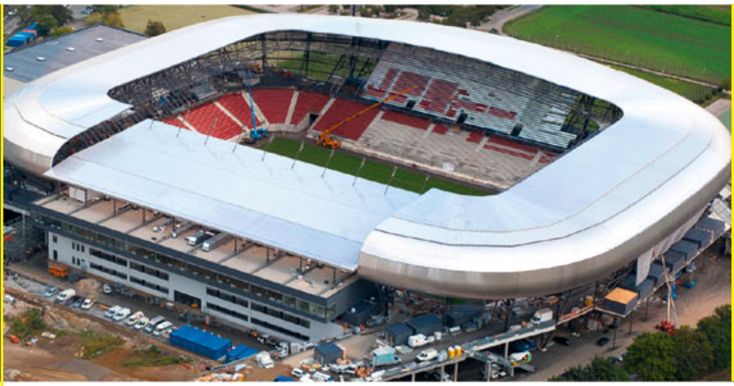
Cutting edge technology: 'reinforced track system'

Specialist Civil Engineering

The foundation engineering department is responsible for specialist civil engineering services such as bored piles, diaphragm walls, sealing walls, drilling/injection work and pile driving. 2007 saw many key projects carried out at home and abroad. Particularly notable were the diaphragm wall work for the foundations of project unit H3-4 in Unterinntal, the injection work at the Feldsee reservoir, the harbour enclosure at Lobau and flood defence measures on the Krems river. Construction work in central, eastern and south-eastern Europe is carried out in partnership with our local subsidiaries in these countries. Major projects in Hungary included underground garages and foundation work for bridge construction.

Tunnel Construction

With a wealth of experience, expertise and a thirst for innovation, Porr Tunnelbau GmbH is represented across all sectors of tunnel construction and is ideally equipped to meet the challenges of tomorrow. There are currently several notable major projects underway at home and abroad. Prominent projects



Major Project: **Klagenfurt stadium** is ready for Euro 2008, with a gross floor space of 24,546 m² and around 30,000 seats. The contract also includes reducing the stadium after Euro 2008 down to approx. 12,000 seats.

Breakthrough of the Wienerwald tunnel

include the second tunnel of the Tauern Tunnel, the Limberg II underground hydroelectric power station in Kaprun and project units H3-4 in Unterinntal, where the largest tunnel boring machine in Austria is currently in use. Important tunnel construction projects in Germany, such as the Finnetunnel for the German Railways, began in 2007. In Switzerland we won the project for the Biel underpass tunnel, in the canton of Berne. The break-through celebrations for the Wienerwald tunnel took place at the beginning of September 2007, to wide media interest.

Environmental Technology

Expertise in future areas

Porr Umwelttechnik GmbH is distinguished as an expert service provider across all areas of environmental protection and is well-equipped to meet individual customer demands. The broad spectrum covers project development, hazardous sites remediation, disposal/utilisation concepts and related disposal services. Innovative solutions and the expertise of our staff are used to develop project-oriented waste management concepts. This includes operating waste treatment plants with the highest technical standards, as well as stabilising units and disposal sites in similar waste categories.

Resources

Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H., a wholly-owned PORR subsidiary under the industrial management of PTU, secures the company's raw materials resources. The Group has a broad network of mixing plants, gravel pits and quarries which are mostly located in Austria, Germany, Hungary and Croatia. The search for raw materials in south-eastern Europe was stepped up in 2007 in order to ensure that we are also well equipped for major projects in the future.

Prestressing Technology

Salzburg-based Vorspann-Technik und Co. KG (VT) is specialised in the distribution and assembly of bonded and non-bonded prestressing systems, stay cables, heavy lifting equipment and tie bars. Orders in 2007 included the specialised prestressing of wind power generators, as well as heavy lifting and lowering of the heavy-duty scaffolding for the construction of Europe's largest arch bridge.

Geographical Presence

Austria

The situation in the Austrian construction market was positive in 2007. Construction investments increased and the civil engineering sector profited from the demand for infrastructure upgrading. Porr

The **Dürnrohr waste incinerating plant** should be expanded with a third line by October 2009. The total value of the contract is EUR 17.5 m and the project building work includes outside facilities and track construction.

By autumn 2008, **Greifswald station** in Germany will see the construction of a by-pass parallel to the train tracks as well as a railway fly-over.

GmbH, with branch offices in the federal states of Lower Austria, Upper Austria, Salzburg, Tyrol, Styria and Carinthia, experienced pleasing developments in this construction market sphere. As the company is jointly managed by PTU and PPH, Porr GmbH operates as a cross-sector company for building construction and civil engineering in Austria. The company acquired interesting major contracts in 2007, such as the Timelkam steam and gas power station. The work on the stadium buildings for the European football championships in 2008 in Innsbruck, Klagenfurt and Salzburg were carried out and delivered on schedule.

Stadium buildings for the European football championships

Germany

The construction economy in Germany developed well in 2007 and enjoyed an upsurge in demand, especially in the infrastructure sector. Porr Technobau und Umwelt GmbH, located in Berlin and Munich, acquired additional technically demanding large-scale projects such as the steam and gas power plant in Irsching, and the construction of a power plant in the Dutch Vlissingen. Thorn Abwassertechnik GmbH, a subsidiary of Porr Umwelttechnik, operates in the pipeline industry in Munich in the fields of cleaning, inspection and renovation.

Power plants

Switzerland

PORR SUISSE AG, headquartered in Altdorf in the Canton of Uri, continued with its pleasing growth in 2007. Main activities in German-speaking Switzerland include civil engineering operations like bridge, road and railway construction projects. The Rüteli cut-and-cover tunnel was finished on schedule and handed over to the builder-owner.

Bridge, road and railway construction

Hungary

Porr Építési Kft. was installed in the beginning of 2007 as a cross-sector subsidiary and carries out construction activities in building construction and civil engineering. Important cornerstones in the civil engineering sector were road construction works on project units 2 and 3 of the M0 motorway in Budapest, as well as three project units on the M7 motorway. Key projects in underground railway construction were the three underground stations on Line 4 in Budapest. Further projects in the field of environmental technology and foundation engineering were also acquired.

Motorways and underground railway

Romania

The cross-sector subsidiary Porr Construct S.R.L. in Romania has been developing well. The construction work on a chipboard factory for the Egger group was completed on time. Newly acquired interesting orders include the Campina Predeal railway project as well as the construction of disposal sites.

Railway and disposal sites

The **Aar Bridge/Solothurn** in Switzerland is planned as a continuous beam bridge with floating suspension and a total length of 387.36 m. It will be finished in 2008.

Since July 2006 the **second tunnel of the Tauern Tunnel** has been under construction on the A10 Tauern motorway. The project, worth EUR 109 m, is expected to be completed by May 2010.

Eastern and South-eastern Europe

Business activity in the countries of south-eastern Europe expanded steadily in 2007. Large-scale civil engineering projects were successfully completed. These included the renovation of the tunnel and embankment on the M2 motorway Podgorica-Kolašin and the project to renovate and extend roads along the coastline. A cable-stayed bridge was erected over the Drava in Ptuj in Slovenia. We also acquired several waste disposal contracts in Serbia. In addition to this, PTU passed the pre-qualifying stage for multiple motorway projects.

Competition

The advantage of supra-regional specialist departments

The decisive success factors of the whole service portfolio spectrum of the PTU Group are above all down to our high quality standards, ingenuity, ability to meet deadlines, and the exceptional dedication and expertise of our staff. The resilient construction economy in 2007, as well as increased investment in the core business areas of the PTU Group, suggests that satisfactory profitability will continue in the following years. The strategically chosen locations of resource management ensure the supply of materials and prices in line with market requirements. The supra-regional specialist departments provide an important foundation for cementing the market positioning abroad. The foreign share significantly increased in 2007 thanks to selective growth. The existing backlog for infrastructure and industry projects in eastern and south-eastern Europe promises steady pursuit of this business potential. Unpredictable developments in exchange rates and price rises of raw materials and building materials require the management to consider the risk management strategies even more carefully.

Customer Benefit

Specialist know-how and innovation

Our excellent positioning on the domestic and foreign markets means that the PTU Group is able to offer the best possible support to awarding authorities and companies. Long-standing experience and highly qualified staff guarantee reliable execution of construction projects in the high quality that our customers have come to expect. The specialist know-how which is found in all of our supra-regional specialist departments enables us to fulfil individual customer demands and always to offer the most state-of-the-art innovations. In addition to punctual, top quality construction work, the PTU Group also offers individual project development, financing and operational competence in order to meet customer demands on every level.

A 2.5 km long stretch of the A1 Westautobahn was completely renovated between the **Wolfsgraben-Brentenmais** viaducts, which were also refurbished.

The **rail track between Câmpina and Predeal** in Romania is being renovated and upgraded across a 50 km stretch. Work began in July 2007.

The **Foundation engineering department** carries out foundation, boring and grouting works, predominantly providing excavation pit and deep foundation solutions e.g. for the ÖBB bridge in Krems, Upper Austria.

Forecasts and Objectives for 2008 and 2009

Observing general market developments and pursuing a cautious expansion strategy are our basic principles. Therefore our top priority when focussing on results is to concentrate on high-yielding projects and business areas.

Output volume of EUR 1 billion

The medium-term goal is to achieve an output volume of EUR 1 bn with an increased yield. Therefore our focus continues to be on a structured offer system with risk and opportunity analyses carried out in the pre-stages. We intend to further refine our region-wide project support by using the relevant preparation, purchasing and controlling instruments. A top priority is also providing step-by-step training for our staff abroad in accordance with the latest 2008 training schedule.

Opportunities and Risks

PTU is better prepared today for the coming opportunities and challenges in the construction industry than ever before. The growth of the European construction industry is buoyant, mainly due to investments in infrastructure and the environment. In particular the high need to catch up in road and rail infrastructure, as well as the energy sector and environmental sector in eastern and south-eastern Europe promise high potential for the future. These projects are characterised by high complexity to meet rising technical and financial requirements. The attractive opportunities for education and professional development, in combination with personalised development opportunities in the course of regular appraisals, form the basis for our successful business operations and are an important competitive factor.

Unique Selling Proposition

Complexity, innovation and individuality are our strengths

Thanks to our highly qualified staff in tandem with our capacity to meet technically complex challenges, the PTU Group now has argueably the broadest civil engineering expertise of any Austrian-owned company. With numerous patents and the latest technologies, we can offer customers the most innovative solutions. The cooperation of the supra-regional specialist departments with the local branch offices and subsidiaries means that our customers profit from our specialist know how, while the teamwork with PPH allows us to operate as a cross-sector provider. We have carefully built up relationships with suppliers and subcontractors, enabling us to satisfy the requests of the most demanding customers. The service portfolio of PTU also includes individual project development, financing, and operation of infrastructure projects. The strategically chosen locations of resource management also ensure effective pricing. Long-standing experience and numerous technically demanding reference projects form the basis for future pre-qualifications.

The **Tunnel section H3-4 Münster/Wiesing**, carried out with slurry shield tunneling and segmental lining, has a length of 5,836 m and is one of the main project units of the new Unterinntal rail line. The completion date for this project is December 2010.

The 430 m long **"Puhov" Bridge** over the Drava in **Ptuj** is the first "Extradosed Bridge" in Slovenia. The pylons are slightly inclined away from the main bridge span, giving the construction an aesthetically pleasing effect.

Building Construction 1963

Danube power station Aschach, Upper Austria

Facts and Figures

Business Development

The PPH Group increased production output by 29.8 percent to EUR 843.6 m in 2007. The foreign share accounted for 47.1 percent. The order situation at year end showed a year-on-year rise of 36.8 percent, a positive indicator of things to come. In the year under review EBIT rose by 85.5 percent to EUR 12.8 m.

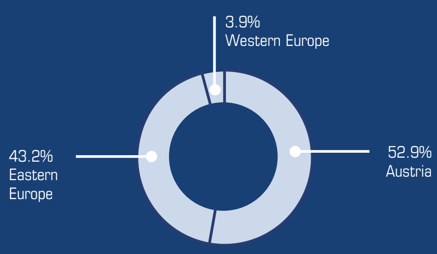
Key data for the PPH Group

	2007	Change	2006	2005
Production output in EUR million	**843.7**	+29.8%	649,9	589.7
Foreign share	**47.1%**	+1.4 PP	45.7%	41.6%
Order balance at year end in EUR million	**787.7**	+36.8%	575,6	452.8
Ø Staffing level	**2,105**	+14.8%	1,834	1,867

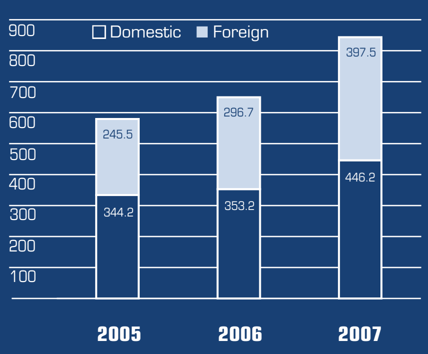
Key financial data

in EUR million	2007	Change	2006
Production output	**843.7**	+29.8%	649.9
of which foreign	**397.5**	+34.0%	296.7
EBIT	**12.8**	+85.5%	6.9
Investments	**34.5**	+516.1%	5.6
Segment assets	**992.8**	+36.9%	725.3
Segment liabilities	**918.6**	+39.0%	661.0

Production output in 2007 foreign and domestic in %



Production output in 2007 foreign and domestic in EUR million



Markus Spindler

The challenge of constructing a building from scratch makes my work exciting and varied. As a concrete formworker I create formwork elements from concrete and ferro-concrete and mount pre-fab concrete parts such as wall and ceiling elements, facade slabs and stone steps.

2007

Stary Browar II, Poland

Building Construction Segment/ The PPH Group

Company Profile

Porr Projekt und Hochbau AG (PPH) houses the supra-regional building construction expertise of the PORR Group. The company carries out the full range of construction engineering activities, including turnkey construction services, project planning and project development. Increasingly, clients demand complete systems rather than individual products. Working with other Group companies, highly qualified staff cover the fields of high-rise construction, hotel/residential construction and office/industrial construction as well as refurbishment, revitalisation and restoration work.

Service Portfolio

Reputable partner thanks to expertise and punctuality

At home and abroad, the PPH Group covers the whole range of classic building construction services, as well as all of the pre- and post-construction activities. The sectors of office and commercial building and residential building continued to dominate in 2007. Significant volumes were also generated from industrial plant construction, construction engineering, the construction of sports and leisure facilities, hospitals and clinics, and spas and pools, as well as the revitalisation, refurbishment and restoration of old buildings. Through famously broad technical expertise and strict adherence to deadlines, the PPH Group has established itself as a reliable partner not just in Austria, but also throughout the CEE countries. With numerous subsidiaries and shareholdings, PPH operates in Germany and many countries throughout central, eastern and south-eastern Europe in addition to the Austrian domestic market.

Project Planning

Our support for a project is already underway in the run up to construction – at the project planning stage. Our broad expertise ranges from conception to economic assessment of the construction task, right through to assisting in the building's operational phase. We apply comprehensive expertise in architectural, static and constructive planning methods to maximise the benefit to the customer. At the same time we lay the foundations for a smooth and unproblematic construction phase.

Executive board members (from left to right): Rudolf Krumpeck (since 10 January 2007), Nikolaus Pervulesko, Stephan Gillich (C.E.O.), Franz Scheibenecker and Josef Pein (since 1 August 2007)

Project Development

The project development activities of the PORR Group are carried out by Porr Solutions Immobilien- und Infrastrukturprojekte GmbH, in which PPH has a share. The combination of this expertise, the technical skills and the wide-reaching collaboration maximises the level of benefit not just for customers, but also for the company.

Geographical Presence

Important orders in CEE target markets

In 2007 the main market for the PPH Group continued to be Austria, where around half of the output volume is currently generated. In addition to Poland, the Czech Republic and Germany, where we have held a significant market position for many years, Hungary and Slovakia have also now proven to be important markets. The first noteworthy activities and respective turnover in Romania and Croatia also occurred in 2007. In general the CEE states are defined as target markets of the PPH Group on account of the general economic forecasts of the area. In accordance with PORR Group strategy, we are building up a local presence in these countries in the course of initial projects, together with our sister company Porr Technobau und Umwelt AG. As a cross-sector company, this will then allow capacious market cultivation.

Austria

The economic development is having a positive effect for PPH, especially from the increase in demand for residential and office construction. This enabled us acquire a whole row of interesting building projects. The commercial growth in the field of renovation work also proved successful. Particularly worth a mention here is the rebuilding of the Josefstadt theatre in Vienna, which was completed in record time during the theatre's summer break.

Porr GmbH – a joint subsidiary of PPH and PTU – continued its role as a cross-sector company, with civil engineering and building construction work all over the country. The increased focus on

When completed, the **Monte Laa Quarter** will house around 900 apartments, a large park measuring approx. 12,000 m², a school with after-school facilities and various office and commercial buildings.

Built in 1810, the Pálffy–Erdödy Palace in **Wallnerstraße 6,** Vienna, was renovated in 2004-2007. PPH was the general contractor.

project development and heightened customer care brought in particularly pleasing orders. These included the exceptional construction work on the stadia in Innsbruck, Salzburg and Klagenfurt for the 2008 European football championships, which were completed on schedule.

Germany

The upsurge in construction continues

The upsurge in the construction economy continued in 2007. The positive development was supported by the commercial construction sector which benefited from the processing industry's high propensity to invest. In contrast, residential construction experienced slower growth than the previous year, as was expected. Given the market conditions for medium-sized construction companies, PORR Deutschland GmbH will concentrate its building construction activities in Berlin, Frankfurt and Munich. The focus in the following years is not just on moderate growth, but also human resource development in the project management area, quality assurance and result consolidation, and a further increase in customer satisfaction.

North-eastern Europe

Success in north-eastern Europe

The markets in north-eastern Europe (Poland, Czech Republic, Slovakia, Ukraine) experienced dynamic growth in 2007. The operative PPH units in the first three countries registered substantial incoming orders in the high demand areas.

Porr (Polska) S.A. matched revenues to the high levels of the previous year. In addition to several office and residential complexes, there was an increase in hotel, industrial and commercial buildings. The existing locations in Warsaw, Wroclaw, Poznan and Krakow strengthened and expanded their presence with new orders in Lodz in central Poland. The associated company "Modzelewski & Rodek" Sp. z o.o., mainly active in the building construction and interior construction sector, continued to grow successfully in 2007. Future prospects look bright thanks to the high order balance and top know-how in ferro-concrete construction for high rise buildings. The subsidiary Stal-Service Sp. z o.o., which operates a ferro plant in Warsaw, benefited from the high demand for construction steel, further cementing their good market position.

Porr (Česko) a. s. expanded their activities in line with rising demand. The activities were focussed on the sectors of residential and commercial buildings, although hotel buildings and industrial

Theater in der Josefstadt, Vienna, is a listed building and was renovated within just a few months. Coordinating our services with more than 40 subcontractors was a particular challenge.

The **Landgutgasse residential complex,** Vienna, includes 240 apartments, 3 play areas and a doctors' surgery, and was completed within 2 years. The gross floor space is around 33,579 m².

buildings were also erected. The local office in Brno solidified its local presence in 2007, with the project for the Campus Science Park as well as an additional office and residential complex. A local branch office was set up at the end of the year in Budweis which should allow us to intensify activities in this part of the Czech Republic as well.

In Slovakia's booming market, Porr (Slovensko) a.s. achieved striking increases in output thanks to increased activity in the building construction sector. Many interesting building projects, in the office sector in particular, were realised or are under construction.

New subsidiary in the Ukraine

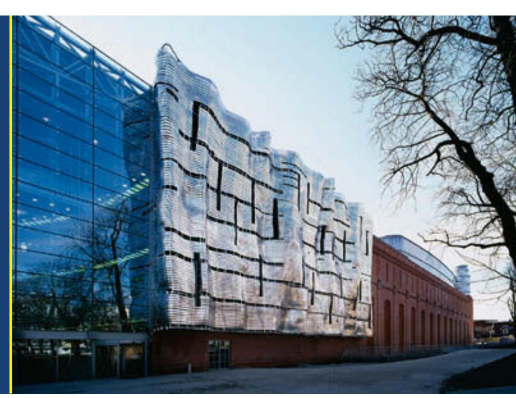
In the Ukraine the local office of the TOV "Porr Ukraina" subsidiary was set up in 2007 and a construction licence obtained. After a phase of intensive market observation in this future market, interesting order opportunities recently emerged, which should lead to at least one major building project in 2008.

South-eastern Europe

The companies in south-eastern Europe are cross-sector companies in which PPH and PTU each have a 50 percent stake. The new branch offices in this region are already successfully working on realising the first construction projects in addition to matters of structural organisation. Owing to differing framework conditions, however, market activity varies considerably for each of these offices.

Market development in Hungary did rise steadily, even though growth was much less pronounced than in neighbouring Romania and Croatia. Consistently pursuing our target of selective growth, Porr Építési Kft. received multiple interesting orders, such as the interior construction of the metro 4 stations in Budapest and the Airport Office Park.

In Romania our subsidiary of Porr Construct S.R.L. continued to consolidate and is successfully on course to be a cross-sector company. They are also realising major building construction projects in addition to civil engineering contracts. The production plant Fa. Egger Spanplatten in the north east of the country deserves a special mention for producing our own asphalt and concrete, in addition to chipboard.



The **Stary Browar II** project, with around 65,000 m² gross floor space, saw the "Old Brewery" centre for culture and trade and the old courthouse in Poznan, Poland, turned into a hotel, office and retail complex.

Cross-sector companies in south-eastern Europe right on track

After years of positive growth, the office construction sector in Croatia stagnated in 2007. However there was a sharp rise in demand for residential construction in urban areas and for apartments and hotel building in the coastal regions, with a particularly pleasing incoming order for a hotel complex in Dubrovnik. We will continue to pursue market opportunities here, especially in the residential sector. The decentralised structure, however, presents huge challenges for the new Croatian organisation.

Objectives for 2008 and 2009

Economic circumstances, the limited availability of resources and active demand from investors form the basis of our goal setting. Therefore our top priorities are selective order processing and a focus on results. Consequently we will concentrate the expansion and focus our activities on clearly defined markets. To complement this, we will further increase customer satisfaction and reinforce our successful customer relations. The quantitative objectives for 2008 and 2009 are not only to increase sales still further, but also to improve the earnings situation by continuing to raise profit margins.

In Poland, the Czech Republic, Slovakia, Hungary, Romania and Croatia we aim to strengthen the competitive position in building construction by extending our local presence, among other steps. Our aims in the Ukraine are operative market entry, setting up an appropriate organisational structure, and executing the first orders. The remaining markets will be assessed, and interesting and profitable projects will be punctually realised.

An impressive mix of offices, shops and eateries, the **Skyline** project is a perfect symbiosis of historic Otto Wagner arches and high-tech office design.

The **Fohnsdorf Aqualux Spa** in Styria has a gross floor space of 9,000 m² and a pool and spa area of 900 m². It was built in just 14 months.

Unique Selling Proposition

Increased focus on results and improved profit margins planned

Porr Projekt und Hochbau AG (PPH) is synonymous with high-quality building construction, thanks to our excellent technical know-how and long-standing experience in complicated building projects. On account of the well established network to the other PORR Group companies, PPH can offer customers added value from complete solutions in addition to our core competences.

Our structure, strategy, and growth potential all add up to make PPH an interesting employer for staff from every area, on a national and international level. Because of our strengths and structures we are sure to be a reliable and very compelling partner in all business relations for years to come.

The **Smichov Gate Office Building,** Prague, is split across eight storeys and has a gross floor space of approx. 20.000 m². It was completed in autumn 2006.

Construction of the **Delta City Shopping Center** began in Belgrade, Serbia in October 2006. PORR has been entrusted with the structural work and the execution of the constructional steelwork.

Road Construction 1963

Gürtel bridge, Vienna

Facts and Figures

Business Development

In the year under review the TEERAG-ASDAG Group increased production output by 5.1 percent to EUR 859.3 m, although this growth was exclusively due to activities outside Austria, with the foreign share accounting for 21.7 percent. Earnings before taxes and interest fell by 14.7 percent to EUR 18.5 m, while investments rose by 55 percent. The current order situation of the T-A Group rose by 16.8 percent on 2006. This reflects the increasing demand from abroad.

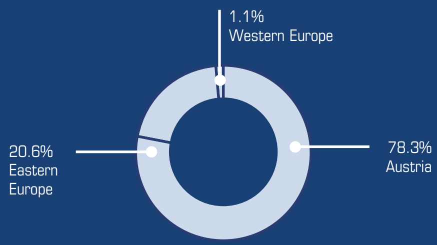
Key data for the T-A Group

	2007	Change	2006	2005
Production output in EUR million	**859.3**	+5.1%	817.5	787.3
Foreign share	**21.7%**	+6.1 PP	15.6%	15.1%
Order balance at year end in EUR million	**402.9**	+16.8%	345.0	349.5
Ø Staffing level	**4,777**	–0.3%	4,793	4,812

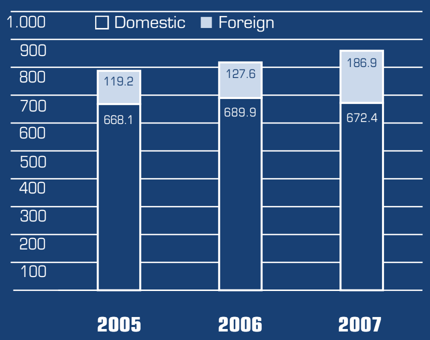
Key financial data

in EUR million	2007	Change	2006
Production output	**859.3**	+5.1%	817.5
of which foreign	**186.9**	+46.5%	127.6
EBIT	**18.5**	–14.7%	21.7
Investments	**23.4**	+55.0%	15.1
Segment assets	**696.7**	+21.0%	575.9
Segment liabilities	**374.3**	–5.9%	397.8

Production output in 2007 domestic and foreign in %

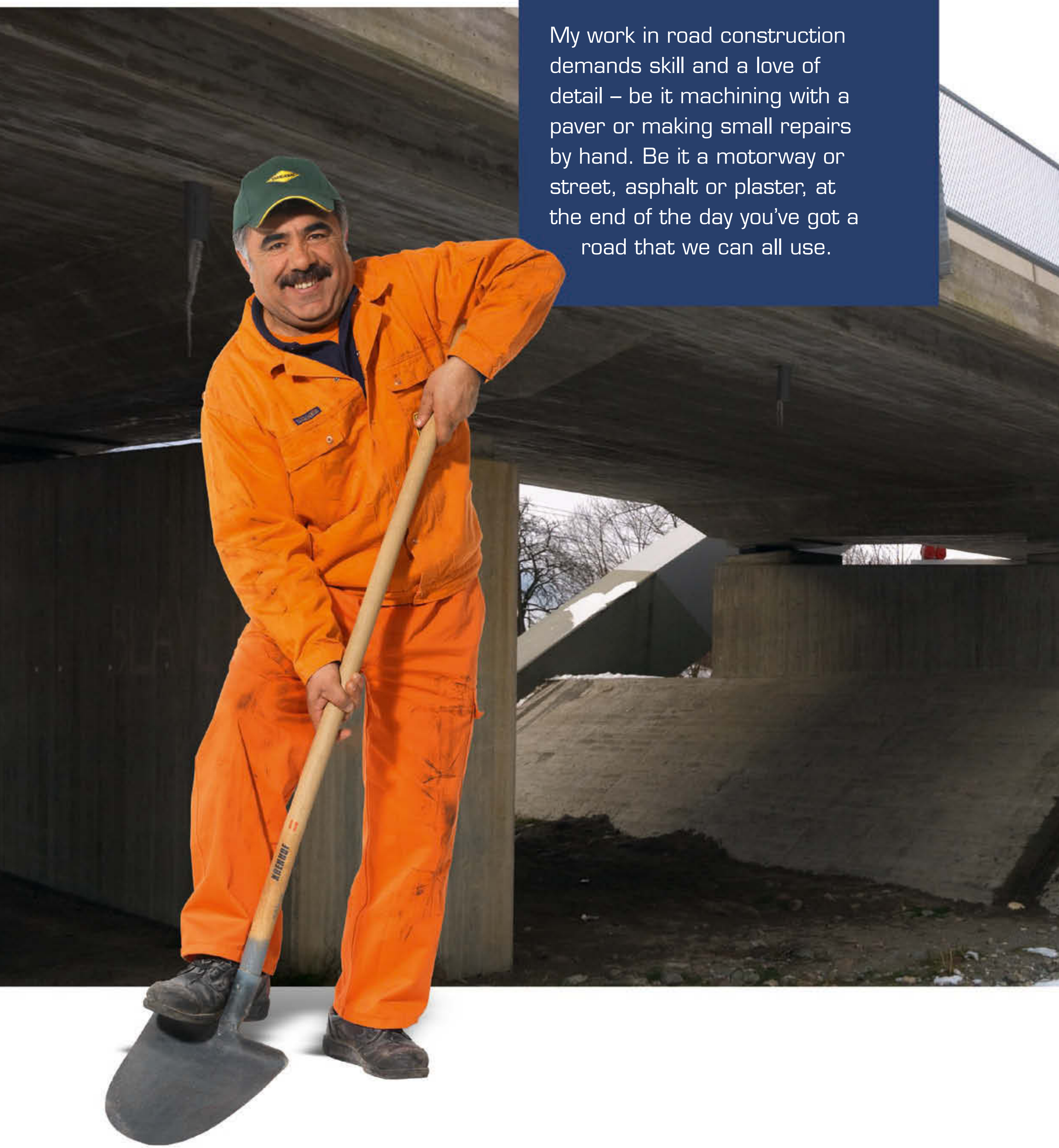


Production output in 2007 domestic and foreign in EUR million



Özdemir Saban

My work in road construction demands skill and a love of detail – be it machining with a paver or making small repairs by hand. Be it a motorway or street, asphalt or plaster, at the end of the day you've got a road that we can all use.



2007

Wörgl-Bruckhäusl By-pass, project unit 3, Tyrol

Road Construction Segment/ The T-A Group

Company profile

Production output rose by 5.2 per cent

TEERAG-ASDAG AG (T-A), in which Allgemeine Baugesellschaft – A. Porr AG (PORR) has an indirect majority shareholding of 52.5 percent, is among the most successful road construction companies in Austria. T-A's production output rose by 5.2 percent in the year under review. The increasing importance of foreign business can be seen by the continuing rise of its revenue share, which has risen to 21.7 percent in the past years. To complement the existing subsidiaries and shareholdings, T-A took a further expansion step in 2007 by founding a subsidiary to our sealing company IAT GmbH in Italy.

Christian Motz and Michael Sukal have been part of the management team since 1st October 2006 and were elected to the Executive Board on 13th September 2007 in view of the steady growth of the Group and the increasing importance of foreign activities. Christian Motz is responsible for the regions of Styria, Upper Austria, Salzburg, Carinthia, Tyrol, Vorarlberg, as well as for sealing works. Mr. Sukal's responsibilities cover all foreign business in eastern Europe, as well as the Austrian provinces of Vienna, Lower Austria and Burgenland.

One key reason for the success of this Group is the high added value that the staff bring to T-A; there are many long-term labourers among the competent and highly motivated staff. T-A is a high-yielding segment of the PORR Group and employs around 40 percent of PORR's workforce. Our audited, company-owned laboratory conducts testing, research and development and supports the operational units. The internal office for planning and statics, which has legally certified engineering accreditation, and the technical business administration department act as an interface between business administration, technology and legal matters, and their expertise is available to the whole of the PORR Group.

In addition to PORR, the main shareholder who also assumes industrial management, Wiener Stadtwerke Holding AG holds 47.2 percent of the shares, and the remaining 0.3 percent are in free float.

Executive board members (from left to right): Christian Motz (since 13 September 2007), Karl Pulz, Honorary Senator of Vienna Technical University (C.E.O.), Michael Sukal (since 13 September 2007) and Josef Stekovics

For the **OMV gas compression station** project in Lower Austria 10,000 m² asphalt was laid and 600 m³ concrete foundation was manufactured. Planned completion is October 2008.

Service Portfolio

Road Construction

Road construction is T-A's core business area and generated around 51 percent of the production output in 2007. With regard to foreign business, road construction accounted for as much as 75 percent, showing not only the huge demand for infrastructure, but also T-A's active participation in bids for tender in the target foreign markets. In 2007 there were high increases in output volume particularly in eastern European countries.

Turnover increases in road construction segment in eastern Europe

The T-A Group realises both small and large, complex projects. Important road construction projects in 2007 included projects constructed as part of a joint venture "S35 Brucker carriageway, north section "Zlatten reservoir – Mautstatt", project unit 22: Kirchdorf Tunnel and Kaltenbach with adjoining open land" and the 13.5 km long road widening on the A1 Westautobahn between Böheimkirchen and Kirchstetten.

T-A is a leading member of the consortium on the S35 project, commissioned as a subcontractor and carrying out all activities in the open land area. These works include concreting works such as slope reinforcement measures, crossbeams and more. Also included is the complete handling of the road construction including the necessary earth-moving works on the 7.0 km long section.

Environmental Protection Technology

The second most important pillar of the T-A Group is environmental protection technology, accounting for 24.8 percent of total services in 2007. This field includes supply lines, waste disposal lines, sewage treatment plants, landfill sites and noise barriers.

The T-A Group began erecting a gas compression station for OMV AG in Eggendorf. For this project 10,000 m^2 of asphalt were used and 600 m^3 of concrete foundation was manufactured. The completion date is set for October 2008. The new construction of the Zistersdorf sewer is another beacon project. Here 27,800 m of sanitary sewer, 4,200 m of storm sewer and 18,000 m of pump lines were laid.

Concrete/Bridge Construction

Concrete construction is another important part of the T-A Group's service portfolio. This area covers the construction of avalanche galleries, power stations, concrete roads and bridges.

It took just 27 months to widen the motorway lanes in both directions on the **A1 Westautobahn** in the area of Böheimkirchen–Kirchstetten, Lower Austria, and to add a hard shoulder to make three lanes. The total contract value was EUR 35.2 million.

One flagship project in 2007 was the Gnas link road, project unit 3, with the construction of a 3.2 km road with a roundabout and ten bridges. On this project 4,800 m³ of concrete and 430 t of steel were used, as well as 3,000 m² of bridge sealing. Completion is planned for summer 2009. On the A12 Inntal motorway at the Innsbruck West – Kranebitten section, a box girder bridge was redeveloped; sealing works on the underpass crossings and resurfacing works were carried out on the 4.8 km section in a joint venture project.

Sealing

Subsidiary founded in Italy

In the sealing segment, the T-A Group operates as IAT GmbH in the fields of bituminous sealing and plastic insulation for tunnel, waste disposal site and water reservoir construction. In this area IAT is one of the leading providers in Austria. In anticipation of the predicted future demand in Italy for tunnel sealing solutions, the subsidiary IAT Impermeabilizzazioni Srl was founded on 20th September 2007 in Bolzano.

The construction project "Tunnel sealing H5 TVT, Vomp-Terfens" is a showcase for our service skills in this sector. We carried out all of the sealing works on a 7.9 km tunnel for this project.

Road Markings

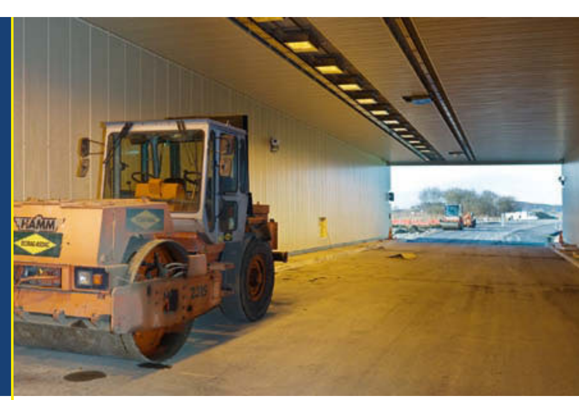
The extensive service portfolio of this sector includes carriageway marking on major road networks, marking parking spaces and other painting work. Thanks to our skilled and motivated staff, we are a powerful player on the Austrian road markings market.

Notable in this sector is the project for the A2 Südautobahn, Baden section, where we carried out traffic control and road marking works.

Geographical Presence

The main focus of T-A's activities has been in Austria since the Group was founded in 1914. In the domestic market the Group is represented all over the country, with branch offices in all nine federal states in addition to regional site management and subsidiaries. There are six proprietary and 25 syndicated asphalt mixing plants across the whole country thus ensuring access to important resources and raw materials.

Since summer 2007 a 3.8 km long **noise barrier at Deutschfeistritz** on the S 35 Brucker carriageway has been under construction. It includes pile foundations, moving the steel pillars, prefab concrete parts and noise barrier elements.



The project **Gnas link road,** Styria, includes the manufacture of noise barriers, 3.2 km of road, a roundabout and ten bridges. Completion of the EUR 8 million project is set for summer 2009.

The T-A headquarters is based in Vienna, from where experts from different specialised divisions and staff departments make their knowledge available to the entire Group. The previously mentioned technical business administration department and laboratory for testing and development are also managed from here.

Vienna Headquarters is the gateway to eastern Europe

The past years have seen a stark increase in foreign operations, managed from Vienna, "the gateway to eastern Europe". The operational business segments of the T-A Group can currently be found in the Czech Republic, Poland, Hungary, and Slovakia, where we are represented with own subsidiaries. In addition we have shareholdings or subsidiaries of the IAT GmbH sealing company in Switzerland, Croatia, Czech Republic, Italy, Germany and Spain.

The Prague subsidiary Pražské silniční a vodohospodářské stavby a.s. (PSVS) once again experienced very positive business development in 2007. PSVS is one of the leading road construction and civil engineering companies in Prague, represented with branch offices in Bohemia and Moravia. One leading project was the building project D11 motorway, Libice-Dobšice section, for which PSVS built 9.7 km long lanes in both directions as well as motorway bridges and fly-overs, as part of a joint venture. The project was completed in 2007.

In the year under review, TEERAG-ASDAG POLSKA Sp. z o.o. worked on numerous projects including one which was of particular interest: "extension of Landesstraße Nr 7" into an expressway on the "Plonsk by-pass" section. This order volume secures the basic work capacity for the following year. In Poland a total output of EUR 55.9 million was generated in 2007. In order to enhance value creation still further, we will establish an asphalt mixing plant, builders' yard and stockyard in one of our compounds near Warsaw.

Since the successful founding of TEERAG-ASDAG Slovakia s.r.o. in 2006, the subsidiary has been working in 2007 together with a local partner in a joint venture on the contract for "Giraltovce local by-pass". Here road construction works were carried out across a stretch of approx. 1.5 km. The completion of the project is planned for September 2008.

In 2007, one of the most important building projects of Teerag-Asdag Kft., headquartered in Mosonmagyaróvár, Hungary, was a joint venture to construct the approx. 120 km long sewage network of the city of Debrecen. Additionally, T-A in Hungary was involved in the major motorway construction project M0, project unit 2 and 3, east sector, together with PORR. For this project a 17.6 km long section of the motorway will be newly laid and completed in 2008. T-A is responsible for manufacturing the concrete surfacing, to the tune of 460,000 m².

The **Brucker carriageway S35** between Deutschfeistritz and Bruck, Styria, included the construction of three till dams for controlled mountain water drainage, 200 m of retaining walls from ferro-concrete, slope reinforcement, the Kirchdorf and Kaltenbach Tunnel, and 107,000 m² of road.

Competition

Strong competition in every market

Price developments in the Austrian market have made it particularly difficult for small and medium enterprises to operate with economic success. Therefore activities have been taken over by big construction groups. Since there are, however, increasing numbers of newly founded small companies offering road construction expertise on the market, the price pressure is unlike to let up. In addition, the German competitors who want to gain a foothold in the Austrian market are exacerbating the price trends.

One thing that the Austrian market situation has in common with foreign markets, particularly those in eastern Europe, is stiff competition. Despite numerous calls for tender and huge demand, attractive projects which are often partly subsidized by the EU trigger immense competition from construction companies from the whole of Europe. This fact increases the price pressure and causes profit margins to sink.

Forecasts and Objectives for 2008 and 2009

2007 was once again a successful year for the T-A Group. Building on the good market position in Austria, we intend to hold our market share despite both intense pressure from the competition and falling public sector demand in our core sectors and continue producing good results in 2008 and 2009.

Developing foreign markets

Other objectives include strengthening our presence in existing foreign markets and increasing our competitiveness. This should be achieved by increasing our own added value, by further equity investments, and by building up teams of permanent employees in these countries, thus improving our earnings situation.

In accordance with the Group strategy, we will steadily increase foreign activities in the following years. We will also carry out market assessment of the CEE countries where we are not yet present, as well as in the countries of the former Yugoslavia.

Opportunities and Risks

Public subsidies for investments and increases in road construction budgets are among the biggest opportunities and risks for the T-A Group. On the one hand, increased infrastructure plans mean more public calls for tender and higher demand, which should in turn improve the price situation and

Resurfacing work on the road and bridges of the **A2 Südautobahn, Gleisdorf West–Lassnitzhöhe** (Styria), has been underway since June 2007. These works include renovating the edge beams, new production of girders, and slope reinforcement.

The **Nr 6 tram line in Graz,** Styria, was extended between April 2006 and October 2007. Around 19,500 m^3 of earth was removed, 11,000 m of cable was laid and 8,700 m^2 of paving installed.

profit opportunities. On the other hand, increased demand leads to a lack of skilled workers, therefore increasing labour costs, which in return reduces profit prospects to a certain extent.

The well-balanced spread of ages and good structure of skilled staff are favourable attributes of T-A. With increased development measures and support for internally promoted management staff, we are as well prepared as possible to meet the coming challenges head on.

There is one thing that plays a key role in the construction industry, but is sadly beyond our control: the weather. T-A is subject to weather conditions in almost every business segment. Rainfall and the consequent days missed due to bad weather present a risk which should not be underestimated.

USP for Customers, Suppliers and Staff

Reliability and quality

Our lean management set-up, the favourable cost structure and the most highly skilled and dedicated employees, all contribute to making T-A able to provide the best possible solutions and support for customers and to realise projects in the highest quality. The company objective of offering innovative products and integrated solutions will continue to be met and exceeded thanks to our stringent quality controls. The strong regional ties to customers and the exceptional quality of the services we provide ensure that we will retain our long-term business partnerships and healthy earnings potential.

We also highly value reliability and top quality materials with regard to our suppliers. Existing long-term supply contracts are a testament to T-A's reliability as a business partner with regard to key considerations such as fulfilling payment conditions and adherence to schedules.

The staff at T-A are offered not only an exceptional training programme, numerous benefits arranged by the works council and promotional and development opportunities, but also fair remuneration. The high number of long-term employees shows the lively continuity within the Group. Flat hierarchies and an "open door policy" among company managers mean that employees have the chance to participate actively in company events. All of this adds up to contented staff who are dedicated to the company and able to fulfil customer requests to the very best of their exceptional abilities.

Works on the **grade separation of the railway crossing** at the **Kirchstetten rail junction**, Lower Austria, began in May 2007. Around 31,510 m³ rubble and 40,500 m² bitumen base layers have been used so far.

In 2007 the existing homeware store **XXXLutz in Graz**, Styria, was extended with an extra six storeys each measuring 3,000 m². This required 650 t steel, 7,500 m³ concrete and 19,000 m² ceiling boarding. The net construction volume was EUR 3.4 million.

Solutions 1963

City railway bridge, 19th district of Vienna

Facts and Figures

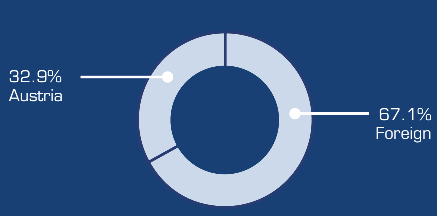
Business Development

The PORR SOLUTIONS Group does not form a separate segment in the consolidated accounts. The projects that the Group develops and realises in the fields of infrastructure, real estate and energy impact mainly on the turnover and revenue figures for the PTU and PPH divisions. In 2007, the investment volume of projects developed by the PS Group rose by 25.8 percent to which the foreign share contributed considerably, accounting for around two thirds of the volume.

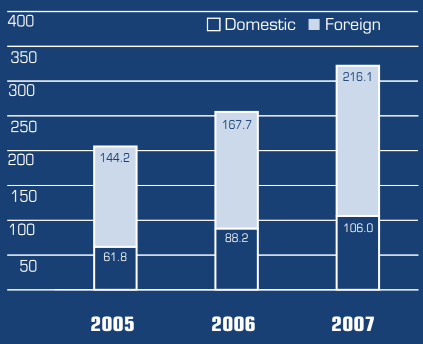
Key data for the PORR SOLUTIONS Group

	2007	Change	2006	2005
Project volume in EUR million	**322.1**	+25.8%	256.0	206.0
Of which domestic	**106.0**	+20.2 PP	88.2	61.8
Of which abroad	**216.1**	+28.9%	167.7	144.2
Ø Staffing level	**59**	+37.2%	43	41

Invested project volume 2007 domestic and foreign in %



Invested project volume 2007 domestic and foreign in EUR million



Eveline Urban-Supper

The appeal of project development is the variety. Like the “Skyline” project in Vienna, where we could provide a one-stop comprehensive service package: from site selection, concept, planning and project management, all the way through to marketing and financing.

2007

SKYLINE – office and more, Vienna

The PORR SOLUTIONS Group

Company Profile and Geographical Presence

Service portfolio covering the whole life cycle of a project

Porr Solutions Immobilien- und Infrastrukturprojekte GmbH is a subsidiary company of PORR AG and specializes in project development and project management. The three pillars of our success are experience, expertise and efficiency.

The stable core markets of Austria and Germany lie at the heart of our activities, in addition to the dynamic growth markets of central, eastern and south-eastern Europe. The country-specific knowledge of the project teams is a particular asset in these sensitive and hotly contested markets.

The service portfolio of PORR SOLUTIONS stretches across the whole life cycle of real estate and infrastructure projects. From acquisition to planning and financing, right through to realisation and ongoing operational tasks. We cover every kind of real estate, be it public, commercial, office, trade, logistic or residential, as well as infrastructure and PPP projects. Every single project is strictly tailored to the user, not to mention planned, implemented and operated to the most cutting edge environmental standards.

PORR SOLUTIONS has its head office in Vienna and is represented with branch offices in Berlin, Hamburg, Munich, Warsaw, Budapest, Zagreb, Sofia and Bucharest. We also operate projects in Slovenia, Slovakia and the Ukraine. Our organisation is subdivided into different business areas in order to deal with the varied technical and geographical challenges and to ensure the best possible access to markets.

Real Estate Projects in Austria

While the international property markets are only just slowly recovering from the crisis in the USA, the domestic market remains unaffected. In 2007 the boom in the Viennese office market continued, while with regard to commercial real estate there were still untapped niches in the provinces to develop. For the future, Public Private Partnership (PPP) projects will remain

Managing directors (from left to right):
Georg Pammer, Friedrich Gruber and
Christoph Schäffer

Continuing steady growth in Austria

promising. As it appears today, the Austrian market for real estate project development looks set to hold steady in 2008.

The focus should continue to be on participating in public calls for tender and on developing commercial real estate projects. Here we will concentrate on office and retail properties and hotel and spa projects in particular.

In 2007 the 'City Center Mödling' project was finished and handed over to the occupants in December. The Skyline project was sold to a real estate fund even before its completion in December 2007.

Numerous other projects are underway: Linz Terminal Tower and the Skyline office complex will be finished in March 2008; the Franzosengraben office complex in autumn 2008. The IQ-Centre in Salzburg, the extension of the University of Natural Resources and Applied Life Sciences in Vienna, the Aldiana Bad Mitterndorf club hotel and the Grimming spa complex are all under construction. Construction should begin in 2008 on projects such as the Simmering geriatrics centre, Ringstraßen Palais in Vienna (5-star hotel and apartments), a 5-star hotel in Jochberg near Kitzbühel, and Stopfenreuth Auland spa. We are currently developing the new justice centre in the third district of Vienna in cooperation with BIG (Federal Real Estate Association).

Real Estate Projects in Germany

Focus on Berlin, Hamburg and Munich

Activities in Germany are primarily centred on Berlin, Hamburg and Munich and their surrounding areas.

Completed in 2007, the Quickborn Forum is a town development in the vicinity of Hamburg with 11,000 m² gross floor space. Projects currently under construction include the Frankenstraße office centre in Hamburg with 21,000 m² gross floor space, the hotel building and business premises in the Frankfurter Allee in Berlin with 140 rooms, and the Neue Grünstraße Hotel in the centre of Berlin with 244 rooms.

The 'ASTO Aerospace and Technology Officepark' at Oberpfaffenhofen Airport near Munich with 6,200 m² gross floor space (per section), the PLUS supermarket in Berlin Köpenick with 1,100 m² gross floor space, and an ALDI supermarket in Berlin Spandau with 1,200 m² gross floor space are

The **Forum am Bahnhof** (Forum at the Station) is a joint venture project by PORR SOLUTIONS and the German town of Quickborn. The objective was to improve shopping facilities nearby and to reinvigorate the town centre. The Hanseatic city of Hamburg is just 10 km away.

all currently either in the planning permission phase or are just about to enter the construction phase. The projects mentioned here will be developed, completed and handed over by the end of 2009.

On the basis of these projects and our strengthened position in the German market we will continue to exploit the chance to acquire, develop and realise projects in our core business areas of office, commercial and hotel real estate.

Real Estate Projects in North-eastern Europe

Residential construction, business parks, hotel building

The north-eastern Europe department covers the Czech Republic, Slovakia, Poland and the Ukraine. This department is currently working on around 15 different projects in various stages of development.
In the Polish capital of Warsaw a property was purchased for a residential construction with about 100 residential units. Another residential construction is planned in Lodz. 76 semi-detached houses are planned with a local partner, along with infrastructure and leisure facilities. Katowice should receive a business park with hotel as part of a joint venture. Over several phases continuing up to 2013, there will be 60,000 m^2 gross office space as well as 23,000 m^2 gross floor space for a hotel and conference centre.

We are developing a high class residential project in Bratislava. The 16 villas will each contain three residential units and will have a view over the whole city from their idyllic green location. In the Ukraine the focus lies primarily on the capital of Kiev and the large metropolis of Lviv. On account of the European Football Championships 2012, which will be hosted in Poland and the Ukraine, we expect increased demand in hotel and commercial projects.

Real Estate Projects in South-eastern Europe

High economic growth in south-eastern Europe has led to increasing significance of the region, not only of the EU member states, but also the countries of the former Yugoslavia. We currently have subsidiaries in Romania, Bulgaria and Croatia, as well as project associations in Hungary, Romania, Bosnia and Serbia.

In Budapest we are developing a property with a sports hall, hotel, office, and commercial space in addition to logistics projects in Romania, both in Chitila near Bucharest and in Temesvár. We

LTE offers clients tailor-made solutions right on track and is dedicated to maximising quality and cost-effectiveness in cross-border rail freight transport (www.lte.at).

The **M6 motorway project** was realised by PORR SOLUTIONS with partners. The motorway is 58.6 km long, runs from Érdi Tető to Dunaújváros, and is Hungary's first PPP infrastructure project (www.m6-duna.hu).

acquired the necessary plots in 2007. In Romanian Transylvania multiple projects are being assessed for feasibility and profitability. In Bosnia, successful cooperation continued with local partners on another residential and commercial property in Mostar. Residential projects are underway in Croatia via a joint residential construction holding company founded together with public Austrian partners in Velika Gorica near Zagreb and Zadar.

Infrastructure Projects and PPP

High medium-term PPP demand in target countries

In this business sector we are developing different project-specific models both at home and abroad, including Public Private Partnership (PPP), Franchising or Build Operate Transfer (BOT) models. Core areas include systems for the disposal of waste materials and wastewater, secure facilities and educational institutions and roads and tracks for the transport sector. Privatisation initiatives in the health and energy sectors can lead to PPP projects, which may also take the form of private investment initiatives.

Other business areas include service provision in connection with technical infrastructure (rail freight transport, traffic management, parking space management and a trading platform for emission certificates).

Experience has shown that involvement in infrastructure-based PPP projects of this kind leads to high-yielding investments for the long term and offers a strategically effective solution to the systemic fluctuations inherent in the project business. Participation in joint venture projects can also generate execution contracts for the PORR Group.

On the one hand, our target countries are subject to budgetary restrictions, yet at the same time they need a more efficient infrastructure compatible with EU standards. We therefore assume that despite all the political vagaries in the decision-making process, demand is likely to remain high in the medium-term.

Services

Porr Technics & Services GmbH & Co KG provides a wide range of services for every kind of project. These are divided into three segments: Architecture (compilation of studies, preliminary drafts and draft plans; submission, performance and detailed planning); Building management

The office and retail complex **City Center Mödling** in Lower Austria was built on top of the park-and-ride facility of the nearby station and is located just a few metres away from the historical city centre of Mödling (ccm@porr.at).

(advising clients with regard to innovative, cost-effective and unique solutions; compilation of general studies, preliminary drafts and draft plans and submission); Project control (cost planning and monitoring; scheduling and resource control). The aim is to ensure the best possible combination for the client from our broad spectrum of services – from acquisition right through to turnkey project handover.

Numerous offers for every project phase

The service portfolio of *FMA Gebäudemanagement GmbH* encompasses the following services: Technical facility management (technical management and maintenance of building equipment and building fabric); Commercial facility management (property management, cost controlling, benchmarking); Infrastructural facility management (individual user support and services such as cleaning, security services etc.); Consulting (project-related support and consultancy services for property developers). Close involvement in project development and the building construction of properties results in valuable synergies. Applying expertise right from the planning phase ensures the best possible outcomes and the he financial savings that result from a lifecycle approach can be directly passed on to the customer.

The services of the companies *aqua plus Wasserversongungs-und Abwasserentsorgungs-GmbH* and *AQUASYSTEMS d.o.o.* cover the ranges of sewage, canalisation and water supply, as well as the whole project cycle of planning, financing and construction, right through to operating the installed plants and infrastructure (www.aquaplus.at, www.aquasystems.si).

GREENPOWER Projektentwicklungs-GmbH (now *Cycleenergy Greenpower GmbH*) developed, erected and runs the power stations in Gresten, Aschach and Dürnkruth. These biomass plants generate heat and electricity from the combustion of solid biomass.

“hospitals” Projektentwicklungsges.m.b.H. operates in the health sector and offers services in project development, project management, target setting and overall planning, total contractor services, PPP and operational management.

LTE Logistik und Transport-GmbH is dedicated to maximising quality and cost-effectiveness in cross-border rail freight transport. The traction units of LTE move freight wagons throughout Austria, Germany, the Czech Republic, Slovakia and Hungary (www.lte.at).

With **M-Parking** you can pay the parking charges in short-stay zones by texting from your mobile (in 15 cities across Austria; www.m-parking.at).

FMA, a subsidiary of PORR SOLUTIONS acts as a **Facility Management** company on various projects including **Florido Tower** in Vienna (www.facility-management-austria.com).

M6 Duna Autópálya Koncessziós Rt. completed the M6 motorway between Érdi Tetőand Dunaújváros in 2006. The investment volume included construction, operation and maintenance for a period of 20 years (www.m6-duna.hu).

m-parking Errichtungs-, Betriebs- und Service GmbH offers customers systems to pay and manage parking charges by text message (SMS). M-Parking is currently available in 15 cities and enjoys huge popularity among users (www.m-parking.at).

Competition

Long-standing experience, countless business partnerships in Austria, Germany and the CEE and not least our integrated process management all ensure that PORR SOLUTIONS enjoys distinct advantages over our competitors. The key advantage is the one-stop approach, meaning that customers get everything from one source: project development, architecture, planning, financing and facility management. Another advantage is the network within the PORR Group. This all makes PORR SOLUTIONS a crucial partner for Austrian and international companies.

Outlook

Sustainable development of new and existing markets

The general conditions for the fiscal year 2008 look set to remain unchanged. This means that we can expect positive growth from Porr Solutions Immobilien- und Infrastrukturprojekte GmbH, as well as our subsidiaries in Austria, Germany and CEE and SEE. Growth will come in particular from the continuing investments in construction. The main focus for the company in 2008 and 2009 will be the steady development and execution of high-margin projects in the real estate and infrastructure sectors, both at home and abroad. In addition to this, we will simultaneously attempt to develop new markets such as the Ukraine. With a view to extending the value chain of the PORR Group as a multi-utility provider, PORR SOLUTIONS aims to create further growth opportunities through power plant projects in CEE and SEE countries.

PORR SOLUTIONS – Comprehensive expertise. Tailor-made solutions.

The **Aldrans-Lans-Sistrans Entrepreneur Centre** lies south east of Innsbruck. Here top residential comfort sits happily alongside commercial space (www.unternehmerzentrum.at).

The 98 metre high **Terminal Tower** in Linz has optimum transport links, exceptional infrastructure and was already 100 percent let, even before its completion in April 2008 (www.terminaltower.at).

Consolidated Accounts of PORR AG 2007

Group Profit and Loss Account for Fiscal Year from 1.1.2007 to 31.12.2007

in EUR thousand	Notes	2007	2006
Gross revenues	(7)	2,214,375.5	1,920,999.2
Own work capitalised in fixed assets		2,414.2	2,020.6
Other operating income	(8)	35,747.7	49,170.6
Cost of materials and other purchased manufacturing services	(9)	–1,424,533.3	–1,223,346.1
Personnel costs	(10)	–547,907.0	–515,734.7
Amortisation/depreciation of intangible and tangible fixed assets	(11)	–52,232.1	–43,495.9
Other operating expenses	(12)	–174,676.5	–147,903.5
Operating result (EBIT)		**53,188.5**	**41,710.2**
Result from associated companies	(20)	14,671.7	16,296.0
Income from other financial assets and current financial assets	(13)	8,276.0	11,107.2
Financial expenditure	(14)	–37,581.3	–33,790.9
Result before taxes on earnings (EBT)		**38,554.9**	**35,322.5**
Taxes on income	(15)	–7,049.1	–8,528.7
Surplus for the year		**31,505.8**	**26,793.8**
Proportion relating to shareholders of the parent company		**22,007.5**	**20,539.1**
proportion relating to minority shareholders of subsidiaries		9,498.3	6,254.7
Earnings per share (in EUR)	**(16)**	**10.82**	**10.10**

Group Cash Flow Accounts for Fiscal Year from 1.1.2007 to 31.12.2007

in EUR thousand	2007	2006
Surplus for the year	31,505.8	26,793.8
Depreciation/appreciation of fixed assets	53,389.5	41,474.2
Income from associated companies	–11,082.7	–9,404.4
Increase/decrease in long-term provisions	70.3	–318.9
Deferred tax expenditure/ income	2,225.8	5,185.3
Cash flow from the result	**76,108.7**	**63,730.0**
Increase/decrease in short-term provisions	1,759.5	–9,311.5
Losses/gains from fixed asset divestments	–3,912.7	–9,626.8
Increase in inventories	–5,036.7	–4,232.8
Increase in receivables	–103,441.5	–34,604.1
Increase in payables (excluding payables to bank)	77,340.0	8,920.9
Other transactions not affecting payment	774.8	0.0
Cash flow from operating activities	**43,592.1**	**14,875.7**
Proceeds from sale of tangible assets and from sale of financial real estate	18,061.1	26,194.3
Proceeds from sale of financial assets	6,964.6	8,292.8
Investments in intangible assets	–6,138.2	–7,424.3
Investments in tangible fixed assets and financial real estate	–41,438.9	–58,180.1
Investments in financial assets	–6,461.6	–17,599.0
Expenditure on the acquisition of subsidiaries	–13,981.8	–1,000.0
Other transactions not affecting payment	0.0	–1,865.3
Cash flow from investing activities	**–42,994.8**	**–51,581.6**
Dividends	–4,427.4	–4,465.3
Proceeds from issue of profit-participation rights	70,000.0	0.0
Proceeds from bonds	69,540.0	67,409.5
Repayment of loans and other group financing transactions	–90,587.5	–60,442.2
Cash flow from financing activities	**44,525.1**	**2,502.0**
Cash flow from operating activities	**43,592.1**	**14,875.7**
Cash flow from investing activities	**–42,994.8**	**–51,581.6**
Cash flow from financing activities	**44,525.1**	**2,502.0**
Changes to liquid funds	**45,122.4**	**–34,203.9**
Liquid funds as of 01.01.	67,889.2	101,615.1
Currency differences	443.7	469.0
Changes to liquid funds resulting from changes to the consolidated entity	3,906.4	9.0
Liquid funds as of 31.12.	**117,361.7**	**67,889.2**

Group Balance Sheet as of 31 December 2007

in EUR thousand	Notes	31.12.2007	31.12.2006
Assets			
Long-term assets			
Intangible assets	(17)	60,300.5	48,440.3
Tangible assets	(18)	389,276.7	353,973.2
Financial real estate	(19)	223,018.2	162,284.1
Shareholdings in associated companies	(20)	101,556.5	74,638.3
Loans	(21)	13,802.2	14,769.1
Other financial assets	(22)	47,917.2	59,192.0
Other long-term assets	(25)	8,222.1	13,137.0
Deferred tax assets	(27)	15,090.6	8,637.1
		859,184.0	**735,071.1**
Short-term assets			
Inventories	(23)	67,702.6	61,482.7
Loans	(21)	121.6	136.1
Trade debtors	(24)	760,972.9	694,224.0
Other receivables and assets	(25)	47,872.9	45,421.8
Liquid funds	(26)	117,361.6	67,889.2
		994,031.6	**869,153.8**
		1,853,215.6	**1,604,224.9**

in EUR thousand	Notes	31.12.2007	31.12.2006
Liabilities			
Equity capital			
Share capital	(28)	14,778.4	14,778.4
Capital reserves	(29)	33,689.5	33,689.5
Other reserves	(29)	164,785.6	145,983.1
Unappropriated retained earnings		4,488.0	3,578.2
Shares of shareholders of parent company		**217,741.5**	**198,029.2**
Capital from profit-participation rights	(30)	69,930.0	0.0
Shares of minority shareholders of subsidiaries	(31)	74,571.8	63,236.1
		362,243.3	**261,265.3**
Long-term liabilities			
Bonds	(33)	309,616.9	239,409.5
Provisions	(32)	108,536.7	108,466.4
Financial liabilities	(34)	191,115.0	163,441.7
Other payables	(36)	21,528.5	25,547.3
Deferred tax liabilities	(27)	43,714.0	35,744.2
		674,511.1	**572,609.1**
Short-term liabilities			
Provisions	(32)	101,053.0	98,930.3
Financial liabilities	(34)	104,835.0	157,670.7
Trade creditors	(35)	401,746.9	329,454.2
Other payables	(36)	204,165.9	180,939.9
Tax liabilities	(37)	4,660.4	3,355.4
		816,461.2	**770,350.5**
		1,853,215.6	**1,604,224.9**

Changes to Group Equity Capital

in EUR thousand	Share capital	Capital reserve	Revaluation reserve
Balance at 01.01.2006 – amended from last year	14,778.4	33,689.5	5,495.4
Amendment (see Notes 6.3)	–	–	–
Balance at 01.01.2006 – amended	14,778.4	33,689.5	5,495.4
Available-for-sale security	–	–	–
Currency differences	–	–	–
Income taxes on items set off directly to equity capital	–	–	–
Total income and expenses entered directly in equity capital	–	–	–
Surplus for the year – amended	–	–	–
Total income and expenses recorded	–	–	–
Dividend payments	–	–	–
Acquisition of minority interests	–	–	–
Balance at 31.12.2006 – amended	**14,778.4**	**33,689.5**	**5,495.4**
Securities available for sale	–	–	–
Reappraised real estate	–	–	6,090.9
Cash Flow Hedges	–	–	–
Shareholding in associated companies – Cash Flow Hedges	–	–	–
Currency differences	–	–	–
Income taxes on items set off directly to equity capital	–	–	–1,731.3
Total income and expenses entered directly in equity capital	–	–	4,359.6
Surplus for the year	–	–	–
Total income and expenses recorded	–	–	4,359.6
Issuing of profit-participation rights minus emission cost	–	–	–
Dividend payments	–	–	–
Minority interests in acquired subsidiaries	–	–	–
Other changes	–	–	–
Balance at 31.12.2007	**14,778.4**	**33,689.5**	**9,855.0**

Foreign currency reserve	Securities available for sale: fair value reserve	Reserve for Cash Flow Hedges	Retained earnings and unappropriated retained earnings	Shares of shareholders of parent company	Capital from profit-participation rights	Other shares of minority shareholders of subsidiaries	Total
435.5	–	–	139,069.6	**193,468.4**	–	57,546.3	**251,014.7**
–	–	–	–11,938.0	**–11,938.0**	–	–	**–11,938.0**
435.5	–	–	127,131.6	**181,530.4**	–	57,546.3	**239,076.7**
–	496.1	–	–	**496.1**	–	–	**496.1**
–208.7	–	–	–	**–208.7**	–	–	**–208.7**
–	–124.0	–	–	**–124.0**	–	–	**–124.0**
–208.7	372.1	–	–	**163.4**	–	–	**163.4**
–	–	–	20,539.1	**20,539.1**	–	6,254.7	**26,793.8**
–208.7	372.1	–	20,539.1	**20,702.5**	–	6,254.7	**26,957.2**
–	–	–	–3,538.4	**–3,538.4**	–	–	**–3,538.4**
–	–	–	–665.3	**–665.3**	–	–564.9	**–1,230.2**
226.8	**372.1**	**–**	**143,467.0**	**198,029.2**	**–**	**63,236.1**	**261,265.3**
–	–105.9	–	–	**–105.9**	–	98.1	**–7.8**
–	–	–	–	**6,090.9**	–	1,102.0	**7,192.9**
–	–	–10,404.6	–	**–10,404.6**	–	–	**–10,404.6**
–	–	4,502.7	–	**4,502.7**	–	–	**4,502.7**
322.7	–	–	–	**322.7**	–	–	**322.7**
–	12.7	2,601.2	–	**882.6**	–	–	**882.6**
322.7	–93.2	–3,300.7	–	**1,288.4**	–	1,200.1	**2,488.5**
–	–	–	22,007.5	**22,007.5**	–	9,498.3	**31,505.8**
322.7	–93.2	–3,300.7	22,007.5	**23,295.9**	–	10,698.4	**33,994.3**
–	–	–	–	**–**	69,930.0	–	**69,930.0**
–	–	–	–3,538.4	**–3,538.4**	–	–889.0	**–4,427.4**
–	–	–	–	**–**	–	940.9	**940.9**
–	–	–	–45.2	**–45.2**	–	585.4	**540.2**
549.5	**278.9**	**–3,300.7**	**161,890.9**	**217,741.5**	**69,930.0**	**74,571.8**	**362,243.3**

Notes

to the consolidated accounts 2007 Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft

1. General Information

The PORR Group consists of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft (PORR AG) and its subsidiaries. PORR AG is a public limited company according to Austrian law and has its registered head office at Absberggasse 47, 1103 Vienna. The company is registered with the commercial court of Vienna under reference number FN 34853f. The Group deals mainly with the whole range of building construction activities as well as project development and real estate development.

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

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

2. Consolidated Entity

In addition to PORR AG, 90 (previous year: 79) domestic subsidiaries and 36 (previous year: 35) foreign subsidiaries are included in the consolidated accounts. Additionally, 27 (previous year: 29) domestic and 6 (previous year: 6) foreign associated companies were valued under the equity method. The effects of acquisitions in the year under review are addressed in point 2.1.

The list of shareholdings (see page 144) shows the subsidiaries and associated companies that are included. Companies that are of minor relevance to the consolidated accounts are not included; a total of 91 (previous year: 86) subsidiaries were not included in the consolidation.

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

2.1. First consolidations

In the year under review 13 project associations were included in the PORR Group's consolidated accounts, in addition to Koller – proizvodnja pijeska i šljunka d.o.o., a company based in Croatia in the field of raw material supply, which was first acquired in the reporting year. The acquisition costs totalled TEUR 13,350.0. The first consolidation was carried out in accordance with IFRS 3.62 provisorily and led to an interim activation of mining rights at the rate of TEUR 10,807.0 included as intangible assets. In addition, ABAP Beteiligungs Holding GmbH was founded in the year under review and issued profit-participation rights with a total nominal value of TEUR 70,000.00. Changes to the consolidated entity (without consideration of consolidation book entries) cause a rise in the balance sheet total of TEUR 48,978.4. Other effects of changes to the consolidated entity are considered to be marginal.

3. New Accounting Standards

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

IFRS 7 Financial instruments: Disclosures: Entries which are included in the annual financial statements of years beginning on or after 1 January 2007, must be adopted; and with the associated changes from IAS 1, Presentation of Financial Statements, have been applied for the first time in the year under review. The adoption of IFRS 7 and the changes to IAS 1 necessitate the additional entries in the notes with regard to financial instruments and capital management (see point 41).

Four of the published interpretations from the International Financial Reporting Interpretations Committee were adopted for the first time in the year under review, namely IFRIC 7 Approach under IAS 29 Financial Reporting in Hyperinflationary Economies, IFRIC 8 Scope of IFRS 2, IFRIC 9 Reassessment of Embedded Derivatives and IFRIC 10 Interim Financial reporting and Impairment. The adoption of these interpretations did not lead to any changes in the Group's applied accounting and valuation methods.

3.2. New accounting standards which have not yet been adopted

The following published standards and interpretations relevant to the preparation of consolidated accounts did not need to be applied compulsorily to fiscal years beginning on or prior to 1 January 2007, and the voluntary option to apply them early was also not exercised.

Standards and interpretations already adopted by the European Union

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

IFRIC 11 – IFRS 2: Group And Treasury Share Transactions:
This interpretation clarifies the accounting treatment of certain forms of share-based payments. This is applicable to fiscal years which begin on or after 1 March 2007 and is currently not relevant to the Group.

Standards and interpretations not yet adopted by the European Union

IFRS 2 Share-Based Payment – Adjustments Related to Vesting Conditions and Annulments:
It is clearly stated that vesting conditions exclude service conditions and performance conditions. Additionally, a change is specified whereby the regulation of premature cancellation should be independently valid, whether the share-based payment transactions can be ended by either the company or another party. The changes apply to fiscal years beginning on or after 1 January 2009. This will not be relevant to the Group.

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

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

IAS 23 Borrowing Costs (revised in March 2007):
The previous option of incorporating borrowing costs resulting directly from acquisition, construction or production of assets, whose acquisition or manufacture takes up a considerable time period, either to activate these as part of the acquisition or production costs of this asset or to enter them as an expense in the same way as other borrowing costs thereby incurred, is no longer applicable. These borrowing costs must be compulsorily activated in future. The revised standard is applicable to fiscal years beginning on or after 1 January 2009. PORR AG, who until now reported all borrowing costs as expenses, will apply these standards for the first time in the fiscal year 2009. As the standard is prospective with regard to acquisition or manufacturing costs coming into effect after the adoption, the changes in the valuation method will not have any effect on the presentation of the asset situation and the financial situation on effective dates or on the earnings situation for periods falling or ending on or before 31 December 2008.

IAS 27 Consolidated and Separate Financial Statements (revised 2008):
The most significant changes resulting from this revision, which are closely related to the revised version of IFRS 3, are: transactions, which lead to a change in the amount of shares held in subsidiaries but do not lead to a change in control, represent transactions between companies so that the effect of such transactions on the net assets of the group is not entered as income or expense

in the profit and loss accounts, but rather directly into equity capital. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The revisions are applicable to fiscal years beginning on or after 1 July 2009. Earlier adoption is currently not planned. The above mentioned revisions are prospectively applicable, so that so that non-controlling interests are not revised to include losses not entered in previous years and also transactions which lead to a change in the amount of the share held in subsidiaries before the date of the changes applied for the first time, regardless of the accounting methods used for these transactions, are not adjusted to earnings entries or available for presented comparative information regarding the previous years.

IFRIC 12 – Service Concession Arrangements:
This interpretation regulates how PPP projects should be shown in the accounts. The Interpretation, which applies to fiscal years beginning on or after 1 January 2008, is not currently relevant to the Group. It will, however, be used when PPP projects are carried out by subsidiary companies in the future.

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

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction:
The interpretation addresses how minimum funding payments for pension plans, plans related to other benefits after completion of employment, or related to other long-term benefits eligible to the employee, effect the accountable amount of the asset value resulting from the current plan.

The interpretation, which applies to fiscal years beginning on or after 1 January 2008, will not be relevant to the Group.

4. Consolidation Principles

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

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

Shares in net assets of subsidiaries not attributable to PORR AG are shown separately as part of equity capital under the designation "shares of minority shareholders".

5. Accounting and Valuation Methods

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

Valuation principles

Historic acquisition costs form the basis for the valuation in respect of intangible assets and tangible assets (except for real estate) and in respect of loans, inventories, accounts receivable from billed orders and liabilities.

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

Accounts receivable in respect of manufacturing contracts on which a final bill has not yet been raised, which are included under trade debtors, reflect the respective proportion of revenue corresponding to the degree of completion at the balance sheet date less any payments already made by the customer.

Currency translation

The companies included in the consolidated accounts prepare their annual financial statements in their respective functional currencies, where the functional currency is the relevant currency for the commercial activities of the company concerned. The functional currency for each of the companies included is the currency of that country in which the company concerned is domiciled.

Balance sheet items of companies included in the consolidated accounts are translated at the mean rate of exchange at the balance sheet date and profit and loss account items are translated at the annual mean rate of exchange for the fiscal year (as an arithmetic mean of all end-of-month quotations). These annual mean rates of exchange applied to the translation of items of the profit and loss accounts led to accumulated amounts in the reporting currency, which only deviated slightly from the accumulated amounts, which would have been shown on a translation of the transactions at the rate at the date of each transaction. Differences resulting from the currency translation are classified as equity capital. These translation differences are reflected in the current result at the date of disposal of the business activities.

In the event of company purchases, adjustments of the book values of the acquired assets and transferred liabilities to the attributable value at the date of purchase or, if applicable, goodwill, are treated as assets or liabilities of the acquired subsidiary and are, accordingly, subject to currency translation.

Exchange gains or losses on transactions undertaken by companies included in the consolidation in a currency other than the functional currency are reflected in net income. Monetary items not denominated in the functional currency held by companies included in the consolidation are translated at the mean rate ruling on the balance sheet date. Exchange gains or losses resulting from this translation are also reflected in net income.

Intangible assets, which mainly result from acquisitions through the subsidiaries included in the consolidated accounts, are capitalised at acquisition cost and written down on a straight-line basis over the probable useful life.

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

The amortisation apportionable to the fiscal year is shown in the profit and loss account under the item "amortisation/depreciation of intangible and tangible fixed assets".

If an impairment is established, the relevant intangible assets are written down to the attainable amount, which is the attributable fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a writeup is performed equivalent to the amount of the increase in value, but to a maximum of the value calculated by applying the scheduled depreciation to the original acquisition cost or manufacturing cost.

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

Tangible assets (except for real estate) are valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and the previously accumulated and regularly applied straight-line depreciation during the year under review, the following rates of depreciation being applied:

Technical equipment and machinery	5.0 to 50.0 percent
Other plants, factory and business equipment	2.0 to 50.0 percent

The depreciation rates are based on the probable usage period of the facilities. If an impairment, which is not simply temporary, is established, the relevant tangible assets are written down to the attainable amount, which is the attributable fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a write-up is performed equivalent to the amount of the increase in value, but to a maximum of the value calculated by applying the scheduled depreciation to the original acquisition cost or manufacturing cost. Fundamental rebuilding work is capitalised, while ongoing maintenance work, repairs and minor rebuilding work are recognised in expenses at the time they arose.

Real estate used for operational purposes is valued according to the revaluation method pursuant to IAS 16.31. External opinions or assessments from internal experts are used as the basis for determining fair values. Revaluations are performed so regularly that the book values do not deviate significantly from the fair values attributable at the balance sheet date. The book value is adjusted to the respective fair value with neutral effect on income by using a revaluation reserve in equity capital. The revaluation reserve is reduced by the applicable deferred tax liability. Regular depreciation of reappraised buildings carried out according to the straight-line method, where the depreciation rates lie essentially between 1 percent and 4 percent, are recognised in the profit and loss account. On a subsequent sale or decommissioning of reappraised land or buildings the amount recorded in the revaluation reserve in respect of the relevant plot of land or building is transferred directly to retained earnings.

Plants under construction, including buildings under construction which are to be used for operational purposes or whose type of use has not yet been established, are accounted for at acquisition cost or manufacturing cost less depreciation as a result of impairments. Depreciation of these assets commences upon their completion or attainment of operational status.

Financial real estate is real estate that is held for the purpose of obtaining rental income and/or for the purpose of its rise in value. This includes office and commercial premises, residential buildings and unimproved land. These are shown at their attributable fair values. Gains or losses from changes in value are reflected in the result for the period in which the change in value occurred.

The basis for the valuation of the financial real estate valued at attributable fair value was essentially derived from the market value opinions of independent experts. In the absence of such expert opinions, the attributable fair values are determined by the present value of the estimated future cash flows expected to arise from the use of the real estate.

Leases

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

The Group as lessor
Where the Group is the lessor, the only lease contracts applicable are operating leases. The rental income from these contracts is reflected in net income on a straight-line basis over the term of the corresponding lease.

The Group as lessee
Assets held under finance leases are recorded as Group assets at their attributable fair values or at the present value of the minimum lease payments if this is lower, at the beginning of the lease. The minimum lease payments are those amounts payable during the non-terminable term of the lease, including a guaranteed residual value. The corresponding liability owed to the lessor is recorded in the balance sheet as obligations under finance leases. The lease payments are apportioned between interest paid and reduction of the lease obligation in such a way as to achieve a constant rate of interest on the remaining liability. Interest paid is recognised in the profit and loss account.

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

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

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

Loans are valued at book value acquisition cost according to the effective interest method, less general value adjustments due to impairment.

Shares in non-consolidated companies and other shareholdings shown under other financial assets are valued at acquisition cost, as with regard to these stakes and shareholdings, in the absence of listings there is no stock exchange rate available and also as reliable attributable fair values cannot be determined for these. If an impairment is established, they are written down to the attainable amount.

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

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

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

Manufacturing contracts are accounted for according to the stage of completion of the contract (percentage of completion method). The anticipated revenues from the contracts are shown under gross revenues according to the respective degree of completion. The degree of completion, which is the basis for the amount of the contract revenues shown, is, as a rule, determined according to the ratio of the services supplied compared to the estimated total services at the balance sheet date. Where the result of a manufacturing contract cannot be reliably estimated, the amount of the accumulated contract costs alone shall represent the amount recorded for contract revenues. The contract costs are recorded as an expense for the period in which they are incurred. If it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognised immediately and in full.

The revenues attributable to the services supplied so far according to the degree of completion are, to the extent that they exceed the payments on account made by the customer, shown in the balance sheet under trade debtors. Amounts by which the payments on account received exceed the revenues attributable to the services supplied so far are shown under liabilities.

Where manufacturing contracts are executed in joint ventures, the realisation of profit is also performed by taking account of the percentage of completion method.

Accounts receivable are fundamentally accounted for in accordance with the effective interest method, whereby the book value generally corresponds to the nominal value. For short-term accounts receivable, interest due to negligibleness is not applied. Where risks existed regarding recovery, value adjustments have been formed.

Deferred tax items are formed where there are differences between valuations of assets and liabilities in the consolidated accounts on the one hand and the values for tax purposes on the other hand in the amount of the anticipated future tax liability or tax relief. In addition, a deferred tax asset for future assets resulting from tax loss carry-forwards is recognised if there is sufficient certainty of realisation. Differences arising from goodwill that cannot be deducted for tax purposes constitute exceptions to this comprehensive tax deferral.

The calculation of the deferred tax amount is based on the rate of income tax valid in the country concerned; for Austrian companies this is a tax rate of 25 percent.

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

The provisions for severance payments, pensions and anniversary bonuses were determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment being performed on each reference date. In the valuation of these provisions, an interest rate for accounting purposes of 5.3 percent p.a. (previous year: 4.7 percent) was applied with pay increases of 2.6 percent (previous year: 2.0 percent). When determining provisions for severance payments and anniversary bonuses, deductions were made for fluctuations based on statistical data. Actuarial gains and losses are recognised in full in the result of the period in which they arise. They are shown and calculated together with the length of service costs under personnel costs. Interest paid is recorded as a financial expense.

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

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

Derivative financial instruments are valued at attributable fair values. If the requirements for the balancing as hedge transactions are fulfilled, then gains and losses from changes in market value of foreign exchange forward contracts which should hedge the risk in variability of the cash flow in the functional currency from planned transactions in the foreign currency (cash flow hedges), along with other derivative financial instruments which are designated as cash flow hedges, are entered directly into equity capital, as long as they are allotted to the effective part of the hedge transaction. The amounts directly entered into equity capital are reflected in net income for the period, in which the secured transaction or the resulting asset value from the secured transaction, or the liability resulting from the secured transaction has an effect on the profit or loss. Gains and losses allotted to the ineffective share, as well as gains and losses from market value changes of derivative financial instruments, for which the requirements for the balancing as hedge transactions have not been met, are entered in the profit or loss for the period in which they occur.

Gross revenues are valued at the attributable fair value of the consideration. Discounts, sales taxes and other taxes related to the sale are set off against this amount. Revenues from the sale of assets are recognised on delivery and transfer of ownership. Revenues from manufacturing contracts are recognised according to the degree of completion allocated over the period of the contract.

Interest income is defined in accordance with the effective interest method. The effective interest rate is any interest rate where the current value of future cash flow from the financial asset value corresponds to the book value of dividend income from financial investments, which is recognised when legal title arises.

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

6. Key Assumptions and Key Sources of Estimation Uncertainty

6.1. Key assumptions when applying accounting and valuation methods

PORR AG, with 52.5 percent participation, holds more than half of the voting rights in TEERAG-ASDAG Aktiengesellschaft (TEERAG-ASDAG). PORR AG and a second shareholder of TEERAG-ASDAG, who also holds a significant share of voting rights, have made a syndicate agreement which cannot be curtailed until 31 December 2010 at the earliest, in which PORR AG and this second shareholder have formed a syndicate with regard to the shares that both parties hold in TEERAG-ASDAG. In accordance with this syndicate agreement, the voting rights of the syndicate members in the annual shareholders' meeting of TEERAG-ASDAG shall be exercised in such a way that the syndicate members specify them in a unanimous decision. The syndicate members each have the right to nominate half of the supervisory board members. In addition, the Executive Board of TEERAG-ASDAG is amicably nominated by the syndicate members. Although these regulations from the syndicate agreement seem to refute the assumption that PORR AG has management of TEERAG-ASDAG as a consequence of holding the majority of voting rights and suggest that instead there is joint management of TEERAG-ASDAG by PORR AG and the other syndicate member, the Executive Board of PORR AG nevertheless believe TEERAG-ASDAG to be controlled by PORR AG, as PORR AG is acknowledged in the syndicate agreement as having the industrial management of TEERAG-ASDAG.

6.2. Key sources of estimation uncertainty

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

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

Valuation of gravel and rubble deposits: The book values in the Group balance sheet as of 31 December 2007 for gravel and rubble deposits at the disposal of the Group amount to around EUR 101.6 m. The Executive Board is convinced that the book values can be realised from selling the deposits, or from mining and selling the yielded material, or from mining and using the material for own construction activities. Nevertheless there is uncertainty regarding the development of the price of these raw materials which is dependent on trends in demand and also the assessment of our own future demand for these raw materials. Depreciation will be carried out if future trends necessitate this.

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

Furthermore, significant assumptions and estimates relate to:

- Evaluation of manufacturing contracts until project completion, in particular with a view to accounting of addenda, the contract yield valued by the percentage of completion method, and the estimate of the probable operating profit from the contract,
- specifying the economic usage period of tangible assets,
- accounting and valuation of receivables,
- assessment of the recoverability of assets.

6.3. Adjustments to the previous year

In previous years the evaluation of the usability of tax loss carry-forwards of subsidiaries in Germany, when these exceed allowable, passive, temporary differences, were subject to a planning horizon extending beyond the time period for which predictions could be made with considerable certainty. The applied asset value of these carry-forwards was retrospectively corrected and only attributed at the amount which could probably be realised on the basis of predicted results in a manageable time frame.

This adjustment has the following effects on the accounts as of 31 December 2006:

in EUR thousand	
Increase in tax expenditure for 2006	5,825
Reduction in the annual surplus for 2006	5,825
Reduction in earnings per share for 2006 in EUR	2.86
Reduction in profit brought forward as of 1 January 2006	11,938
Reduction in retained earnings as of 31 December 2006	17,763
Reduction in deferred tax assets as of 31 December 2006	17,763

6.4. Changes to comparative information

In accordance with IAS 1.38, the following adjustments were adopted:
Commissions on bank guarantees amounting to TEUR 5,948.6 were moved from financial expenditure to other operating expenses. Received payments amounting to TEUR 36,681.2 were moved from trade creditors to other payables.

7. Gross Revenues

The gross revenues of TEUR 2,214,375.5 (previous year: TEUR 1,920,999.2) include the invoiced construction work of own construction sites, goods and services to joint ventures, shares of profit from joint ventures and other revenues from ordinary activities.

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

in EUR thousand	2007	2006
Business areas		
Road construction – T-A Group	859,323.3	817,494.6
Civil engineering – PTU Group	1,040,730.8	855,280.7
Building construction – PPH Group	843,628.8	649,947.7
Total Group performance	**2,743,682.9**	**2,322,723.0**
of which proportional performance from joint ventures, associated companies and subsidiary companies and shareholdings	–529,307.4	–401,723.8
Gross revenues	**2,214,375.5**	**1,920,999.2**

Gross revenues can be subdivided as follows:

in EUR thousand	2007	2006
Revenues from manufacturing contracts	2,069,737.6	1,765,208.6
Revenues from sales of raw materials and other services	144,637.9	155,790.6
Total	**2,214,375.5**	**1,920,999.2**

8. Other Operating Income

in EUR thousand	2007	2006
Income from the sale of tangible assets	4,264.5	7,399.3
Workshop services	3,152.6	710.8
Revenue from the provision of staff	2,583.5	6,337.9
Insurance payments	994.4	1,665.0
Income from adjustments to financial real estate	–565.0	3,536.5
Other	25,317.7	29,521.1
Total	**35,747.7**	**49,170.6**

9. Costs of Materials and Other Purchased Manufacturing Services

in EUR thousand	2007	2006
Expenditure on raw materials and supplies and for purchased goods	–458,156.4	–389,139.9
Expenditure on purchased goods and services	–966,376.9	–834,206.2
Total	**–1,424,533.3**	**–1,223,346.1**

10. Personnel Costs

in EUR thousand	2007	2006
Wages and salaries	–433,310.6	–408,384.4
Social welfare expenses	–105,018.8	–98,523.3
Expenditure on severance payments and pensions	–9,577.6	–8,827.0
Total	**–547,907.0**	**–515,734.7**

The 2006 wages include wages to third parties amounting to TEUR 9,021.7 which is reported under purchased services in the year under review. Expenditure on severance payments and pensions includes the prior service costs and actuarial gains/losses. This item also includes contributions to the staff provision fund for employees who commenced employment with an Austrian Group company after 31 December 2002, and voluntary severance payments. The interest expense arising from severance payments and pension obligations is shown under the item financial expenditure.

11. Amortisation/Depreciation of Tangible and Intangible Assets

Amortisation of TEUR 4,737.3 (previous year: TEUR 4,388.8) was applied to intangible assets and depreciation of TEUR 47,427.2 (previous year: TEUR 39,107.1) to tangible assets. In addition, amortisation of TEUR 67.6 was applied to reappraised real estate. For more detailed information please refer to notes 17 and 18.

12. Other Operating Expenses

in EUR thousand	2007	2006
Legal and consultancy services, insurance	–28,208.8	–26,602.9
Buildings and land	–22,787.2	–17,696.0
Office operations	–14,613.8	–10,505.1
Advertising	–10,999.0	–9,922.7
Fleet	–10,215.3	–7,811.9
Other	–87,852.4	–75,364.9
Total	**–174,676.5**	**–147,903.5**

Other operating expenses essentially comprise office running costs, accommodation and travel expenses, taxes and duties, legal, audit and consultancy costs, advertising expenditure, other third party services, general administrative costs and shares of losses from contracts carried out by joint ventures. They also include rental payments from rental contracts of TEUR 5,591.8.

13. Income from Other Financial Assets and Current Financial Assets

in EUR thousand	2007	2006
Result from shareholdings	86.2	635.2
(of which from affiliated companies)	(–329.7)	(–72.9)
Income/expenditure from financial assets and current asset securities	1,119.0	1,603.3
Interest	7,070.8	8,868.7
(of which from affiliated companies)	(2,512.8)	(3,926.9)
Total	**8,276.0**	**11,107.2**

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

14. Financial Expenditure

in EUR thousand	2007	2006
Interest and similar expenditure relating to bonds	–13,420.6	–9,044.2
Other interest and similar	–24,160.7	–24,746.7
(of which from affiliated companies)	(–224.3)	(–215.0)
(of which interest expenditure from social overhead capital provisions)	(–5,088.3)	(–5,107.5)
Total	**–37,581.3**	**–33,790.9**

15. Taxes on Income and Earnings

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

The calculation is based on tax rates that will be applicable pursuant to the prevailing tax laws or according to tax laws whose entry into force is essentially finalised, at the probable date of realisation.

in EUR thousand	2007	2006
Actual tax expense	4,823.3	3,327.6
Deferred tax expense/income	2,225.8	5,201.1
Tax expense (+)/income (-)	**7,049.1**	**8,528.7**

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

in EUR thousand	2007	2006
Result before income tax	38,554.9	35,322.5
Theoretical tax expense (+)/income (-)	9,638.7	8,830.6
Differences in rates of taxation	–1,634.5	340.8
Tax effect of non-deductible expenditure and tax-exempt income	923.4	–2,956.1
Income/expenditure from shareholdings in associated companies	–2,671.4	–2,774.9
Changes in deferred tax assets not applied in relation to loss carry-forwards	2,176.2	5,138.5
Effect from taxation changes	443.5	0.0
Other	551.1	–387.0
Tax gains / losses related to other periods	–2,377.9	336.8
Taxes on income and earnings	**7,049.1**	**8,528.7**

In addition to the tax expense recognised in the Group profit and loss account, the tax effect of expenses and income set off directly to equity capital was also allocated directly to equity capital. The income allocated to equity capital amounted to TEUR 882.6 (previous year: TEUR –124.0).

16. Earnings per share

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

	2007	2006
Proportion of annual surplus relating to shareholders of parent company in TEUR	22,007.5	20,539.1
Weighted average number of issued shares and capital share certificates	2,033,550	2,033,550
Earnings per share in EUR (basic EPS= diluted EPS)	**10.82**	**10.10**

Likewise the earnings per ordinary share amounts to EUR 10.82 (previous year: EUR 10.10).

17. Intangible Assets

in EUR thousand	Concessions, licences and similar rights	Company value	Total
Acquisition costs and manufacturing costs			
Balance 01.01.2006	50,952.7	32,505.5	83,458.2
Additions/disposals due to changes in the consolidated entity	14.9	–	14.9
Additions	6,522.7	901.6	7,424.3
Disposals	–416.1	–39.7	–455.8
Reclassifications	0.5	–	0.5
Currency adjustments	12.3	–	12.3
Balance 31.12.2006	57,087.0	33,367.4	90,454.4
Additions/disposals due to changes in the consolidated entity	11,776.6	–	11,776.6
Additions	5,868.3	270.0	6,138.3
Disposals	–2,402.6	–	–2,402.6
Reclassifications	50.3	–	50.3
Currency adjustments	148.3	–	148.3
Balance 31.12.2007	72,527.9	33,637.4	106,165.3
Accumulated amortisation			
Balance 01.01.2006	17,538.7	20,474.1	38,012.8
Additions/disposals due to changes in the consolidated entity	6.0	–	6.0
Additions	3,692.6	696.2	4,388.8
Disposals	–406.3	2.2	–404.1
Reclassifications	–	–	–
Currency adjustments	10.6	–	10.6
Appreciation	–	–	–
Balance 31.12.2006	20,841.6	21,172.5	42,014.1
Additions/disposals due to changes in the consolidated entity	249.0	–	249.0
Additions	4,535.6	201.7	4,737.3
Disposals	–1,143.8	–	–1,143.8
Reclassifications	0.9	–	0.9
Currency adjustments	7.3	–	7.3
Appreciation	–	–	–
Balance 31.12.2007	24,490.6	21,374.2	45,864.8
Book values – balance 31.12.2006	**36,245.4**	**12,194.9**	**48,440.3**
Book values – balance 31.12.2007	**48,037.3**	**12,263.2**	**60,300.5**

The table shows only purchased intangible assets with a limited useful life. Please refer to the comments shown under accounting and valuation methods with regard to useful lives and methods of amortisation and depreciation.

Non-scheduled amortisation due to impairment losses and regular amortisation at a rate of TEUR 201.7 (previous year: TEUR 696.2) affecting net income are shown in the profit and loss account under "amortisation/depreciation of intangible and tangible fixed assets".

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

in EUR thousand	Balance 01.01.2007	Currency adjustments	Newly acquired goodwill	Impairment	Balance 31.12.2007
Road construction – T-A Group	7,938.4	–	–	–35.0	7,903.4
Civil engineering – PTU Group	3,981.8	–	270.0	–166.7	4,085.1
Building construction – PPH Group	274.7	–	–	–	274.7
Total	**12,194.9**	**–**	**270.0**	**–201.7**	**12,263.2**

The impairment test involves comparing the total of the book values of the assets of the segment to which goodwill was allocated with the attainable amount of the same assets. The attainable amount of the segment corresponds to the attributable fair value less selling costs or the value in use, if this is higher. The attributable fair value reflects the best possible estimate of the amount for which an independent third party would acquire the segment at market conditions on the balance sheet date. In cases where no attributable fair value can be determined, the value in use, i.e. the present value of probable future cash flows generated by the segment, is laid down as the attainable amount. As an attributable fair value could not be established for any of the segments to which goodwill has been allocated, the value in use of these segments was determined in order to establish the attainable amount. The cash flows were derived from budgets for subsequent years approved by the Executive Board and current as at the time of the implementation of the impairment tests.

These forecasts are based on past experience and expectations regarding future market developments. The discounting was carried out on the basis of the segment-specific capital costs. These segment-specific capital costs lay within a range of 5.0 percent to 8.6 percent before tax.

18. Tangible assets

in EUR thousand	Land, land rights and buildings including buildings on land owned by others	Technical equipment and machinery	Other plant, factory and business equipment	Payments on account and assets in the course of construction	Total
Acquisition costs and manufacturing costs					
Balance as of 01.01.2006	279,857.4	334,287.2	88,868.6	16,711.9	719,725.1
Additions/disposals due to changes in the consolidated entity	510.5	477.0	269.3	141.5	1,398.3
Additions	2,463.8	41,334.5	16,343.7	7,303.8	67,445.8
Disposals	–6,447.5	–30,861.9	–17,170.1	–6,301.0	–60,780.5
Reclassifications	10,374.0	–181.2	755.0	–13,917.2	–2,969.4
Currency adjustments	641.8	1,341.1	599.7	82.6	2,665.2
Increase in value arising from revaluation	–	–	–	–	–
Balance as of 31.12.2006	287,400.0	346,396.7	89,666.2	4,021.6	727,484.5
Additions/disposals due to changes in the consolidated entity	0.6	3,141.7	415.9	5,903.6	9,461.8
Additions	5,534.0	32,970.4	15,073.5	31,525.2	85,103.1
Disposals	–3,423.6	–19,476.2	–14,682.2	–889.1	–38,471.1
Reclassifications	–13,435.3	2,879.2	369.1	–5,900.2	–16,087.2
Currency adjustments	509.2	572.8	312.9	87.0	1,481.9
Increase in value arising from revaluation	6,948.2	–	–	–	6,948.2
Balance as of 31.12.2007	283,533.1	366,484.6	91,155.4	34,748.1	775,921.2
Accumulated depreciation					
Balance as of 01.01.2006	60,214.0	253,633.0	65,482.7	8.9	379,338.6
Additions/disposals due to changes in the consolidated entity	4.4	–332.9	62.7	–	–265.8
Additions (planned depreciation)	6,450.6	17,462.3	15,194.2	–	39,107.1
Disposals	–3,115.3	–27,647.8	–14,830.1	–	–45,593.2
Reclassifications	–416.9	–173.5	130.2	–	–460.2
Currency adjustments	30.6	1,002.2	352.0	–	1,384.8
Appreciation	–	–	–	–	–
Revision arising from revaluation	–	–	–	–	–
Balance as of 31.12.2006	63,167.4	243,943.3	66,391.7	8.9	373,511.3
Additions/disposals due to changes in the consolidated entity	–	990.0	65.0	–	1,055.0
Additions (planned depreciation)	6,628.2	25,665.6	15,133.3	–	47,427.1
Disposals	–2,115.5	–18,621.1	–13,707.6	–	–34,444.2
Reclassifications	–1,977.7	–178.4	178.4	–	–1,977.7
Currency adjustments	37.3	668.8	299.3	–	1,005.4
Appreciation	–	–	–	–	–
Revision arising from revaluation	67.6	–	–	–	67.6
Balance as of 31.12.2007	65,807.3	252,468.2	68,360.1	8.9	386,644.5
Book values – balance – 31.12.2006	**224,232.6**	**102,453.4**	**23,274.5**	**4,012.7**	**353,973.2**
Book values – balance – 31.12.2007	**217,725.8**	**114,016.4**	**22,795.3**	**34,739.2**	**389,276.7**

The attributable fair value specified on the revaluation date in accordance with the revaluation method of the property used in operations, will be specified in accordance with recognised evaluation methods. Namely by derivation from a price which has been achieved in a transaction with a similar property in the recent past, or mainly in the absence of suitable market data then by discounting estimated future cash flows which can be generated by leasing the property under normal market conditions.

Scheduled depreciation is shown under "amortisation/depreciation of tangible and intangible fixed assets". Non-scheduled depreciation as a result of impairment did not need to be carried out in respect of either the year under review or the previous year.

The book value for tangible assets that are pledged for security at the balance sheet date is TEUR 98,126.0 (previous year: TEUR 63,730.2).

The book value for land, land rights and buildings, including buildings on land owned by others would have amounted to TEUR 181,608.7 (previous year TEUR 187,491.8) on application of the acquisition cost model as at 31 December 2007.

Book values of tangible assets held under finance leases amounted to:

in EUR thousand	2007	2006
Real estate leasing	103,845.4	79,467.1
Equipment leasing	40,285.0	21,303.9
Total	**144,130.4**	**100,771.0**

These are balanced by corresponding liabilities represented by the present value of the minimum lease payments, i.e. of TEUR 118,839.4 (previous year: TEUR 90,669.4).

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

Operating leases

The Group essentially leases cars and individual items of real estate under operating leases. The average term of car leasing agreements is 4 years and the term of real estate leasing agreements is 18 to 20 years.

The following summary shows the future minimum lease payments during the nonterminable term of the operating leases:

in EUR thousand	2007	2006
Due within 1 year	6,451.9	3,157.6
Due between 1 and 5 years	17,136.1	9,430.5
Due after 5 years	29,742.7	30,814.5

19. Financial Real Estate

in EUR thousand

Attributable fair value	
Balance 01.01.2006	148,294.9
Additions/disposals due to changes in the consolidated entity	8,163.7
Additions	1,946.7
Disposals	–2,413.0
Reclassifications	2,508.7
Currency adjustments	246.6
Adjustment to attributable value	3,536.5
Balance 31.12.2006	**162,284.1**
Additions/disposals due to changes in the consolidated entity	29,334.7
Additions	27,424.4
Disposals	–9,610.4
Reclassifications	14,059.9
Currency adjustments	90.5
Adjustment to attributable value	–565.0
Balance 31.12.2006	**223,018.2**

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

The rental income from leased financial real estate amounted to TEUR 6,189.1 in the year under review.

Financial real estate with a book value of TEUR 70,684.6 (previous year: TEUR 40,783.5) is pledged as collateral for liabilities.

20. Shareholdings in Associated Companies

in EUR thousand	2007	2006
Acquisition costs	46,088.4	34,358.4
Share of profit attained since acquisition less dividends received and profit transfers	50,965.4	40,279.9
Earnings directly entered into equity capital	4,502.7	-
Book values	**101,556.5**	**74,638.3**

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

in EUR thousand	2007	2006
Assets	1,195,404.9	669,424.6
Liabilities	977,629.6	513,275.8
Net assets	217,775.3	156,148.8
Group share of net assets	101,556.5	74,638.3

in EUR thousand	2007	2006
Gross revenues	429,466.4	271,354.3
Surplus for the year	31,929.1	40,081.6
Group share of surplus for the year	14,671.7	16,296.0

Non-recognised shares of losses of associated companies for fiscal year 2007 amount to TEUR 0.0 (previous year: TEUR –113.2) and the accumulated amount as of 31 December 2007 comes out at TEUR –514.5 (previous year: TEUR –861,2).

The attributable fair value of the shareholding of 41.27 percent in the listed company UBM Realitätenentwicklung AG as of 31 December 2007 was TEUR 61.902,4 (previous year: TEUR 53,855.1).

21. Loans

	2007		2006	
in EUR thousand	long-term	short-term	long-term	short-term
Loans to companies in which there is a participating interest	2,098.5	–	2,027.3	–
Loans to associated companies	7,368.3	–	8,462.1	30.0
Other loans	4,335.4	121.6	4,279.7	106.1
Total	**13,802.2**	**121.6**	**14,769.1**	**136.1**

22. Other Financial Assets

in EUR thousand	2007	2006
Shareholdings in non-consolidated subsidiaries	9,727.2	9,473.7
Other shareholdings	14,383.7	26,183.7
Securities available for sale	23,806.3	23,534.6
Total	**47,917.2**	**59,192.0**

As regards the shareholdings, including shareholdings in non-consolidated subsidiaries, the attributable fair value cannot be determined reliably, meaning that they are recognised at their acquisition costs less any amortisation in respect of impairment. Securities available for sale mainly comprise fixed-interest instruments. They are not subject to any restrictions on disposal.

23. Inventories

Inventories comprise the following:

in EUR thousand	2007	2006
Land intended for sale	779.7	7,020.4
Finished and unfinished products and merchandise	4,217.2	1,145.9
Raw materials and supplies	45,862.4	41,407.4
Payments on account	16,843.3	11,909.0
Total	**67,702.6**	**61,482.7**

Inventories are not subject to any restrictions on disposal.

24. Trade debtors

Manufacturing contracts

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

in EUR thousand	2007	2006
Contract values defined according to POC method	896,061.0	799,574.4
Less attributable payments on account	–687,134.5	–608,811.0
Total	**208,926.5**	**190,763.4**

Proportional contract values capitalised according to the stage of completion of the contract as of 31 December 2007 are balanced by contract costs valued at TEUR 860,551.4 (previous year: TEUR 732,016.6), so that the income from these activities amounts to TEUR 35,509.6 (Previous year including partial gains from joint ventures: TEUR 67,557.8). In the year under review, shares of the profits from joint ventures are shown under receivables from joint ventures. Payments on account including preliminary payments on invoices for partial delivery are shown under liabilities, where these exceed proportional contract values capitalised according to the stage of completion of the contract.

Composition and terms to maturity of trade debtors:

in EUR thousand	31.12.2007	Remaining term > 1 year	31.12.2006	Remaining term > 1 year
Receivables from third parties	542,821.4	12,041.7	495,634.8	22,553.5
Receivables from joint ventures	107,642.9	–	66,609.5	–
Receivables from non-consolidated subsidiaries	47,471.7	330.3	63,055.8	59.3
Receivables from other shareholdings	23,433.5	12,584.8	24,124.9	12,941.6
Receivables from associated companies	39,603.4	2.6	44,799.0	7,385.0
Total	**760,972.9**	**24,959.4**	**694,224.0**	**42,939.4**

Trade debtors include contractual retentions of TEUR 61,483.7 (previous year: TEUR 74,860.9).

Ageing structure of receivables:

in EUR thousand	Book value as of 31.12.2007	Of wich overdue at closing date	Of which overdue at closing date in the following time periods: Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Receivables from third parties	542,821.4	412,550.2	30,629.4	22,135.3	35,659.6	24,639.8	17,207.1

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

25. Other Receivables and Assets

in EUR thousand	31.12.2007	Remaining term > 1 year	31.12.2006	Remaining term > 1 year
Receivables from insurance	10,051.6	2,817.0	11,347.2	–
Tax repayable	16,331.8	–	11,577.0	–
Other receivables and assets	29,711.6	5,405.1	35,634.6	13,137.0
Total	**56,095.0**	**8,222.1**	**58,558.8**	**13,137.0**

Diesel purchasing contracts at the fair attributable value are included, amounting to TEUR 219.2, which could be settled in cash and also will actually be settled in cash. These diesel purchasing contracts serve to hedge against the risk of fluctuating cash flow arising from planned diesel purchases.

26. Liquid Funds

The liquid funds include cash at banks amounting to TEUR 116,818.0 (previous year: TEUR 67,306.7) and cash in hand of TEUR 543.6 (previous year: TEUR 582.5).

A balance of TEUR 3,000.0 included within cash at banks serves as collateral for obligations taken over in connection with the ABS loan (see note 33) meaning that this balance is not freely available to the Group.

27. Deferred Taxes

The following tax deferments stated on the balance sheet arise from temporary differences between the valuations in the IFRS consolidated accounts and the respective valuations for tax purposes as well as from realisable loss carry-forwards:

	2007		2006	
in EUR thousand	Assets	Liabilities	Assets	Liabilities
Long-term tangible assets, liabilities from financial leasing	22,987.7	44,257.3	–	25,232.9
Percentage of completion	–	22,925.5	–	17,746.9
Untaxed reserves	–	7,757.1	–	7,293.9
Provisions	8,447.3	9,241.3	–	–269.5
Tax loss carry-forwards	24,122.9	–	22,897.1	–
Set-offs	–40,467.2	–40,467.2	–14,260.0	–14,260.0
Deferred taxes	**15,090.7**	**43,714.0**	**8,637.1**	**35,744.2**
Net deferred taxes		**28,623.3**		**27,107.1**

in EUR thousand	2007	2006
Net deferred taxes	28,623.3	27,107.1
Change	–1,516.2	–5,414.8
of which relating to currency difference	–465.1	–89.7
of which relating to expense/income according to profit and loss account	–2,225.8	–5,201.1
of which relating to regrouping from current tax liabilities	1,698.1	–
of which relating to first consolidations	–1,406.0	–
of which relating to additions in respect of acquisitions of subsidiaries	882.6	–124.0

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

The loss carry-forwards for which no deferred tax assets were recognised, amount to TEUR 86,948.2 (previous year TEUR 82,480.0). The loss carry-forwards can be carried forward essentially without restriction, both those for which the deferred tax assets have been recognised and those for which no deferred tax assets were recognised.

28. Share Capital

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

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

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

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

29. Reserves

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

The retained earnings comprise the revaluation reserve, the reserves from revaluation of the annual financial statements of subsidiaries in foreign currencies, the reserves for cash flow hedges, other profits or losses to be set off directly against equity capital, retained earnings of PORR AG including the statutory reserve and the untaxed reserves after deducting deferred tax items, retained profits from subsidiaries since their acquisition and the effects of adjusting the annual financial statements of companies included in the consolidated accounts to the accounting and valuation methods used in the consolidated accounts. Unappropriated retained earnings of TEUR 4,488.0 are available for distribution to the shareholders of PORR AG. In addition the unallocated retained earnings of PORR AG, which come to TEUR 122,358.6 as of 31 December 2007, may be released and distributed to the shareholders of PORR AG. The statutory reserve of PORR AG of TEUR 457.8 may only be released to compensate for an accumulated loss which would otherwise be shown, whereby the release to cover the loss is not impeded by free reserves being available to compensate for the loss.

During the year under review, dividends or profit shares of EUR 3,538,377.00, being EUR 1.74 per share or capital share certificate, were paid to shareholders and holders of capital share certificates in PORR AG. The Executive Board proposes to distribute a dividend from the 2007 unappropriated retained earnings of EUR 2.20 per ordinary share, preference share or capital share certificate, amounting to a total of EUR 4,473,810.00. The proposed dividend is not yet entered in the consolidated balance sheet as a liability as of 31 December 2007. The payment of dividends has no effect on the tax contributions of the Group.

30. Capital from Profit-participation Rights from Subsidiaries

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

31. Shares of Minority Shareholders of Subsidiaries

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

32. Provisions

in EUR thousand	Severance	Pensions	Anniversary	Other staff provisions	Buildings	Other	Total
Balance as of 01.01.2007	49,360.2	51,694.9	7,411.3	44,970.5	48,590.0	5,369.8	207,396.7
Transfer	4,155.5	786.7	730.7	20,966.9	40,631.4	1,589.2	68,860.4
Appropriation/ liquidation	1,969.5	3,115.3	517.8	21,341.5	37,714.7	2,008.6	66,667.4
Balance as of 31.12.2007	**51,546.2**	**49,366.3**	**7,624.2**	**44,595.9**	**51,506.7**	**4,950.4**	**209,589.7**
of which relating to long-term	51,546.2	49,366.3	7,624.2	–	–	–	108,536.7
of which relating to short-term	–	–	–	44,595.9	51,506.7	4,950.4	101,053.0

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

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

At TEUR 19,663.6 (previous year: TEUR 16,780.3), provisions for buildings mainly represent provisions for impending losses arising from the backlog of orders and, at TEUR 8,680.0 (previous year: TEUR 8,797.3 provisions for guarantees. Provisions for impending losses are based on current contract calculations. Provisions for guarantees and other contract risks are determined on the basis of an individual assessment of the risks. Claims arising against the group from these risks are deemed to be probable, in which case the recognised amount corresponds to the best possible estimate of the amount of the claim. As building contracts can take several years to be carried out, and any claim possibly precedes a long ongoing legal dispute, the time of the claim is uncertain but will as a rule lie within one operating cycle.

Pension plans

Defined benefit plans

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

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

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

The movements within provisions for severance pay were as follows:

in EUR thousand	2007	2006
Present value of pension obligations (DBO) as of 01.01.	49,360.2	48,867.6
Prior service cost	2,645.0	2,675.7
Interest paid	2,210.9	2,167.7
Severance payments	–5,187.3	–5,146.2
Actuarial profits/losses	2,517.4	795.4
Present value of severance obligations (DBO) as of 31.12.	**51,546.2**	**49,360.2**

For the year 2008, an interest payment of TEUR 2,604.9 and a prior service cost of TEUR 2,842.8 are planned. Please refer to the notes on the accounting and valuation methods with regard to the actuarial assumptions underlying the calculation.

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

in EUR thousand	2007	2006	2005	2004	2003
Present value of severance obligations as of 31.12.	51,546.2	49,360.2	48,867.6	38,872.1	37,926.0

The movements within pension provisions were as follows:

in EUR thousand	2007	2006
Present value of pension obligations (DBO) as of 01.01.	51,694.9	53,063.6
Prior service cost	454.9	614.9
Interest paid	2,351.6	2,425.4
Pension payments	–6,218.1	–3,121.8
Actuarial profits/losses	1,083.0	–1,287.2
Present value of pension obligations (DBO) as of 31.12.	**49,366.3**	**51,694.9**

For the year 2008, an interest payment of TEUR 2,529.1 and a prior service cost of TEUR 386.6 are planned. Please refer to the notes on the accounting and valuation methods with regard to the actuarial assumptions underlying the calculation.

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

in EUR thousand	2007	2006	2005	2004	2003
Present value of pension obligations as of 31.12.	49,366.3	51,694.9	53,063.6	47,072.0	44,482.3

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

Defined contribution plans

Employees whose employment is subject to Austrian law and who commenced employment after 31 December 2002, and workers to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, do not acquire any severance pay claims in respect of their respective employer. These employees, except for those to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, are obliged to pay contributions of 1.53 percent of the wage or salary to an employee welfare fund.

Contributions are payable by the employer to the holiday pay and severance pay fund in respect of those employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act. At the present time, 37 percent of the wage of relevant employees is payable to the holiday pay fund and 4 percent to the severance pay fund. This contribution covers employees' severance pay claims and other benefits, in particular the holiday pay and holiday allowance payable by the holiday pay and severance pay fund to the relevant employees. This state plan covers all the companies in the building sector. The benefits are financed on a pay-as-you-earn basis, i.e. the benefits falling due in a particular period are to be financed by the contributions of this same period, while the future benefits earned in the period under review will be funded by future contributions. The companies are not legally or actually obliged to pay these future benefits. The companies are only obliged to pay the prescribed contributions as long as they employ employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act.

The employees of the PORR Group also belong to their country-specific, state pension plans, which are usually funded on a pay-as-you-earn basis. The Group is only obliged to pay the contributions when they become due. There is no legal or actual obligation to provide future benefits.

33. Bonds

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

Nominal amount	EUR 70,000,000.00
Tenor	2007 – 2012
Denomination	EUR 500.00
Nominal interest rate	5.875 percent p.a.
Coupon	31.05./30.11. semi-annually
Redemption	31.05.2012 at 100 percent
Closing rate 31.12.2007	101.0
ISIN	AT0000A05DC4
Book value	EUR 70,000,000.00

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

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

Nominal amount	EUR 60,000,000.00
Tenor	2006 – 2011
Denomination	EUR 500.00
Nominal interest rate	5.625 percent p.a.
Coupon	29.06./29.12. semi-annually
Redemption	29.06.2011 at 100 percent
Closing rate 31.12.2007	99.9
ISIN	AT0000A019D6
Book value	EUR 60,000,000.00

Nominal amount	CZK 200,000,000.00
Tenor	2006 – 2011
Denomination	CZK 2,000,000.00
Nominal interest rate	6-Month PRIBOR + 190BPS
Coupon	29.06./29.12. semi-annually
Redemption	29.06.2011 at 100 percent
ISIN	AT0000A019E4
Book value	EUR 7,616,900.38

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

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

Nominal amount	EUR 100,000,000.00
Tenor	2005 – 2010
Denomination	EUR 500.00
Nominal interest rate	4.5 percent p.a.
Coupon	29.06. annually
Redemption	29.06.2010 at 100 percent
Closing rate 31.12.2007	97.33
ISIN	AT0000492707
Book value	EUR 100,000,000.00

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

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

Nominal amount	EUR 72,000,000.00
Tenor	2005 – 2012
Denomination	EUR 50,000.00
Nominal interest rate	3.9675 percent p.a.
Coupon	30.04./31.10. semi-annually
Redemption	30.04.2012 at 100 percent
Book value	EUR 72,000,000.00

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

34. Financial Liabilities

in EUR thousand	2007	2006
Bank loans and overdrafts		
subject to interest at variable rates	146,190.8	211,759.6
subject to interest at fixed rates	20,467.9	18,683.4
Lease obligations		
subject to interest at variable ratest	118,839.4	90,669.4
Derivative financial instruments	10,451.9	–
Total	**295,950.0**	**321,112.4**

Bank borrowings subject to variable rates of interest are mainly charged interest at the 3-month EURIBOR rate or the 6-month EURIBOR rate plus differing margins. During the year under review the 1-month EURIBOR rate fluctuated between 3.606 percent and 4.947 percent, the 3-month EURIBOR rate between 3.725 percent and 4.953 percent and the 6-month EURIBOR rate between 3.857 percent and 4.917 percent. The margins lay between 0.25 percent and 4.12 percent. Interest rates lay between 0.5 percent and 4.2 percent in respect of bank borrowings subject to interest at fixed rates.

Some items of real estate and equipment used by the Group itself are held under finance leases (see note 18). The interest rates for the lease obligations are between 3.56 percent and 5.91 percent. The interest component of the lease payments is usually continuously adjusted to the market interest rate. There are no agreements about conditional rental payments.

Derivative financial instruments include currency futures contracts. Foreign exchange futures with an attributable fair value of TEUR 10,404.6, act as a hedge against the risk of fluctuating cash flows from planned local acquisitions in foreign currencies for projects outside the European Monetary Union and also for diesel purchasing contracts which can be settled in cash and also will actually be settled in cash. The diesel purchasing contracts serve as a hedge against the risk of fluctuating cash flows from planned diesel purchases. The derivative financial instruments are valued at attributable fair values as of the value date.

		Remaining term			of which
in EUR thousand	31.12.2007	< 1 year	> 1 year < 5 years	> 5 years	secured by collateral
Bank loans and overdrafts	166,658.7	85,438.0	46,720.6	34,500.1	53,257.8
Lease obligations	118,839.4	16,621.0	37,483.0	64,735.4	118,839.4
Derivative financial instruments	10,451.9	2,776.0	7,675.9	–	–
Total	**295,950.0**	**104,835.0**	**91,879.5**	**99,235.5**	**172,097.2**

in EUR thousand	31.12.2006	Remaining term < 1 year	> 1 year < 5 years	> 5 years	of which secured by collateral
Bank loans and overdrafts	230,443.0	149,361.3	46,846.4	34,235.3	69,483.4
Lease obligations	90,669.4	8,309.4	30,494.4	51,865.6	90,669.4
Total	**321,112.4**	**157,670.7**	**77,340.8**	**86,100.9**	**160,152.8**

Group obligations under finance leases are secured by the leased assets amounting to a book value of TEUR 144,130.4 (previous year: TEUR 100,771.0) which are the property of the lessor under civil law.

in EUR thousand	Minimum leasing payments 31.12.2007	Present value distribution of minimum leasing payments 31.12.2007	31.12.2006
With a remaining period up to one year	22,036.7	16,621.0	8,309.4
With a remaining period of more than one year and less than five years	53,295.6	37,483.0	30,494.4
With a remaining period of more than five years	86,473.3	64,735.4	51,865.6
Total	**161,805.6**	**118,839.4**	**90,669.4**
To be deducted: future financing costs	–42,966.2	–	–
Present value of minimum leasing payments	**118,839.4**	**118,839.4**	**90,669.4**
Entered in the consolidated accounts as:			
Short-term liabilities		16,621.0	8,309.4
Long-term liabilities		102,218.4	82,360.0
		118,839.4	**90,669.4**

35. Trade Creditors

in EUR thousand	31.12.2007	Remaining term < 1 year	> 1 year < 5 years	> 5 years	of which secured by collateral
Payables to third parties	320,056.1	305,159.5	13,415.0	1,481.6	–
Payables to joint ventures	66,821.1	66,821.1	–	–	–
Payables to non-consolidated subsidiaries	1,568.0	956.1	136.6	475.3	–
Payables to associated companies	7,417.4	7,417.4	–	–	–
Payables to other shareholdings	5,884.3	5,398.1	58.6	427.6	–
Total	**401,746.9**	**385,752.2**	**13,610.2**	**2,384.5**	**–**

in EUR thousand	31.12.2006	Remaining term < 1 year	> 1 year < 5 years	> 5 years	of which secured by collateral
Payables to third parties	274,880.7	264,014.2	10,635.8	230.7	–
Payables to joint ventures	45,411.7	45,411.7	–	–	–
Payables to non-consolidated subsidiaries	1,538.5	1,218.1	125.7	194.7	–
Payables to associated companies	4,924.0	4,924.0	–	–	–
Payables to other shareholdings	2,699.3	2,599.7	99.6	–	–
Total	**329,454.2**	**318,167.7**	**10,861.1**	**425.4**	**-**

36. Other Liabilities

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

With regard to manufacturing contracts, it also includes payments on account including preliminary payments on invoices for partial delivery amounting to TEUR 70,417.2 (previous year: TEUR 36,681.2), where these exceed proportional contract values capitalised according to the stage of completion of the contract.

37. Tax Liabilities

Current income tax liabilities are shown under tax liabilities.

38. Contingent Liabilities

The contingent liabilities relate largely to loan guarantees and surety bonds. On the balance sheet date, the Group mainly provided guarantees in respect of associated companies.

Apart from that the Group is jointly and severally liable for all joint ventures in which it participates. Claims arising from these liabilities are not likely.

39. Notes on Segment Reporting

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

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

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

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

Segment Reporting

in EUR thousand	Road Construction TA-Group 2007	Road Construction TA-Group 2006	Civil Engineering PTU-Group 2007	Civil Engineering PTU-Group 2006
Production output (Group)	**859,323.3**	**817,494.6**	**1,040,730.8**	**855,280.7**
Segment revenue	**894,843.2**	**870,943.6**	**1,133,117.3**	**922,709.4**
Cost of materials	–587,811.9	–571,798.1	–756,677.2	–587,569.5
Personnel costs	–221,999.9	–222,107.0	–229,020.8	–204,452.0
Depreciation	–16,854.7	–11,669.1	–29,530.9	–23,792.2
Other operating expenses	–49,723.4	–43,621.3	–94,811.9	–89,257.7
EBIT	**18,453.3**	**21,748.1**	**23,076.5**	**17,638.0**
Result from associated companies	2,684.6	5,227.4	7,373.3	2,310.4
Income from other financial assets and current financial assets				
Financial expenditure				
EBT				
Taxes on income				
Surplus for the year				
of which proportion due to minority shareholders of subsidiaries				
Proportion due to shareholders of parent company				
Segment assets as of 31.12.	**696,749.8**	**575,939.1**	**1,509,653.1**	**1,323,377.8**
Segment liabilities as of 31.12.	**374,337.7**	**397,762.7**	**1,215,373.1**	**1,049,297.8**
Investments in tangible assets	**23,357.6**	**15,104.8**	**35,380.3**	**46,703.1**
Employees	**4,777**	**4,793**	**4,672**	**3,988**

Building Construction PPH-Group		Total for segments		Reconciliation		Group	
2007	2006	2007	2006	2007	2006	2007	2006
843,628.8	**649,947.7**	**2,743,682.9**	**2,322,723.0**	**–**	**–**	**2,743,682.9**	**2,322,723.0**
668,508.0	**544,013.1**	**2,696,468.5**	**2,337,666.1**	**–443,931.1**	**–365,475.7**	**2,252,537.4**	**1,972,190.4**
–515,058.3	–420,520.1	–1,859,547.4	–1,579,887.7	435,014.1	356,541.6	–1,424,533.3	–1,223,346.1
–96,886.3	–89,175.7	–547,907.0	–515,734.7	–	–	–547,907.0	–515,734.7
–5,846.5	–4,684.8	–52,232.1	–40,146.1	–	–3,349.8	–52,232.1	–43,495.9
–37,875.6	–22,690.7	–182,410.9	–155,569.7	7,734.4	7,666.2	–174,676.5	–147,903.5
12,841.3	**6,941.8**	**54,371.1**	**46,327.9**	**–1,182.6**	**–4,617.7**	**53,188.5**	**41,710.2**
4,613.8	8,758.2	14,671.7	16,296.0	–	–	14,671.7	16,296.0
						8,276.0	11,107.2
						–37,581.3	–33,790.9
						38,554.9	**35,322.5**
						–7,049.1	–8,528.7
						31,505.8	**26,793.8**
						–9,498.3	–6,254.7
						22,007.5	**20,539.1**
992,808.7	**725,284.2**	**3,199,211.6**	**2,624,601.1**	**–1,345,996.0**	**–1,020,376.2**	**1,853,215.6**	**1,604,224.9**
918,627.8	**660,990.6**	**2,508,338.6**	**2,108,051.1**	**–1,017,366.3**	**–765,091.5**	**1,490,972.3**	**1,342,959.6**
34,482.0	**5,637.9**	**93,219.9**	**67,445.8**			**93,219.9**	**67,445.8**
2,106	**1,834**	**11,555**	**10,615**			**11,555**	**10,615**

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

in EUR thousand	Production output by customer base 2007	Assets by company base 2007	Production output by customer base 2006	Assets by company base 2006
Domestic	1,791,469.4	2,565,475.1	1,632,438.3	2,156,563.5
Czech Republic	208,833.8	114,564.1	189,314.1	90,021.4
Hungary	191,029.0	46,463.6	94,240.4	35,532.0
Germany	187,807.3	249,400.7	135,359.2	166,975.3
Poland	168,519.7	50,545.2	164,991.2	47,128.2
Slovakia	47,942.2	2,124.8	8,817.0	–
Switzerland	40,984.9	111,673.8	40,042.5	109,085.9
Romania	36,654.5	11,835.3	5,421.0	–
Croatia	25,307.1	20,984.6	31,075.2	11,045.8
Bosnia and Herzegovina	376.6	–	4,142.5	–
Other Foreign	44,758.4	26,144.4	16,881.6	8,249.0
Foreign	952,213.5	633,736.5	690,284.7	468,037.6
Total of segments	**2,743,682.9**	**3,199,211.6**	**2,322,723.0**	**2,624,601.1**

40. Notes on the Cash Flow Statement

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

Interest received and dividends received are recorded in the cash flow from operating activities, as is interest paid. In contrast to this, dividends paid are shown under the cash flow from financing activities.

41. Notes on the Financial Instruments

41.1. Capital risk management

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

41.2. Categories of financial instruments

41.2.1. Book values, valuation rates and attributable fair values

in EUR thousand	Valuation category in accordance with IAS 39	Book value as of 31.12.2007	Valuation in accordance with IAS 39 (continuing) Acquisition costs	Fair Value not affecting net income	Fair Value affecting net income	Fair Value as of 31.12.2007
Assets						
Loans	LaR	13,923.8	13,923.8			13,923.8
Other financial assets (1)	AfS (at cost)	24,110.9	24,110.9			k. A.
Other financial assets	AfS	23,806.3		23,806.3		23,806.3
Trade debtorsn	LaR	760,972.9	760,972.9			760,972.9
Other assets	LaR	39,012.3	39,012.3			39,012.3
Derivatives (without hedges)	FAHfT	219.2			219.2	219.2
Liquid funds	LaR	117,361.6	117,361.6			117,361.6
Liabilities						
Bonds						
At fixed interest rates	FLAC	302,000.0	302,000.0			299,970.0
At variable interest rates	FLAC	7,616.9	7,616.9			7,616.9
Bank loans and overdrafts						
At fixed interest rates	FLAC	20,467.9	20,467.9			18,424.4
At variable interest rates	FLAC	146,190.8	146,190.8			146,190.8
Lease obligations (2)		118,839.4	118,839.4			118,839.4
Trade creditors	FLAC	401,746.9	401,746.9			401,746.9
Other liabilities	FLAC	74,307.7	74,307.7			74,307.7
Derivatives (without hedges)	FLHfT	47.3			47.3	47.3
Derivatives (with hedges)		10,404.6		10,404.6		10,404.6
by category:						
Loans and Receivables	LaR	931,270.6	931,270.6			931,270.6
Available-for-Sale Financial Assets (1)	AfS (at cost)	24,110.9	24,110.9			k. A.
Available-for-Sale Financial Assets	AfS	23,806.3		23,806.3		23,806.3
Financial Assets Held for Trading	FAHfT	219.2			219.2	219.2
Financial Liabilities Held for Trading	FLHfT	47.3			47.3	47.3
Financial Liabilities Measured at Amortised Cost	FLAC	952,330.2	952,330.2			948,256.7

in EUR thousand	Valuation category in accordance with IAS 39	Book value as of 31.12.2006	(continuing) Acquisition costs	Fair Value not affecting net income	Fair Value affecting net income	Fair Value as of 31.12.2006
Assets						
Loans	LaR	14,905.2	14,905.2			14,905.2
Other financial assets (1)	AfS (at cost)	35,657.4	35,657.4			k. A.
Other financial assets	AfS	23,534.6		23,534.6		23,534.6
Trade debtors	LaR	694,224.0	694,224.0			694,224.0
Other assets	LaR	46,509.2	46,509.2			46,509.2
Liquid funds	LaR	67,889.2	67,889.2			67,889.2
Liabilities						
Bonds						
At fixed interest rates	FLAC	232,000.0	232,000.0			228,100.0
At variable interest rates	FLAC	7,409.5	7,409.5			7,409.5
Bank loans and overdrafts						
At fixed interest rates	FLAC	18,683.4	18,683.4			16,691.3
At variable interest rates	FLAC	211,759.6	211,759.6			211,759.6
Lease obligations (2)		90,669.4	90,669.4			90,669.4
Trade creditors	FLAC	329,454.2	329,454.2			329,454.2
Other liabilities	FLAC	58,835.2	58,835.2			58,835.2
by category:						
Loans and Receivables	LaR	823,527.6	823,527.6			823,527.6
Available-for-Sale Financial Assets (1)	AfS (at cost)	35,657.4	35,657.4			k. A.
Available-for-Sale Financial Assets	AfS	23,534.6		23,534.6		23,534.6
Financial Assets Held for Trading	FAHfT					
Financial Liabilities Held for Trading	FLHfT					
Financial Liabilities Measured at Amortised Cost	FLAC	858,141.9	858,141.9			852,249.8

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

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

The fair value of receivables from trade debtors corresponds to the book value, as the majority of these are short-term. Every financial instrument is categorised as available for sale if it does not fall into any other valuation category under IAS 39. The fair value valuation for other financial assets and bonds is determined in accordance with market data from the information service provider REUTERS.

Liabilities from bank loans and overdrafts are valued under the discounted cash flow valuation method, whereby the zero coupon yield curve published by Reuters as of 31 December 2007 was used for the discounting of the cash flow.

41.2.2. Net results by valuation category

in EUR thousand		From interest/ dividends	From subsequent valuation: at Fair Value	From subsequent valuation: Value adjustment	From subsequent valuation: From divestiture	Net income 2007	Net income 2006
Loans and Receivables	LaR	7,313.4	–	–	–	7,313.4	4,114.8
Available-for-Sale Financial Assets	AfS	2,771.1	–	–1,300.0	–	1,471.1	3,631.4
Financial Liabilities Measured at Amortised Cost	FLAC	–27,959.5	–	–	–	–27,959.5	–25,444.2

41.3. Aims of financial risk management

Managing financial risks, in particular liquidity risks, interest rate/currency risks and risks from fluctuating raw material prices, are governed by standard Group guidelines. The management aim is to minimise the risks as far as possible. Hence, derivative and non-derivative hedging instruments are used in line with evaluations. Nevertheless, in general the only risks which are anticipated are those which have consequences on the Group's cash flow. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trade or other speculative purposes.

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

41.4. Liquidity risks

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

As of 31 December 2007 net liabilities amounted to EUR 488.1 m.

The short-term monetary assets exceed the short-term monetary liabilities by EUR 359.2 m. If the short-term provisions amounting to EUR 101.1 m materialise, a debit balance of EUR 258.1 m remains.

The short-term financial liabilities amount to EUR 104.8 m and are more than covered by liquid funds totalling EUR 117.4 m.

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

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

41.4.1. Table of liquidity and interest rate risks

in EUR thousand	Average interest rate	Non-discounted payment flow Until 03/2008	04 to 12 2008	2009 to 2013	from 2013
Bonds					
At fixed interest rates	4.92%	–	14,844.1	343,829.4	–
At variable interest rates	5.94%	–	463.5	8,729.4	–
Bank loans and overdrafts					
At fixed interest rates	2.88%	339.2	862.1	21,137.7	1,977.5
At variable interest rates	5.59%	48,432.5	43,234.4	37,899.3	48,103.8
Lease obligations	4.58%	4,320.9	17,715.8	53,295.6	86,473.3
Trade creditors	Not subject to interest	296,531.5	8,628.0	13,415.0	1,481.6

41.5. Interest rate risk management

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

An analysis of the floating interest rate position, which amounted to around EUR 272.6 m as of 31 December 2007, showed the following sensitivities which would occur under the scenarios of interest rate increases of 0.25 percent and 0.50 percent. The extent of the interest rate increases is based on the average volatility of the 3-month and 6-month EURIBOR in 2007. An interest rate increase of 0.25 percent therefore falls statistically within a probability band of 67 percent and an increase of 0.50 percent is respectively 99 percent.

in EUR million	Higher payable interest for the year 2008	Higher payable interest (p.a.) at linear extrapolation from 2009
At interest rate rise of 0.25 percent	0.50	0.67
At interest rate rise of 0.50 percent	1.00	1.34

41.6. Risks from changes to raw material prices

In 2007, material purchases were examined in view of the possibility of hedging the prices through derivative contracts. The result of this analysis led to hedging in the form of futures for a good two thirds of the prospective demand in diesel for the first half year of 2008.

Because of the lack of functioning derivative markets in this area, the price risk of other significant materials purchases could only be assured through conventional, long-term price setting.

Hedges for future diesel purchases

In the fiscal year 2007, futures in the form of standardised contracts (ULSD 10PPM) were concluded for a total of more than 7,710 tonnes. These hedge the purchase price to meet the expected demand for diesel in the first half year of 2008. Valued at the concluded hedging rate, this corresponds to a total value of around EUR 4.2 m.

Because of the rise in the price of diesel at year end, there is an unrealised valuation gain from hedges amounting to around EUR 0.2 m, which – in the absence of designation as hedge purchases in accordance with IAS 39 – will be appropriated into the profit and loss accounts affecting net income.

41.7. Foreign currency risks

The foreign currency risk is treated within the PORR Group as transaction-oriented and results either from construction contracts or from financing in connection with such contracts. Group policy is to hedge the operational foreign currency risks completely. In accordance with the respective functional currency of the Group unit which is processing the order, we aim to conduct local orders in the corresponding national currencies.

This happens in every instance in which the services to be rendered are locally generated. If this does not succeed, or if services must be provided in other currencies, the resulting risk is secured by hedging.

With regard to derivative financial instruments, the Group financial management exclusively use foreign exchange futures (see point 41.8.).

As of 31 December 2007, active and passive currency positions, which primarily result from Group-internal financing transactions and/or from residual CHF financing, were subject to a simulation, in order to be able to estimate possible risks from changes to foreign exchange rates:

	FX position in EUR million	Local currency	FX position in local currency (in EUR million)	VAR*) in EUR million
	–25.9	HUF	6,563.9	–0.89
	12.6	CHF	–20.8	–0.21
	6.2	CZK	–165.5	–0.14
	–5.6	HRK	41.2	–0.04
	–5.2	RON	18.6	–0.18
	–3.3	PLN	11.8	–0.09
	–3.2	SKK	105.8	–0.07
	–2.2	Diverse	–	–0.04
Total				**–1.66**

*) VAR = Value At Risk at a one-sided 99-percent confidence interval, this corresponds to a standard deviation of 2.3 and over a time period of 10 days. Correlations between currency pairs remain unconsidered.

The simulated maximum loss at a probability of 99 percent and over a time period of 10 days is currently around EUR 1.7 m.

41.8. Hedging currency risks

The PORR Group had concluded foreign exchange futures of EUR 162.2 m as of 31 December 2007. Of these, around EUR 136.0 m are designated as cash flow hedges and around EUR 25.9 m as other currency hedges.

Cash Flow Hedges

In the financial year 2007 PORR concluded exchange rate hedges in the form of foreign exchange futures for currency risks from local purchases; these are designated as cash flow hedges.

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

The following table shows the predicted contractual payment dates as of 31 December 2007, i.e. when the payment transfers from underlying transactions are expected:

			Cash Flows in EUR million	
Due date	RON	SKK	PLN	Total
January 08	0.7	3.5	1.7	5.9
February 08	8.8	2.0	2.0	12.8
March 08	0.8	2.7	2.3	5.8
April 08	2.7	2.6	2.1	7.4
May 08	3.6	2.7	1.5	7.8
June 08	3.5	2.8	0.1	6.4
July 08	2.9	3.1	1.4	7.4
August 08	2.0	1.8	–	3.8
September 08	2.2	1.1	–	3.3
October 08	1.5	1.0	–	2.5
November 08	1.8	1.0	–	2.8
December 08	2.0	1.1	–	3.1
1st Quarter 09	2.3	13.7	–	16.0
2nd Quarter 09	8.3	–	–	8.3
3rd Quarter 09	11.1	–	–	11.1
4th Quarter 09	10.0	–	–	10.0
1st Quarter 10	1.7	–	–	1.7
2nd Quarter 10	5.9	–	–	5.9
3rd Quarter 10	8.5	–	–	8.5
4th Quarter 10	5.8	–	–	5.8
1st Quarter 11	0.1	–	–	0.1

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

In the fiscal year 2007, a total of EUR 10.4 m of equity (hedging reserve for cash flow hedges) was realised from the change in fair value of the foreign exchange futures from cash flow hedges.

Other currency hedges

Under the centralised currency management approach, exposures from Group-internal foreign currency financing are hedged by the Group treasury. The hedged financing volume amounted to around EUR 25.9 m as of the reporting date.

In the fiscal year 2007 around TEUR 47.3 was entered into net income resulting from the change in the attributable fair value of foreign exchange futures from these hedges.

41.9. Derivative financial instruments

The following table shows the attributable fair values of the different derivative instruments. They are differentiated between whether they are connected or not to a cash flow hedge in accordance with IAS 39.

in EUR thousand	Book value 31.12.2007
Assets	
Diesel hedges	219.0
Liabilities	
Foreign exchange contracts	
Without hedges	47.3
With hedges	10,404.6

41.10. Credit risk

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

The risk of default in the case of other original financial instruments stated on the assets side of the balance sheet is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The book value of the financial assets represents the maximum risk of default. Where risks of default are recognised in relation to financial assets, account is taken of these risks by performing value adjustments.

There are no occurrences of concentration of risk arising from significant outstanding amounts from individual debtors.

42. Average Number of Employees

	2007	2006
Salaried employees		
Domestic	2,600	2,489
Foreign	1,461	1,099
Waged workers		
Domestic	6,244	5,865
Foreign	1,250	1,162
Total staff	**11,555**	**10,615**

43. Business Connections Related to Companies and Persons

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

	Sales of goods and services		Purchases of goods and services		Receivables		Liabilities	
in EUR thousand	2007	2006	2007	2006	2007	2006	2007	2006
Associated companies	23,245.6	10,196.1	40,546.2	30,094.5	23,433.5	24,124.9	7,417.4	4,924.0

Supplies to or from related companies or persons

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

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

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

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

Of amounts receivable from non-consolidated subsidiaries, TEUR 25,976.5 (previous year: TEUR 35,851.7) relate to financing receivables.

44. Executive Bodies of the Company

Members of the Executive Board:
Wolfgang Hesoun, Chief Executive Officer (since 24 May 2007, Deputy CEO until 24 May 2007)
Horst Pöchhacker, Chief Executive Officer (until 24 May 2007)
Johannes Dotter (since 13 September 2007)
Helmut Mayer
Peter Weber

Members of the Supervisory Board:
Friedrich Kadrnoska, Chairman (since 24 May 2007)

Klaus Ortner, Deputy Chairman (since 24 May 2007, Chairman until 24 May 2007)
Karl Schmutzer, Deputy Chairman (until 24 May 2007)
Georg Riedl, Deputy Chairman
Günther W. Havranek
Martin Krajcsir
Walter Lederer
Heinz Mückstein
Karl Samstag

Members delegated by works council:
Peter Grandits
Walter Huber
Johann Karner
Walter Jenny

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

In EUR thousand	2007	2006
Emoluments of the Executive Board		
Short-term benefits due	2,029.3	2,074.6
Emoluments due on or after completion of the management contract	1,384.3	95.9
Other long-term benefits due	356.3	27.5
Total	**3,769.9**	**2,198.0**
Emoluments of the Supervisory Board		
Short-term benefits due	**141.8**	**140.8**

Vienna, 11 April 2008

The Executive Board

Wolfgang Hesoun (*) Helmut Mayer (*)

Johannes Dotter (*) Peter Weber (*)

(*) manu propria

Statement by the Executive Board

As far as we are aware, the annual financial statements and consolidated accounts for 2007, which have been prepared in accordance with the relevant accounting standards, impart a true representation of the financial position and performance of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft and of the entirety of the companies included in the consolidation.

The management report represents the business trends, the business result and the position regarding the entirety of the companies included in the consolidation in such a way that it provides a true representation of the financial position and performance, as well as describing the main risks and uncertainties to which they are exposed.

Wolfgang Hesoun (*)
Chief Executive Officer

Helmut Mayer (*)
Member of the Executive Board

Johannes Dotter (*)
Member of the Executive Board

Peter Weber (*)
Member of the Executive Board

(*) manu propria

Shareholdings

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
Affiliated companies							
Affiliated companies limited by shares							
„DIKE“ Liegenschaftsverwertung Gesellschaft m.b.H.		AUT	0.00%	100.00%	F	EUR	36,336.42
„EAVG Enzersdorfer Abfallverwertungs-gesellschaft m.b.H.“		AUT	37.50%	100.00%	N	EUR	0.00
„HELIOS“ Immobilien Verwaltungs- und Verwertungsgesellschaft m.b.H.		AUT	50.00%	100.00%	F	EUR	36,336.42
„PET“ Deponieerrichtungs- und Betriebsgesellschaft m.b.H.		AUT	50.00%	76.26%	N	EUR	0.00
„pulmetall“ Bodenmarkierungen Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
„Zentrum am Stadtpark“ Errichtungs- und Betriebs-Aktiengesellschaft		AUT	66.67%	66.67%	F	EUR	87,207.40
ABAP Beteiligungs Holding GmbH		AUT	100.00%	100.00%	F	EUR	35,000.00
AGes-Bau Asphalt-Ges.m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Allgemeine Straßenbau GmbH	*	AUT	0.00%	52.51%	F	EUR	3,633,641.71
Alois Felser Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,400.00
ASCHAUER Zimmerei GmbH		AUT	0.00%	52.56%	F	EUR	75,000.00
ASDAG Baugesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	726,728.34
Asphalt-Unternehmung Carl Günther Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	218,018.50
Asphaltunternehmung Dipl.Ing. O. Smereker & Co. Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Asphaltunternehmung Raimund Guckler Bauunternehmung Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,400.00
ASPO Wehlistraße Projektentwicklungs- und -verwertungs GmbH		AUT	0.00%	74.00%	N	EUR	0.00
Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH	*	AUT	0.00%	100.00%	N	EUR	0.00
Baugesellschaft m.b.H. Erhard Mörtl	*	AUT	0.00%	52.51%	F	EUR	50,870.98
Baumgasse 131 Bauträger- und Verwertungsgesellschaft m.b.H.		AUT	0.00%	100.00%	F	EUR	35,000.00
Bitu – Bau Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Bosch Baugesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	51,000.00
BZW Liegenschaftsverwaltungs GmbH		AUT	0.00%	52.51%	N	EUR	0.00
Carnuntum Bauvorbereitung Gesellschaft m.b.H.		AUT	100.00%	100.00%	N	EUR	0.00
Edos Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Eisenschutzgesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	43,603.70
Ekona Beteiligungsverwaltungs GmbH		AUT	100.00%	100.00%	N	EUR	0.00
Emiko Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
EPS MARIANNE-HAINISCH-GASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH		AUT	0.00%	100.00%	N	EUR	0.00
EPS RINNBÖCKSTRASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Esikas Beteiligungsverwaltungs GmbH		AUT	100.00%	100.00%	N	EUR	0.00
Euphalt-Handelsgesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Franz Greiner Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Gebor Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gepal Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gerhard Wagner Bodenmarkierungsgesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	37,000.00
Gesellschaft für Bauwesen GmbH	*	AUT	0.00%	52.51%	F	EUR	36,336.42

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
Gesellschaft zur Schaffung von Wohnungseigentum Gesellschaft m.b.H.	*	AUT	99.00%	100.00%	F	EUR	290,691.34
Gevas Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Gilamo Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Giral Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gismana Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Golera Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Gospela Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Gostena Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Grazer Transportbeton GmbH		AUT	0.00%	55.25%	N	EUR	0.00
GREENPOWER Anlagenerrichtungs- und Betriebs-GmbH		AUT	0.00%	94.00%	N	EUR	0.00
GTB Immobilien GmbH		AUT	0.00%	100.00%	F	EUR	37,000.00
Hans Böchheimer Hoch- und Tiefbau Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	363,364.17
Hernalser Hof Beteiligungsverwaltungs GmbH		AUT	100.00%	100.00%	N	EUR	0.00
hospitals Projektentwicklungsges.m.b.H.		AUT	0.00%	55.00%	N	EUR	0.00
IAT GmbH	*	AUT	0.00%	52.51%	F	EUR	290,691.34
IBC Business Center Entwicklungs- und Errichtungs-GmbH		AUT	75.00%	100.00%	F	EUR	364,000.00
Impulszentrum Telekom Betriebs GmbH		AUT	0.00%	76.00%	F	EUR	727,000.00
Ing. Otto Richter & Co Straßenmarkierungen GmbH	*	AUT	0.00%	52.51%	F	EUR	37,000.00
Ing. RADL-BAU GmbH	*	AUT	0.00%	100.00%	F	EUR	40,000.00
Jandl Baugesellschaft m.b.H.	*	AUT	0.00%	100.00%	F	EUR	36,336.42
Joiser Hoch- und Tiefbau GmbH		AUT	100.00%	100.00%	F	EUR	36,336.42
Juvavum Liegenschaftsverwertung GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Kraft & Wärme Rohr- und Anlagentechnik GmbH	*	AUT	0.00%	52.51%	F	EUR	40,000.00
Kratochwill Schotter & Beton GmbH	*	AUT	0.00%	100.00%	F	EUR	1,199,101.76
KSD Kommunale Sicherheitsdienste GmbH		AUT	0.00%	66.66%	N	EUR	0.00
LD Recycling GmbH	*	AUT	0.00%	100.00%	F	EUR	875,000.00
Mobile Parking GmbH	*	AUT	0.00%	100.00%	N	EUR	0,00
m-parking Errichtungs-, Betriebs- und Service GmbH		AUT	0.00%	100.00%	N	EUR	0.00
O.M. Meissl & Co. Bau GmbH	*	AUT	0.00%	100.00%	F	EUR	85,000.00
Panitzky Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	36,336.42
Pfeiffer & Schmidt Baugesellschaft m.b.H.	*	AUT	0.00%	52.56%	F	EUR	75,000.00
Porr (Bulgarien) Holding GmbH		AUT	0.00%	51.00%	N	EUR	0.00
Porr alpha Baugesellschaft mbH	*	AUT	0.00%	100.00%	F	EUR	35,000.00
Porr Beteiligungsverwaltungs GmbH	*	AUT	100.00%	100.00%	F	EUR	35,000.00
Porr Financial Services GmbH	*	AUT	0.00%	100.00%	F	EUR	500,000.00
Porr GmbH		AUT	0.00%	100.00%	F	EUR	2,500,000.00
Porr Infrastruktur GmbH	*	AUT	0.00%	100.00%	F	EUR	218,018.50
Porr International GmbH	*	AUT	100.00%	100.00%	F	EUR	3,997,005.88
Porr Projekt und Hochbau Aktiengesellschaft	*	AUT	100.00%	100.00%	F	EUR	11,000,000.00
Porr Solutions Immobilien- und Infrastrukturprojekte GmbH		AUT	52.00%	100.00%	F	EUR	535,000.00
Porr Technics & Services GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Porr Technobau und Umwelt Aktiengesellschaft	*	AUT	100.00%	100.00%	F	EUR	11,500,000.00
Porr Tunnelbau GmbH	*	AUT	0.00%	100.00%	F	EUR	1,200,000.00
Porr Umwelttechnik GmbH	*	AUT	0.00%	100.00%	F	EUR	1,000,000.00
PR – Rohrleitungs- und Anlagenbau Gesellschaft m.b.H.	*	AUT	0.00%	100.00%	F	EUR	218,018.50
PRONAT Liegenschaftsgesellschaft mbH		AUT	0.00%	68.78%	N	EUR	0.00
PRONAT Steinbruch Preg GmbH		AUT	0.00%	68.78%	F	EUR	370,631.45
Rizzi Plaza Errichtungs- und Verwertungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Sabelo Beteiligungsverwaltungs GmbH		AUT	100.00%	100.00%	N	EUR	0.00
Sakela Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Schatzl & Jungmayr Garten- und Landschaftsbau GmbH	*	AUT	0.00%	52.51%	F	EUR	35,000.00

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H.	*	AUT	100.00%	100.00%	F	EUR	3,633,641.71
Schotterwerk GRADENBERG Gesellschaft m.b.H.	*	AUT	0.00%	100.00%	F	EUR	36,336.42
Sekis Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Senuin Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
SFZ Freizeitbetriebs-GmbH		AUT	0.00%	100.00%	N	EUR	0.00
SFZ Immobilien GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Sofex Beteiligungsverwaltungs GmbH in Liqu.		AUT	0.00%	60.00%	N	EUR	0.00
Somax Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	F	EUR	35,000.00
Soreg Beteiligungsverwaltungs GmbH in Liqu.		AUT	0.00%	60.00%	N	EUR	0.00
Sovelis Beteiligungsverwaltungs GmbH		AUT	0.00%	100.00%	N	EUR	0.00
Tancsos und Binder Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	37,000.00
Technisches Büro Sepp Stehrer Baustoff-Großhandlung Gesellschaft m.b.H.	*	AUT	0.00%	52.51%	F	EUR	72,672.84
TEERAG-ASDAG Aktiengesellschaft		AUT	0.02%	52.51%	F	EUR	12,478,560.00
Unterstützungskasse von Porr-Betrieben Gesellschaft m.b.H.		AUT	97.50%	100.00%	N	EUR	0.00
Vorspann-Technik GmbH		AUT	100.00%	100.00%	N	EUR	0.00
Wibeba Holding GmbH	*	AUT	100.00%	100.00%	F	EUR	7,300,000.00
Wiener Betriebs- und Baugesellschaft m.b.H.		AUT	0.00%	52.51%	F	EUR	35,000.00
WIPEG – Bauträger- und Projektentwicklungsgesellschaft m.b.H.	*	AUT	0.00%	100.00%	F	EUR	1,000,000.00
WLB Projekt Laaer Berg Liegenschaftsverwertungs- und Beteiligungs-GmbH		AUT	0.00%	75.00%	F	EUR	36,336.42
Wohlfahrtseinrichtung von Porr-Betrieben Gesellschaft m.b.H.		AUT	75.00%	100.00%	N	EUR	0.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH		AUT	75.00%	75.00%	F	EUR	218,018.50
PORR Bulgaria OOD		BGR	0.00%	100.00%	N	BGN	0.00
PORR Solutions EOOD		BGR	0.00%	100.00%	N	BGN	0.00
Porr visokogradnja i niskogradnja d.o.o. Banjaluka		BIH	0.00%	100.00%	N	BAM	0.00
Privredno drustvo za gradenje i usluge PORR d.o.o. Sarajevo		BIH	0.00%	100.00%	N	BAM	0.00
Gunimperm-Bauveg SA		CHE	0.00%	52.51%	F	CHF	150,000.00
PORR Financial Services AG		CHE	100.00%	100.00%	F	CHF	7,800,000.00
PORR SUISSE AG		CHE	0.00%	100.00%	F	CHF	3,000,000.00
PORR SUISSE S.A. Romandie en liquidation		CHE	0.00%	100.00%	F	CHF	250,000.00
BAUVEG, hydroizolacní systémy, s.r.o.		CZE	0.00%	52.51%	N	CZK	0.00
NORTHEAST TRADING AND DEVELOPMENT, s.r.o.		CZE	100.00%	100.00%	N	CZK	0.00
OBALOVNA PRÍBRAM, s.r.o.		CZE	0.00%	39.38%	F	CZK	100,000.00
Prazské silnicní a vodohospodárské stavby, a.s.		CZE	0.00%	52.51%	F	CZK	430,000,000.00
Porr (Česko) a.s.		CZE	0.00%	100.00%	F	CZK	30,000,000.00
Betzold Rohrbau Verwaltungs-GmbH		DEU	0.00%	100.00%	N	EUR	0.00
City Tower Vienna Grundstücksentwicklungs- und Beteiligungs-GmbH		DEU	0.00%	100.00%	N	EUR	0.00
Emil Mayr Hoch- und Tiefbau GmbH		DEU	0.00%	93.94%	F	EUR	250,000.00
FAB Beteiligungsgesellschaft mbH		DEU	0.00%	94.30%	N	EUR	0.00
GeMoBau Gesellschaft für modernes Bauen mbH		DEU	0.00%	94.30%	N	EUR	0.00

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
Mast Bau GmbH		DEU	0.00%	93.94%	F	EUR	537,000.00
Mast Bau GmbH		DEU	0.00%	93.94%	F	EUR	1,022,550.00
Mast Bau GmbH in Liqu.		DEU	0.00%	93.94%	F	EUR	357,904.32
Porr Deutschland GmbH		DEU	0.00%	93.94%	F	EUR	20,249,700.00
Porr Hochbau GmbH		DEU	0.00%	93.94%	F	EUR	204,516.75
Porr International GmbH		DEU	0.00%	100.00%	F	EUR	1,022,583.76
Porr Solutions Immobilien- und Infrastrukturprojekte GmbH		DEU	0.00%	94.30%	F	EUR	25,564.59
Porr Technobau und Umwelt GmbH		DEU	0.00%	93.94%	F	EUR	525,000.00
PORR Vermögensverwaltung MURNAU GmbH		DEU	0.00%	93.94%	N	EUR	0.00
Projektierungsteam München GmbH		DEU	0.00%	100.00%	F	EUR	153,387.56
Radmer Kiesvertrieb Verwaltungs GmbH		DEU	0.00%	93.94%	N	EUR	0.00
Seydelstraße Beteiligungs GmbH		DEU	0.00%	94.30%	N	EUR	0.00
TGB TechnoGrundbau GmbH		DEU	0.00%	93.94%	N	EUR	0.00
Thorn Abwassertechnik GmbH		DEU	0.00%	93.94%	F	EUR	511,291.88
TRB Tief-, Rohrleitungs- und Brunnenbau Verwaltungs GmbH		DEU	0.00%	70.00%	N	EUR	0.00
Vorspann-Technik GmbH		DEU	0.00%	93.94%	F	EUR	51,129.19
Werner Winkler GmbH Spezialunternehmen für Abdichtungen im Tiefbau		DEU	0.00%	39.44%	N	EUR	0.00
IMPERTUNEL SL		ESP	0.00%	47.26%	N	EUR	0.00
BAUVEG-WINKLER drustvo s ogranicenom odgovornoscu za projektiranje, izgradnju i nadzor		HRV	0.00%	52.51%	N	HRK	0.00
Koller – proizvodnja pijeska i sljunka d.o.o.		HRV	0.00%	100.00%	F	HRK	9,842,000.00
Porr Habito drustvo s ogranicenom odgovornoscu z a izgradnju stanova		HRV	0.00%	100.00%	N	HRK	0.00
Porr Hrvatska d.o.o. za graditeljstvo		HRV	0.00%	100.00%	F	HRK	4,000,000.00
PORR Solutions drustvo s ogranicenom odgovornoscu za usluge i graditeljstvo		HRV	0.00%	100.00%	N	HRK	0.00
SCHWARZL BETON d.o.o. za proizvodnju i trgovinu gradevnim materijalom		HRV	0.00%	100.00%	F	HRK	5,900,000.00
DBK-Földgép Építési Korlátolt Felelösségü Társaság		HUN	0.00%	100.00%	F	HUF	3,000,000.00
Földgép Duna Építö Korlátolt Felelösségü Társaság		HUN	0.00%	100.00%	F	HUF	3,000,000.00
Gamma Real Estate Ingtalanfejlesztö és – hasznositó Korlátolt Felelösségü Társaság		HUN	0.00%	100.00%	N	HUF	0.00
Porr Építési Kft.		HUN	0.00%	100.00%	F	HUF	30,000,000.00
TEERAG-ASDAG Építöipari és Kereskedelmi Korlátolt Felelösségü Társaság		HUN	0.00%	52.51%	F	HUF	3,000,000.00
IAT Impermeabilizzazioni Srl		ITA	0.00%	52.51%	N	EUR	0.00
UAB „Porr“		LTU	0.00%	100.00%	N	LTL	0.00
PORR GRADEZNISTVO DOO Skopje		MKD	0.00%	92.59%	N	EUR	0.00
Porr (Montenegro) DOO, Podgorica		MNE	0.00%	100.00%	N	EUR	0.00
„Porr Solutions“ Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	100.00%	N	PLN	0.00
„Stal-Service“ Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	80.00%	F	PLN	500,000.00
Bartycka Real Estate Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	100.00%	N	PLN	0.00
DSC Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	100.00%	N	PLN	0.00
PORR (POLSKA) Spólka Akcyjna		POL	0.00%	100.00%	F	PLN	12,000,000.00

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
Porr Technobud Polska Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	100.00%	N	PLN	0.00
TEERAG-ASDAG POLSKA Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	52.51%	F	PLN	500,000.00
RADMER BAU PORTUGAL – CONSTRUCOES, LIMITADA		PRT	0.00%	93.00%	N	EUR	0.00
Porr Construct S.R.L.		ROM	0.00%	100.00%	F	RON	8,000,000.00
Porr Solutions S.R.L.		ROM	0.00%	100.00%	N	RON	0.00
SC Lamda Imobiliare SRL		ROM	0.00%	100.00%	N	RON	0.00
SC Schwarzl Beton SRL		ROM	0.00%	75.00%	N	RON	0.00
SC Yipsilon Imobiliare SRL		ROM	0.00%	100.00%	N	RON	0.00
Gradevinsko preduzece Porr d.o.o.		SRB	0.00%	100.00%	F	EUR	1,620,000.00
Porr stambena izgradnja d.o.o.		SRB	0.00%	100.00%	N	RSD	0.00
Porr Iran Construction Company Ltd.		OC	95.00%	95.00%	N	IRR	0.00
MPay Slovakia, s.r.o.		SVK	0.00%	51.00%	N	SKK	0.00
PORR (Slovensko) a.s.		SVK	0.00%	100.00%	F	SKK	15,000,000.00
TEERAG-ASDAG Slovakia s.r.o.		SVK	0.00%	52.51%	N	SKK	0.00
PORR gradbenistvo, trgovina in druge storitvc d.o.o.		SVN	100.00%	100.00%	N	EUR	0.00
Tovarystvo z obmezhenoyu vidpovidalnistyu „Porr Ukraina“		UKR	0.00%	100.00%	N	UAH	0.00
Affiliated partnerships							
AG für Bauwesen Nfg. KG		AUT	50.00%	76.26%	F	EUR	7,267.28
Asphaltmischwerk LEOPOLDAU – TEERAG-ASDAG + Mayreder-Bau GmbH & Co. KG		AUT	0.00%	42.01%	F	EUR	70,000.00
Emiko Beteiligungsverwaltungs GmbH & Co. KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
EPS MARIANNE-HAINISCH-GASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG		AUT	0.00%	100.00%	N	EUR	0.00
EPS RINNBÖCKSTRASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG		AUT	0.00%	100.00%	N	EUR	0.00
Esoro Beteiligungsverwaltungs GmbH & Co KEG		AUT	0.00%	100.00%	N	EUR	0.00
Floridsdorf Am Spitz Wohnungseigentumsgesellschaft m.b.H. & Co. KG.		AUT	0.00%	100.00%	F	EUR	150,719.24
Franz Böck´s Nachf. Ing. Eva & Karl Schindler Gesellschaft m.b.H. &Co.Nfg.KG		AUT	0.00%	52.51%	F	EUR	100,000.00
Gamper Baugesellschaft m.b.H. & Co. KG		AUT	0.00%	52.51%	F	EUR	15,000.00
Gilamo Beteiligungsverwaltungs GmbH & Co. KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
Giral Beteiligungsverwaltungs GmbH & Co. KEG		AUT	0.00%	100.00%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH & Co „Delta“ KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
Glamas Beteiligungsverwaltungs GmbH & Co „Epsilon“ KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
Glamas Beteiligungsverwaltungs GmbH & Co „Gamma“ KEG		AUT	0.00%	100.00%	F	EUR	1,000.00
Gospela Beteiligungsverwaltungs GmbH & Co KG		AUT	0.00%	100.00%	F	EUR	1,000,000.00
Hernalser Hof Beteiligungsverwaltungs GmbH & Co. KG		AUT	0.00%	100.00%	F	EUR	1,000.00
Hotelbetrieb SFZ Immobilien GmbH & Co KG		AUT	0.00%	100.00%	N	EUR	0.00
Porr Technics & Services GmbH & Co KG		AUT	0.00%	100.00%	F	EUR	436,037.00

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
Projekt Ost – IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG		AUT	75.00%	100.00%	F	EUR	290,691.34
Projekt West – IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG		AUT	75.00%	100.00%	F	EUR	290,691.34
Rizzi Plaza Errichtungs- und Verwertungs GmbH & Co KEG		AUT	0.00%	100.00%	N	EUR	0.00
SFZ Freizeitbetriebs-GmbH & Co KG		AUT	0.00%	100.00%	F	EUR	100,000.00
SFZ Immobilien GmbH & Co KG		AUT	0.00%	100.00%	F	EUR	363,364.17
Vorspann-Technik GmbH & Co.KG		AUT	100.00%	100.00%	F	EUR	1,417,120.26
Wibeba Hochbau GmbH & Co. Nfg. KG		AUT	100.00%	100.00%	F	EUR	35,000.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 3 „türkis“ Projekt-OEG		AUT	0.00%	75.00%	F	EUR	1,162.76
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 4 „blau“ Projekt-OEG		AUT	0.00%	75.00%	N	EUR	0.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 5 „rosa“ Projekt-OEG		AUT	0.00%	75.00%	F	EUR	1,162.76
Porr Projekt v.o.s.		CZE	0.00%	55.00%	N	CZK	0.00
Betzold Rohrbau GmbH & Co. KG		DEU	0.00%	100.00%	F	EUR	3,374,526.42
Forum am Bahnhof Quickborn GmbH & Co. KG		DEU	0.00%	94.30%	F	EUR	100,000.00
PORR MURNAU GmbH & Co. KG		DEU	0.00%	93.94%	N	EUR	0.00
Radmer Kies GmbH & Co. KG		DEU	0.00%	93.94%	F	EUR	5,500,000.00
TRB Tief-, Rohrleitungs- und Brunnenbau GmbH & Co. KG		DEU	0.00%	70.00%	F	EUR	255,645.94
W.E.I.V. Immobilienverwaltung GmbH & Co. Seydelstraße KG		DEU	0.00%	88.65%	N	EUR	0.00

Associated companies

Associated companies limited by shares

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
„Internationale Projektfinanz“ Warenverkehrs- & Creditvermittlungs-Aktiengesellschaft		AUT	40.00%	40.00%	E	EUR	726,728.34
ABW Abbruch, Boden- und Wasserreinigungs-Gesellschaft m.b.H.		AUT	0.00%	36.22%	E	EUR	218,018.50
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H.		AUT	0.00%	41.50%	E	EUR	363,364.17
FMA Gebäudemanagement GmbH		AUT	0.00%	50.00%	E	EUR	36,336.42
Lieferasphaltgesellschaft JAUNTAL GmbH		AUT	0.00%	25.20%	E	EUR	36,460.00
LTE Logistik- und Transport-GmbH		AUT	0.00%	50.00%	E	EUR	300,000.00
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.		AUT	50.00%	50.00%	E	EUR	36,336.42
Salzburger Reststoffverwertung GmbH		AUT	0.00%	50.00%	E	EUR	100,000.00
SOWI – Investor – Bauträger GmbH		AUT	33.33%	33.33%	E	EUR	36,336.42
Stöckl Schotter- und Splitterzeugung GmbH		AUT	0.00%	21.00%	E	EUR	36,336.42
TAL Betonchemie Handel GmbH		AUT	0.00%	26.26%	E	EUR	145,345.67
Tauernkies GmbH		AUT	0.00%	26.26%	E	EUR	35,000.00
UBM Realitätenentwicklung Aktiengesellschaft		AUT	41.27%	41.27%	E	EUR	5,450,462.56
W 3 Errichtungs- und Betriebs-Aktiengesellschaft		AUT	53.33%	53.33%	E	EUR	74,126.29
Porr & Swietelsky stavebni, v. o. s.		CZE	0.00%	50.00%	E	CZK	200,000.00

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
Spolecne obalovny. s.r.o.		CZE	0.00%	26.26%	E	CZK	5,000,000.00
M 6 Duna Autópálya Koncessziós Részvénytársaság		HUN	0.00%	40.00%	E	HUF	741,500,000.00
"Modzelewski & Rodek" Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	50.00%	E	PLN	510,000.00
Associated Partnerships							
ASF Frästechnik GmbH & Co KG		AUT	0.00%	26.26%	E	EUR	72,674.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG		AUT	0.00%	21.00%	E	EUR	726,728.34
Asphaltmischwerk Greinsfurth GmbH & Co		AUT	0.00%	26.26%	E	EUR	600,000.00
Asphaltmischwerk Weißbach GmbH & Co. Nfg.KG		AUT	0.00%	23.63%	E	EUR	72,672.83
ASTRA - BAU Gesellschaft m.b.H. Nfg. OHG		AUT	0.00%	26.26%	E	EUR	1,451,570.76
Lieferasphalt Gesellschaft m.b.H. & Co, Viecht		AUT	0.00%	17.59%	E	EUR	29,069.13
Lieferasphalt Gesellschaft m.b.H. & Co. OHG		AUT	0.00%	21.00%	E	EUR	36,336.42
Lieferasphalt Gesellschaft m.b.H. & Co. OHG.		AUT	0.00%	26.26%	E	EUR	14,243.88
LISAG Linzer Splitt- und Asphaltwerk GmbH. & Co KG		AUT	0.00%	26.26%	E	EUR	861,900.00
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. & Co.KG.		AUT	0.00%	24.86%	E	EUR	87,207.40
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. und Co KG		AUT	0.00%	22.05%	E	EUR	3,270,277.54
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG		AUT	24.00%	24.00%	E	EUR	581,382.67
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG		AUT	0.00%	26.26%	E	EUR	263,298.00
Neustädter Baustoff - GmbH & Co. KG, Kieswerk Schwaig		DEU	0.00%	46.97%	E	EUR	76,693.79
Radmer Bau Kieswerke GmbH & Co. Sand und Kies KG		DEU	0.00%	46.97%	E	EUR	1,022,583.76
Other Companies							
Other companies limited by shares							
„Athos" Bauplanungs- und Errichtungsgesellschaft m.b.H.		AUT	10.00%	10.00%	N	EUR	0.00
„hospitals" Projektentwicklungsges.m.b.H.		AUT	0.00%	43.56%	N	EUR	0.00
„IQ" Immobilien GmbH		AUT	0.00%	50.00%	N	EUR	0.00
„Turm und Riegel" Gebäude Projektentwicklungs und -verwertungsgesellschaft m.b.H.		AUT	0.00%	50.00%	N	EUR	0.00
ABO Asphalt-Bau Oeynhausen GmbH.		AUT	0.00%	15.75%	N	EUR	0.00
AKOR Beteiligungsgesellschaft mbH		AUT	0.00%	15.30%	N	EUR	0.00
ALU-SOMMER GmbH		AUT	25.00%	25.00%	N	EUR	0.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.		AUT	0.00%	10.50%	N	EUR	0.00
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.		AUT	0.00%	17.50%	N	EUR	0.00
AMW Asphalt-Mischwerk GmbH		AUT	0.00%	17.50%	N	EUR	0.00
aqua plus Wasserversorgungs- und Abwasserentsorgungs-GmbH		AUT	0.00%	33.33%	N	EUR	0.00
ARIWA Abwasserreinigung im Waldviertel GmbH		AUT	0.00%	16.67%	N	EUR	0.00
ASF Frästechnik GmbH		AUT	0.00%	26.26%	N	EUR	0.00
Asphaltlieferwerk Leibnitz Baugesellschaft m.b.H.		AUT	0.00%	15.75%	N	EUR	0.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.		AUT	0.00%	21.00%	N	EUR	0.00
Asphaltmischwerk Greinsfurth GmbH		AUT	0.00%	26.26%	N	EUR	0.00

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Asphaltmischwerk LEOPOLDAU - TEERAG-ASDAG + Mayreder-Bau GmbH		AUT	0.00%	26.26%	N	EUR	0.00
Asphaltmischwerk Steyregg GmbH		AUT	0.00%	10.50%	N	EUR	0.00
A-WAY Toll Systems GmbH		AUT	0.00%	20.00%	N	EUR	0.00
AWB Asphaltmischwerk Weißbach Betriebs-GmbH		AUT	0.00%	23.63%	N	EUR	0.00
b+ Bauträger GmbH		AUT	0.00%	11.11%	N	EUR	0.00
Betonexpress FH Vertriebs-GMBH		AUT	0.00%	10.50%	N	EUR	0.00
BMU Beta Liegenschaftsverwertung GmbH		AUT	0.00%	50.00%	N	EUR	0.00
BRG Baustoffrecycling GmbH		AUT	0.00%	10.50%	N	EUR	0.00
CCG Immobilien GmbH		AUT	0.00%	49.00%	N	EUR	0.00
Clubhaus & Golfhotel Eichenheim Errichtungs-GmbH		AUT	0.00%	50.00%	N	EUR	0.00
ECRA Emission Certificate Registry Austria GmbH		AUT	0.00%	5.00%	N	EUR	0.00
EDO Entsorgungsdienst Ost GmbH		AUT	0.00%	17.50%	N	EUR	0.00
Ehrenhausen Bauträger GmbH		AUT	0.00%	30.00%	N	EUR	0.00
Ehrenhausen Grunderwerbs GmbH		AUT	0.00%	20.00%	N	EUR	0.00
Esoro Beteiligungsverwaltungs GmbH		AUT	0.00%	50.00%	N	EUR	0.00
European Trans Energy Beteiligungs GmbH		AUT	0.00%	49.00%	N	EUR	0.00
European Trans Energy GmbH		AUT	0.00%	49.00%	N	EUR	0.00
FBG Fertigbetonwerk Großpetersdorf Ges.m.b.H.		AUT	0.00%	17.50%	N	EUR	0.00
FMA alpha Gebäudemanagement & -services GmbH		AUT	0.00%	50.00%	N	EUR	0.00
FMA Asphaltwerk GmbH		AUT	0.00%	15.75%	N	EUR	0.00
Gaspix Beteiligungsverwaltungs GmbH		AUT	24.00%	24.00%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH		AUT	0.00%	26.67%	N	EUR	0.00
GREENPOWER Projektentwicklungs-GmbH		AUT	0.00%	46.06%	N	EUR	0.00
Grimming Therme GmbH		AUT	0.00%	17.00%	N	EUR	0.00
Handwerkerzentrum Hitzendorf GmbH		AUT	0.00%	12.86%	N	EUR	0.00
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH		AUT	0.00%	24.00%	N	EUR	0.00
ILC-Beteiligungsgesellschaft m.b.H. in Liqu.		AUT	33.34%	33.34%	N	EUR	0.00
Immobilien AS GmbH		AUT	0.00%	25.00%	N	EUR	0.00
Infrastruktur Planungs- und Entwicklungs GmbH		AUT	0.00%	45.00%	N	EUR	0.00
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH		AUT	0.00%	50.00%	N	EUR	0.00
Johann Koller Deponiebetriebsges.m.b.H.		AUT	0.00%	36.22%	N	EUR	0.00
Johann Koller Gesellschaft m.b.H.		AUT	0.00%	36.22%	N	EUR	0.00
KAB Straßensanierung GmbH		AUT	0.00%	10.50%	N	EUR	0.00
Kärntner Restmüllverwertungs GmbH		AUT	0.00%	14.26%	N	EUR	0.00
Kommunale Sicherheits- und Service Mödling GmbH		AUT	0.00%	49.33%	N	EUR	0.00
Kraftwerk Tegesbach Errichtungs- und Betriebsgesellschaft m.b.H.		AUT	0.00%	50.00%	N	EUR	0.00
Lavanttaler Bauschutt - Recycling GmbH		AUT	0.00%	13.13%	N	EUR	0.00
Lieferasphalt Gesellschaft m.b.H.		AUT	0.00%	26.26%	N	EUR	0.00
Linzer Schlackenaufbereitungs- und -vertriebsgesellschaft m.b.H.		AUT	0.00%	17.50%	N	EUR	0.00
LISAG Linzer Splitt- und Asphaltwerk GmbH.		AUT	0.00%	26.26%	N	EUR	0.00
M.E.G. Mikrobiologische Erddekontamination GmbH		AUT	0.00%	50.00%	N	EUR	0.00
MBU Liegenschaftsverwertung Gesellschaft m.b.H.		AUT	0.00%	10.00%	N	EUR	0.00
MMU Gleisbaugerätevermietung GmbH		AUT	50.00%	50.00%	N	EUR	0.00

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MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H.		AUT	0.00%	35.01%	N	EUR	0.00
Murgalerien Errichtungs- und Verwertungs-GmbH		AUT	0.00%	50.00%	N	EUR	0.00
Palais Hansen Immobilienentwicklung GmbH		AUT	0.00%	26.86%	N	EUR	0.00
PKM - Muldenzentrale GmbH		AUT	0.00%	34.93%	N	EUR	0.00
Plunkergasse Betriebsgesellschaft m.b.H.		AUT	0.00%	1.00%	N	EUR	0.00
PM2 Bauträger GesmbH		AUT	0.00%	20.00%	N	EUR	0.00
PWW Holding GmbH		AUT	0.00%	50.00%	N	EUR	0.00
REHAMED Beteiligungsges.m.b.H.		AUT	0.00%	21.78%	N	EUR	0.00
REHAMED-Rehabilitationszentrum für Lungen- und Stoffwechselerkrankungen Bad Gleichenberg Gesellschaft m.b.H.		AUT	0.00%	16.12%	N	EUR	0.00
RFM Asphaltmischwerk GmbH.		AUT	0.00%	17.50%	N	EUR	0.00
RFPB Kieswerk GmbH		AUT	0.00%	8.75%	N	EUR	0.00
Rudolf u. Walter Schweder Gesellschaft m.b.H.		AUT	10.00%	10.00%	N	EUR	0.00
Schotter- und Betonwerk Donnersdorf GmbH		AUT	0.00%	10.50%	N	EUR	0.00
Seeresidenz am Wolfgangsee Bauträger GmbH		AUT	0.00%	40.00%	N	EUR	0.00
Seeresidenz am Wolfgangsee Beteiligungsverwaltung GmbH		AUT	0.00%	40.00%	N	EUR	0.00
Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs GmbH		AUT	0.00%	40.00%	N	EUR	0.00
Seprocon GmbH		AUT	0.00%	24.50%	N	EUR	0.00
Soleta Beteiligungsverwaltungs GmbH		AUT	0.00%	26.67%	N	EUR	0.00
St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.		AUT	0.00%	26.26%	N	EUR	0.00
TAM Traisental Asphaltmischwerk Ges.m.b.H.		AUT	0.00%	17.50%	N	EUR	0.00
TBG Miksits GmbH		AUT	0.00%	10.50%	N	EUR	0.00
TORO Bausanierungs- und HandelsgesmbH		AUT	0.00%	13.11%	N	EUR	0.00
UWT Umwelttechnik GmbH		AUT	0.00%	7.00%	N	EUR	0.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.		AUT	0.00%	26.26%	N	EUR	0.00
Wiental-Sammelkanal Gesellschaft m.b.H.		AUT	0.00%	16.67%	N	EUR	0.00
WIG - Transportbeton Ges.m.b.H.		AUT	0.00%	10.50%	N	EUR	0.00
WM Hotel Schladming GmbH		AUT	0.00%	45.00%	N	EUR	0.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H.		AUT	0.00%	8.75%	N	EUR	0.00
Zenit Bauplanungs- und Errichtungsgesellschaft m.b.H.		AUT	0.00%	50.00%	N	EUR	0.00
BBR VT International AG		CHE	0.00%	22.50%	N	CHF	0.00
aqua plus CZ vodohospodárská s.r.o.		CZE	0.00%	33.33%	N	CZK	0.00
EKO-SBER BRNO, spol. s.r.o. - v likvidaci		CZE	0.00%	20.00%	N	CZK	0.00
LTE Logisik a Transport Czechia s.r.o.		CZE	0.00%	50.00%	N	CZK	0.00
TORO sanace staveb s.r.o.		CZE	0.00%	11.80%	N	CZK	0.00
VaK plus vodohospodárská s.r.o. v likvidaci		CZE	0.00%	13.00%	N	CZK	0.00
Vystavba hotelu PRAHA - ZVONARKA. spol. s.r.o.		CZE	0.00%	11.11%	N	CZK	0.00
ASTO Besitz- und Immobilienverwaltungsgesellschaft mbH		DEU	0.00%	47.15%	N	EUR	0.00
Bayernfonds Immobilienentwicklungsgesellschaft Wohnen plus GmbH		DEU	0.00%	1.81%	N	EUR	0.00
BF Services GmbH		DEU	0.00%	2.79%	N	EUR	0.00
Bürohaus Leuchtenbergring Verwaltungs GmbH		DEU	0.00%	0.93%	N	EUR	0.00
City Objekte München GmbH		DEU	0.00%	4.51%	N	EUR	0.00

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
Europten Deutschland GmbH		DEU	0.00%	49.00%	N	EUR	0.00
Frankenstraße 18-20 Verwaltungs GmbH		DEU	0.00%	47.15%	N	EUR	0.00
Leuchtenbergring VermietungsgmbH		DEU	0.00%	5.64%	N	EUR	0.00
MG Projekt-Sendling GmbH		DEU	0.00%	5.64%	N	EUR	0.00
Münchner Grund Beratungsgesellschaft mbH		DEU	0.00%	5.64%	N	EUR	0.00
Münchner Grund Dritte Verwaltungs GmbH		DEU	0.00%	5.64%	N	EUR	0.00
Münchner Grund Immobilien Bauträger Aktiengesellschaft		DEU	0.00%	5.64%	N	EUR	0.00
Münchner Grund Management GmbH		DEU	0.00%	1.40%	N	EUR	0.00
Münchner Grund Riem GmbH		DEU	0.00%	3.61%	N	EUR	0.00
Münchner Grund Verwaltungs GmbH		DEU	0.00%	5.64%	N	EUR	0.00
Münchner Grund Zweite Verwaltungs GmbH		DEU	0.00%	5.64%	N	EUR	0.00
Neustädter Baustoff - Gesellschaft mit beschränkter Haftung		DEU	0.00%	46.97%	N	EUR	0.00
Radmer Bau Kieswerke GmbH		DEU	0.00%	46.97%	N	EUR	0.00
REAL I.S. Project GmbH		DEU	0.00%	2.79%	N	EUR	0.00
TMG Tiefbaumaterial GmbH		DEU	0.00%	33.33%	N	EUR	0.00
STANOGRAD ULAGANJA d.o.o. za promet nekretninama, usluge i graditeljstvo		HRV	0.00%	33.33%	N	HRK	0.00
Vile Jordanovac drustvo s ogranicenom odgovornoscu za usluge i graditeljstvo		HRV	0.00%	50.00%	N	HRK	0.00
ASDAG Kavicsbánya és Építö Korlátolt Felelösségü Társaság		HUN	0.00%	18.31%	N	HUF	0.00
ASDEKA Epitöanyagipari Kereskedelmi Kft.		HUN	0.00%	9.16%	N	HUF	0.00
Kapsch Telematic Services Telematikai Szolgáltató Kft.		HUN	0.00%	6.67%	N	HUF	0.00
Mlynska Development Spólka z ograniczona odpowiedzialnoscia		POL	0.00%	40.00%	N	PLN	0.00
Porr (Malaysia) Sendirian Berhad		MAL	50.00%	50.00%	N	MYR	0.00
DRUSTVO SA OGRANICENOM ODGOVORNOSCU „PORR-WERNER & WEBER-LESKOVAC“, Leskovac		SRB	0.00%	35.00%	N	RSD	0.00
Drustvo sa ogranicenom odgovornoscu PORR WERNER&WEBER-JAGODINA, Jagodina		SRB	0.00%	40.00%	N	RSD	0.00
PORR-WERNER & WEBER DOO ZA PROIZVODNJU I PROMET METALNIH PROIZVODA NIS		SRB	0.00%	50.00%	N	RSD	0.00
PORR-WERNER WEBER ENVIRONMENTAL TECHNOLOGIES DOO NIS		SRB	0.00%	50.00%	N	RSD	0.00
KONTA plus, s.r.o.		SVK	0.00%	34.93%	N	SKK	0.00
LTE Logistik a Transport Slovakia s.r.o.		SVK	0.00%	50.00%	N	SKK	0.00
AQUASYSTEMS gospodarjenje z vodami d.o.o.		SVN	0.00%	10.00%	N	EUR	0.00
Elin Transmission Lines Co., Ltd.		THA	0.00%	49.00%	N	THB	0.00
Elin Transmission Lines Holding Co., Ltd.		THA	0.00%	49.00%	N	THB	0.00
Other partnerships							
„IQ“ Immobilien GmbH & Co KG		AUT	0.00%	50.00%	N	EUR	0.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H & Co KG		AUT	0.00%	10.50%	N	EUR	0.00

Company	Profit-pooling contract	Country code	Holding of PORR AG	Holding of the PORR Group	Type of consoli-dation	Currency	Nominal Capital
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG		AUT	0.00%	17.50%	N	EUR	0.00
AMW Asphalt-Mischwerk GmbH & Co KG		AUT	0.00%	17.50%	N	EUR	0.00
Asphaltmischwerk Steyregg GmbH & Co KG		AUT	0.00%	10.50%	N	EUR	0.00
EDO Entsorgungsdienst Ost GmbH & CO KG		AUT	0.00%	17.50%	N	EUR	0.00
FMA Asphaltwerk GmbH & Co KG		AUT	0.00%	15.75%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH & Co „Alpha" KEG		AUT	0.00%	26.67%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH & Co „Beta" KEG		AUT	0.00%	26.67%	N	EUR	0.00
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH & Co KG		AUT	0.00%	24.00%	N	EUR	0.00
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH & Co KG		AUT	0.00%	50.00%	N	EUR	0.00
KAB Straßensanierung GmbH & Co KG		AUT	0.00%	10.50%	N	EUR	0.00
RegioZ Regionale Zukunftsmanagement und Projektentwicklung Ausseerland Salzkammergut GmbH & Co KEG		AUT	0.00%	4.27%	N	EUR	0.00
RFM Asphaltmischwerk GmbH & Co KG		AUT	0.00%	17.50%	N	EUR	0.00
RFPB Kieswerk GmbH & Co KG		AUT	0.00%	8.75%	N	EUR	0.00
Salzburger Lieferasphalt OHG		AUT	0.00%	10.50%	N	EUR	0.00
Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs GmbH & Co KG		AUT	0.00%	40.00%	N	EUR	0.00
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG		AUT	0.00%	17.50%	N	EUR	0.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG		AUT	0.00%	8.75%	N	EUR	0.00
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG		DEU	0.00%	0.93%	N	EUR	0.00
Bürohaus Leuchtenbergring GmbH & Co. KG		DEU	0.00%	0.92%	N	EUR	0.00
CM Komplementär 06-338 GmbH & Co. KG		DEU	0.00%	5.64%	N	EUR	0.00
COM Destouchesstrasse GmbH & Co. KG		DEU	0.00%	5.07%	N	EUR	0.00
Frankenstraße 18-20 GmbH & Co. KG		DEU	0.00%	47.15%	N	EUR	0.00
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG		DEU	0.00%	3.61%	N	EUR	0.00
MG Grundbesitz Objekt Gleisdreieck Pasing GmbH & Co. KG		DEU	0.00%	5.64%	N	EUR	0.00
TOPOS.Paul-Lincke-Höfe.GmbH & Co. KG		DEU	0.00%	24.52%	N	EUR	0.00
BPV-Metro 4 Építési Közkereseti Társaság		HUN	33.33%	33.33%	N	HUF	0.00
BPV-METRO 4 NeKe Építési Közkereseti Társaság		HUN	33.33%	33.33%	N	HUF	0.00
M6-Autópálya Építési Kkt.		HUN	0.00%	33.33%	N	HUF	0.00
MTC Muanyagrétegzés Közkereseti Társaság		HUN	0.00%	6.56%	N	HUF	0.00
PORR-HABAU Épitö Közkereseti Társaság		HUN	0.00%	50.00%	N	HUF	0.00

Key:
F = Fully consolidated company
E = Equity consolidated company
N = Non-consolidated company
* = Profit and loss transfer agreement
OC = Other countries

Auditors' Report

to the Consolidated Accounts dated 31 December 2007 for Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft

We have audited the consolidated accounts prepared by Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, Vienna, for the fiscal year from 1 January 2007 to 31 December 2007. The legal representatives of the company are responsible for the preparation and content of these consolidated accounts in accordance with the International Financial Reporting Standards (IFRS), as accepted by the EU, and of the group management report drafted in accordance with the Austrian commercial law statutes. Our task is to express an opinion on the consolidated accounts on the basis of our audit and to state whether the group management report is consistent with the consolidated accounts.

Our audit was conducted in accordance with the Austrian commercial law statutes and professional auditing principles generally accepted in Austria. These standards require that we plan and perform our audit in such a way as to provide a reasonable basis for an opinion as to whether the consolidated accounts are free of material errors and whether the group management report is consistent with the consolidated accounts. When determining the auditing procedure, information on the business activities and the economic and legal environment of the group was taken into account along with the likelihood of potential errors. The audit involved a mainly sample-based examination of the supporting documentation for the figures and information in the consolidated accounts; it also included an assessment of the accounting principles applied and the material estimates carried out by the legal representatives, together with an evaluation of the overall presentation of the consolidated accounts. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. On the basis of the facts obtained during the course of the audit, the consolidated accounts of Allgemeine Baugesellschaft – A. Porr AG correspond in our opinion to the statutory provisions and reflect as true as possible a representation of the assets and financial position of the group as of 31 December 2007 as well as the earnings situation and cash flows of the group for the fiscal year from 1 January 2007 to 31 December 2007 in accordance with the International Financial Reporting Standards (IFRS) as accepted by the EU.
The group management report accords with the consolidated accounts.

Vienna, 11 April 2008

Deloitte Wirtschaftsprüfungs GmbH

Leopold Fischl (*)
Auditor

Marieluise Krimmel (*)
Auditor

BDO Auxilia Treuhand GmbH
Auditors and Tax Consultants

Hans Peter Hoffmann (*)
Auditor

Christoph Wimmer (*)
Auditor

(*) manu propria

Appropriation of Profits

	EUR
In the financial year 2007, a profit of was achieved.	4,448,114.01
After the calculation of the appropriation of profits from the annual financial statement in 2006 of	39,868.63
the annual shareholders' meeting announces that a balance sheet surplus of is available.	4,487,982.64

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

	No.	EUR
Equity capital shares	1,983,750	4,364,250.00
Capital share certificates	49,800	109,560.00
Balance carried forward		**14,172.64**

Upon acceptance of this proposal, dividends of EUR 2.20 per share will be paid out in accordance with the legal agreement as of 3 June 2008 by Bank Austria Creditanstalt AG, Raiffeisen Zentralbank Österreich Aktiengesellschaft, and Erste Bank der oesterreichischen Sparkassen AG, as well as their branches, upon collection of dividend coupons Nr. 60 of ordinary shares and of dividend coupons Nr. 61 of preference shares. The payment of the profit share from capital share certificates to the amount of EUR 2.20 per capital share certificate will also be issued in accordance with the legal agreement from 3 June 2008 via the appropriate depositary bank.

Vienna, 11 April 2008

The Executive Board

Wolfgang Hesoun (*)

Johannes Dotter (*)

Helmut Mayer (*)

Peter Weber (*)

(*) manu propria

Glossary

The Construction Industry

Branch is the business area of a local branch office of a company.

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

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

Civil engineering is the field of construction engineering that is concerned with the planning and building of objects of construction that are located on or below the earth's surface.

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

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

Facility management is the sum total of all the services provided with a view to the management of buildings and land on the basis of a unified strategy.

Franchise project is normally an infrastructure project in relation to which a public agency grants permission to a private company, on a statutory basis, to carry out the planning, funding, construction and operation of the project and to the users for a specified period of time, in consideration of a fee.

Life-cycle models are based on the valuation of the life-cycle costs (LCC) and they include the development, acquisition and consequential costs of a project.

Logistics is the integrated planning, organisation, management, completion and monitoring of the whole of the flow of materials and goods as well as the related flows of information.

Multi-utility group is a group of companies that provides a wide range of services.

Operator project see 'franchise project' and Public-Private-Partnership (PPP).

Project development is the designing and completion of projects that are normally on a relatively large scale.

Project development company is a company that has been founded specifically for the designing and completion of a building project.

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

Property developer is a company that acquires land and builds residential and commercial buildings on its own behalf and for its own account with a view to selling them subsequently.

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

Scheduling is the detailed planning and allocation of the operating resources (staff, equipment, building materials and financial resources), depending on the requirements of the (construction) contract.

Sectors are a company's areas of work; construction sectors include bridge construction, tunnel construction, road construction, hydraulic engineering, residential construction, residential housing etc.

Stock maintenance is the regular maintenance and servicing of land, buildings and equipment in order to keep them serviceable.

The Financial World

Associated company is a company that is not majority-owned but over which significant but not controlling influence is exerted.

ATX (Austrian Traded Index) is the key index of the Vienna Stock Exchange.

Basel-II-Agreement is all the equity regulations, that were drafted by the Basel Committee on Banking Supervision and that must be applied in accordance with the relevant EU directive from 1st January 2007 onwards.

Cash flow is a financial measure that shows the unaltered surplus payments received within a given period of time and which thus constitutes an indicator of the company's solvency.

Cash flow from operating activities is the cash flow, that results from the company's principal activities that have an effect on revenue, and from other activities that are not classed as investment or funding activities.

Corporate Bond is a bond that is issued by a given company.

DAX (German Share Index) is the key index of the Frankfurt Stock Exchange.

Deconsolidation designates the process whereby companies that have been included in the consolidated accounts so far are no longer included, or are included only in proportion to the level of the holding.

EBIT (Earnings Before Interest and Taxes) corresponds to the operating performance.

EBIT margin is the EBIT in relation to sales revenue.

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

Equity method is a method for valuing shares in companies and it is applied to companies over which significant influence can be exerted, but which, fundamentally, do not have to be included within the group of companies that must be fully consolidated.

Equity ratio is the share of equity in the total capital employed.

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

ICR (Issuer Compliance Regulation; ECV = Emittenten-Compliance-Verordnung) is a regulation designed to prevent abuse of insider information.

IFRS (International Financial Reporting Standards) are international accounting standards.

Market capitalisation is the full stock market value of a company that results from the multiplication of the share price by the number of shares in issue.

Minority shares are shares held by other companies or individuals in companies that are included in the consolidated accounts.

Order balance is the total of all orders or contracts which have not been executed by the key date in question.

Pay-out ratio is the dividend proportion as a percentage, and it results as the quotient of the dividend payment of the share divided by the profit per share.

P/E ratio (Price/earnings ratio) is a measure that is frequently used in comparisons and for the valuation of shares on the capital market. The PER results as the quotient of the market value of the share divided by the profit per share.

Performance is a measure of the changes in the value of a security, e.g. the movements in the price of a share.

Private Placement is the private as opposed to public sale of assets.

Return on Sales is an operational measure that designates the relationship between profit and sales.

Risk management is the systematic identification, measuring and controlling of risks. These risks can be general business risks or specific financial risks.

ROCE (Return on Capital Employed) is a figure for measuring the all-in equity return, and it results from the EBIT in relation to the average equity capital employed plus net interest-bearing borrowed capital.

ROE (Return on Equity) is the surplus for the year in relation to equity.

TEUR is the abbreviation for ‘in EURO thousand’.

USP (Unique Selling Proposition) the unique sales advantage communicated to the customer, which differentiates the services provided by the company from those of the competitor.

Imprint

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The annual financial statements for 2007, including the notes to the accounts (individual financial statement), that have been audited by the company's auditors can be obtained free of charge from the company at A-1103 Vienna, Absberggasse 47, and will be available at the AGM. In addition, the annual financial statements for 2007 may be downloaded from the website, www.porr.at. The management report that accompanies the individual financial statement is identical to the group management report.

The contents of this report together with the individual financial statement constitutes the annual financial report.

Disclaimer
Statements relating to the future in this report are based on estimates and assumptions which are made, to the best of their current knowledge, by managerial staff. Future-related statements may be identified as such by expressions such as 'anticipated', 'target' or similar constructions. Forecasts concerning the future development of the company take the form of estimates based on information available at the time of going to press. Actual results may differ from forecast values where the assumptions on which these are based should prove incorrect or risks should develop in unforeseeable ways.

Every care has been taken in the compilation of this annual report to ensure the accuracy and completeness of information in all sections. However, round-off, typesetting and printing errors cannot be completely ruled out.

All dates expressed in digits conform to European conventions of dd.mm.yyyy.
Results preceded by the abbreviation TEUR are in EURO thousand.

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www.porr.at

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