PROSPECTUS

STRABAG SE

(a Societas Europaea (SE) in Austria, registered number FN 88983h)

Offering of up to 25,200,001 Ordinary Bearer Shares (with no par value)
(and up to an additional 3,000,000 Ordinary Bearer Shares to cover Over-Allotments)
Listing of up to 113,999,997 Ordinary Bearer Shares (with no par value) on the Official Market of the Vienna Stock Exchange

This is an offering of up to 28,200,001 ordinary no par value bearer shares of STRABAG SE, a *Societas Europaea* (SE) formed under Austrian law (the "Company", and together with its consolidated subsidiaries hereinafter referred to as the "STRABAG Group", the "Group" or "STRABAG"), each share representing a calculated notional amount of EUR 1.00 of the nominal share capital. The offering consists of up to 16,000,000 new ordinary no par value bearer shares (the "New Shares"), which will be newly issued by the Company following a share capital increase, up to 9,200,001 existing ordinary no par value bearer shares (the "Existing Shares") offered by Haselsteiner Familien-Privatstiftung, BLR-Baubeteiligungs GmbH, UNIQA Versicherungen AG and UNIQA Beteiligungs-Holding GmbH (the "Selling Shareholders"), and up to an additional 3,000,000 existing ordinary no par value bearer shares borrowed from Haselsteiner Familien-Privatstiftung, BLR-Baubeteiligungs GmbH and UNIQA Beteiligungs-Holding GmbH to cover over-allotments (the "Additional Shares" and together with the New Shares and the Existing Shares the "Offer Shares"). The Offer Shares will be offered in (i) a public offering to retail and institutional investors in the Republic of Austria (the "Public Offering"), and (ii) a private placement outside the Republic of Austria and the United States of America (the "United States" or "U.S.") to selected institutional investors in reliance on Regulation S ("Regulation S") under the U.S. Securities Act of 1993, as amended (the "Securities Act") (the "International Offering" and together with the Public Offering, the "Offering"). The subscription rights for the New Shares have been excluded.

The offer period runs from October 8, 2007 to October 18, 2007, 12:00 noon (CEST), for institutional investors and to October 17, 2007, 6:00 p.m. (CEST), for retail investors and may be extended, shortened or terminated at any time.

Offer Price Range: EUR 42.00 to EUR 48.00 per Offer Share

On or about October 18, 2007, the Company will determine the final Offer Price (the "Offer Price") in consultation with Deutsche Bank AG, Raiffeisen Centrobank AG and Goldman Sachs International (the "Joint Bookrunners") on the basis of a bookbuilding process. Prior to the Offering, there has been no public market for the Company's shares.

Application will be made to list the Company's shares, including the New Shares and the Option Shares, as defined below, (together the "Shares"), except for three registered shares with numbers 1 to 3 (the "Registered Shares"), on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*), and these shares are expected to trade on the Vienna Stock Exchange in the prime market segment commencing on or about October 19, 2007 under the symbol "STR".

The Offer Shares have not been and will not be registered under the Securities Act and may be offered and sold only outside the United States in compliance with Regulation S. For a description of certain restrictions on transfer, see "*Selling and Transfer Restrictions*".

An investment in the Offer Shares carries a high degree of risk. See *"Risk Factors"* beginning on page 17 to read about factors that should be considered before buying the Offer Shares. The Shares should only be bought and traded by persons knowledgeable in investment matters.

The Company will grant to the Joint Bookrunners an option exercisable on one occasion, within 30 days of the date of the commencement of trading in the Shares on the Vienna Stock Exchange to subscribe for and purchase up to an additional 3,000,000 newly issued Shares (the "Option Shares"), to cover over-allotments, if any, which may be made by the Joint Bookrunners with the Additional Shares. See "*The Offering—Stabilization and Greenshoe Option*".

The Offer Shares will be represented by modifiable global certificates, which will be deposited with Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB"). Interests in the Offer Shares will be credited on or about October 23, 2007 (the "Closing Date") against payment therefor, to the accounts of investors through book-entry facilities of OeKB, Euroclear Bank S.A./N.V., as operator of the Euroclear System, ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream").

Joint Bookrunners

Deutsche Bank   Raiffeisen Centrobank   Goldman Sachs International

Joint Lead Managers

Deutsche Bank   Raiffeisen Centrobank   Goldman Sachs International   Erste Bank

Co-Managers

Dresdner Kleinwort   Landesbank Baden-Württemberg   Raiffeisenlandesbank Niederösterreich-Wien
Raiffeisenlandesbank Oberösterreich   Raiffeisen-Landesbank Steiermark

The date of this prospectus is October 5, 2007

This document comprises a prospectus for the purposes of the offer of the Offer Shares to the public in Austria and the listing of the Shares, except for the Registered Shares, on the Official Market of the Vienna Stock Exchange. This prospectus has been prepared in accordance with Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, and conforms to the requirements of the Austrian Capital Markets Act (*Kapitalmarktgesetz*) (the "Capital Markets Act"), and the Austrian Stock Exchange Act (*Börsegesetz*) (the "Stock Exchange Act"). This prospectus has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) (the "FMA"). This prospectus will be filed as a listing prospectus (*Börseprospekt*) with the Vienna Stock Exchange in accordance with the Stock Exchange Act in connection with the listing application for the Shares (except for the Registered Shares), including the New Shares and the Option Shares, on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, and will be filed with the filing office (*Meldestelle*) at Oesterreichische Kontrollbank Aktiengesellschaft in accordance with the Capital Markets Act.

No person is or has been authorized to give any information or to make any representation in connection with the offer or sale of the Offer Shares, other than as contained in this prospectus, and, if given or made, any other information or representation must not be relied upon as having been authorized by the Company or the Managers. The delivery of this prospectus at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date hereof or that the information set out in this prospectus is correct as at any time since its date. The Managers make no representation or warranty, expressed or implied, as to the accuracy or completeness of the information in this prospectus, and nothing in this prospectus is, or shall be relied upon as, a promise or representation by the Managers.

Every significant new factor, material mistake or inaccuracy relating to the information included in this prospectus which is capable of affecting the assessment of the Shares and which arises or is noted between the approval of the prospectus by the FMA and the earlier of the completion of the Offering and start of trading of the Shares on the Vienna Stock Exchange shall be mentioned in a supplement to the prospectus in accordance with Section 6 of the Capital Markets Act.

This prospectus has been produced for the purpose of considering the purchase of the Offer Shares and to comply with the listing requirements of the Vienna Stock Exchange. In making an investment decision regarding the Offer Shares offered pursuant to this prospectus, investors must rely on their own examination of the STRABAG Group and the terms of the Offering, including, without limitation, the merits and risks involved. The Offering is being made solely on the basis of this prospectus.

In connection with the Offering, Deutsche Bank AG (or an agent or affiliate of Deutsche Bank AG) will act as stabilization manager (in such capacity, the "Stabilization Manager") on behalf of the Managers, and may over-allot or effect transactions with a view to stabilizing or maintaining the market price of the Shares at levels above those which might otherwise prevail in the open market for a period of 30 days after the date of commencement of trading in the Shares on the Vienna Stock Exchange ("Stabilization Measures"). Such transactions may be effected on the Vienna Stock Exchange, in the over-the-counter ("OTC") market or otherwise. However, there is no obligation on the Stabilization Manager to do so. There is no assurance that such stabilization will be undertaken and, if it is, it may be discontinued at any time and in any event must be brought to an end 30 days after the date of commencement of trading in the Shares on the Vienna Stock Exchange (the "Stabilization Period"). See "*The Offering—Stabilization and Greenshoe Option*" for details of the Greenshoe Option granted to the Joint Bookrunners in connection therewith.

Within one week after the end of the Stabilization Period, a notification will be published in the Official Gazette of the Wiener Zeitung (*Amtsblatt zur Wiener Zeitung*) (the "Official Gazette") announcing whether any Stabilization Measures have been effected, the date on which Stabilization Measures were first effected and the date of the last Stabilization Measure, as well as the range of prices within which Stabilization Measures have been effected. In the event that the Greenshoe Option is exercised, the dates of the exercise as well as the number of the respective Shares will likewise be publicly announced.

The distribution of this prospectus and the offer and sale of the Offer Shares offered hereby may be restricted by law in certain jurisdictions. Persons in possession of this prospectus are required to inform themselves about, and to observe, any such restrictions. This prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful.

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

DEFINITIONS

In this prospectus, unless the context otherwise requires,

- "STRABAG SE" or the "Company" refer to STRABAG SE;
- When discussing events occurring:
  - prior to August 5, 2006, "STRABAG Group", the "Group" or "STRABAG" refer to FIMAG Finanz Industrie Management AG and its consolidated subsidiaries at the relevant time; and
  - on or after August 5, 2006, "STRABAG Group", the "Group" or "STRABAG" refer to STRABAG SE and its consolidated subsidiaries at the relevant time;
- "FIMAG AG" refers to FIMAG Finanz Industrie Management AG;
- "Raiffeisen NÖ-Wien Group" refers to RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. and its consolidated subsidiaries;
- "UNIQA Group" refers to UNIQA Versicherungen AG and its consolidated subsidiaries;
- "Züblin Group" refers to Ed. Züblin AG, Stuttgart, and its consolidated subsidiaries;
- "Rasperia" refers to Rasperia Trading Limited, Limassol, Cyprus, a company indirectly controlled by Mr. Oleg Deripaska;
- "Basic Element" refers to Company Bazovy Element LLC, Moscow, Russian Federation, a company indirectly controlled by Mr. Oleg Deripaska;
- "IFRS" refers to International Financial Reporting Standards ("IFRSs") including International Accounting Standards ("IASs") and interpretations published by International Accounting Standard Board, as adopted by the EU; and
- "CEE" refers to Central and Eastern Europe, which for the purposes of this prospectus, includes the Russian Federation.

FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements relating to the Company's and/or the Group's business, its financial performance and results, and the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", "seeks", "pursues", "goal" and similar expressions. Such statements reflect the Company's and/or the Group's current views with respect to future events and are subject to risks and uncertainties. In this prospectus, forward-looking statements include statements relating to:

- the Group's implementation of its strategic initiatives;
- the development of aspects of the Group's results of operations;
- certain financial targets the Group has set for itself;
- the Group's expectations of the impact of risks that affect its business, including those set forth below under "*Risk Factors*"; and
- other statements relating to the Group's future business development and economic performance and general economic trends and developments.

The Group bases these forward-looking statements on its current plans, estimates, projections and expectations. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. Investors should not place undue reliance on these forward-looking statements. Many factors could cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include:

- changes in general economic and business conditions;
- changes in the conditions of the construction industry or the real estate business;
- changes and volatility in currency exchange rates, interest rates and raw material and product prices;
- changes in governmental policy and regulation and in political and social conditions;
- changes in the competitive environment;
- shortage of skilled labor;
- any inability to pass increases in raw material prices on to customers;
- the success of the Group's effective and anticipated acquisitions, divestitures, mergers and strategic alliances;
- other factors that are discussed in more detail under "*Risk Factors*" below; and
- factors that are not known to the Group at this time.

Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward looking statements included in this prospectus prove incorrect, events described in this prospectus might not occur or actual results may deviate materially from those described in this prospectus as anticipated, believed, estimated or expected, and the Group may not be able to achieve its financial targets and strategic objectives. The Company does not intend, and does not assume any obligation, to update industry information or forward-looking statements set forth in this prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

Overview

This prospectus contains consolidated financial statements (comprising consolidated balance sheets and consolidated statements of income, cash flow and changes in equity as well as the notes thereto) of STRABAG as of and for the three years ended December 31, 2004, 2005 and 2006, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU. The financial statements are presented as follows:

- the consolidated financial statements of FIMAG AG as of and for the year ended December 31, 2004 (the "2004 Consolidated Financial Statements"), as published and audited jointly by KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH;
- the consolidated financial statements of FIMAG AG as of and for the year ended December 31, 2005 (the "2005 Consolidated Financial Statements"), as published and audited jointly by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH;

- the consolidated financial statements of STRABAG SE as of and for the year ended December 31, 2006 (the "2006 Consolidated Financial Statements", as published and audited jointly by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH;

- the unaudited condensed consolidated interim IFRS financial statements for the six months ended June 30, 2007 of STRABAG SE (the "2007 Interim Consolidated Financial Statements" and, together with the 2004 Consolidated Financial Statements, the 2005 Consolidated Financial Statements and the 2006 Consolidated Financial Statements, the "Consolidated Financial Statements").

FIMAG AG was merged into STRABAG SE effective August 5, 2006 (the "Merger"). Prior to the Merger, FIMAG AG held 59.94% of the shares in STRABAG SE. The remaining 40.06% were held by the Haselsteiner family, the Raiffeisen NÖ-Wien Group and UNIQA Group in the same proportions as these shareholders held shares in FIMAG AG (see "*Principal Shareholders*" for more information). Effective upon the Merger, these shareholders received shares of STRABAG SE pro rata to their shareholdings in FIMAG AG. In addition, they compensated STRABAG SE for the appreciation of their stake with shareholder contributions to the Company.

Non-GAAP Financial Measures

This prospectus presents earnings before interest and taxes ("EBIT"), which is defined as profit for the period before other financial result and income tax expense. This prospectus also presents earnings before interest, taxes, depreciation and amortization ("EBITDA"), which is defined as profit for the period before other financial result, income tax expense and depreciation and amortization. Management considers these metrics as important indicators of its recurring operations. However, neither EBIT nor EBITDA are measures of operating performance or liquidity under IFRS or U.S. GAAP, and accordingly they should not be considered as alternatives to STRABAG's net income or cash flow measures as determined in accordance with IFRS. Other companies in the construction industry may calculate EBIT and EBITDA differently, and consequently STRABAG's presentation of these figures might not be readily comparable to EBIT and EBITDA or measures with similar names as presented by other companies. For a detailed discussion of EBITDA and EBIT see "*Operating and Financial Review—Operating Results of the STRABAG SE Group for the Financial Years 2004, 2005 and 2006 and for the Six Months Ended June 30, 2006 and 2007—EBITDA and EBIT*".

Furthermore, this prospectus presents output volume. STRABAG presents output volume because it is widely used in the construction industry and management believes that it is a useful measure for assessing the overall construction output of STRABAG and other entities and alliances in which STRABAG holds a direct or indirect interest. It is important to note that output volume is not an IFRS financial measure and is not designed to measure STRABAG's financial performance. Output volume should not be considered as an alternative to STRABAG's revenue as determined in accordance with IFRS. STRABAG's output volume is not indicative of its revenue. There is no official definition of output volume. Measures bearing the same or similar names disclosed by other construction companies or presented in industry reports and similar publications may be calculated differently. For more information, including a detailed definition and explanation, see "*Operating and Financial Review—Revenue, Output Volume and Order Backlog*".

Rounding Adjustments

As is customary in commercial accounting, some numerical figures (including percentages) in this prospectus have been rounded to the nearest whole number or tenth of a million (euro). As a result, figures shown as totals in some tables may not be the exact arithmetic aggregation of the rounded figures that precede them. Percentages cited in the text, however, were calculated using the actual values rather than the rounded values. Accordingly, in certain cases it is possible that the percentages in the text differ from percentages based on the rounded values.

Market and Industry Data

This prospectus includes information regarding market share, market position, growth rates and industry data for the Group's lines of business, which consists of estimates based on data and reports compiled by third parties, on data from other external sources, and on the Group's knowledge of its output volume and markets. Such third party sources include the Build&Econ – Building Economy Art and Architecture Consulting Office ("BUILDECON"), the Austrian Institute of Economic Research ("WIFO"), Euroconstruct, Deloitte European Powers of Construction 2006, the European Commission, IntelliNews CEE Construction Report, the German Institute for Economic Research ("Ifo"), Jones Lang LaSalle, the PAB – Polish Construction Research & Forecasting ("PAB-PCR&F") and the URS PRAHA – Institute of Rationalisation of the Construction Industry ("URS PRAHA"). In many cases there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company believes that such data are useful in helping investors understand the industry in which the Group operates and the Group's position within the industry.

The Company confirms that information shown in this prospectus that has been provided by third parties has been accurately reproduced. So far as the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company has not independently verified such data. Therefore, neither the Company nor the Managers assume any responsibility for the correctness of any market share, market position, growth rates, industry data or other information derived from third-party sources and included in this prospectus. In addition, while the Company believes its internal research to be reliable, such research has not been verified by any independent sources and the Company cannot guarantee its accuracy. Accordingly, neither the Company nor the Managers assume any responsibility for any information based on such research.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available at the Company's registered office in Villach, Austria, and at the Company's Vienna office at Donau-City-Straße 9, A-1220 Vienna, Austria (Tel: +43 (1) 22 4 22 – 1170), during usual business hours for 12 months from the date of this prospectus and may be inspected on the Company's website (www.strabag.com):

- the Articles of Association of STRABAG SE; and
- the Consolidated Financial Statements.

These documents are available on the Company's website. The Articles of Association of STRABAG SE and any other information available on the Company's website other than the Consolidated Financial Statements do not form part of this prospectus nor are they incorporated by reference in this prospectus.

Copies of this prospectus will be available at the following addresses during usual business hours from the date of publication of this prospectus (expected to be October 5, 2007):

- at the Company's registered office in Villach, Austria;
- at the Company's Vienna office at Donau-City-Straße 9, A-1220 Vienna, Austria (Tel: +43 (1) 22 4 22 – 1170);
- at the office of Raiffeisen Centrobank AG, Tegetthoffstrasse 1, A-1015 Vienna, Austria; and
- at the office of Erste Bank der oesterreichischen Sparkassen AG, Am Graben 21, A-1010 Vienna, Austria.

SUMMARY

This summary should be read as an introduction to this prospectus, and any decision to invest in the Offer Shares should be based on a consideration of this prospectus as a whole, including the Consolidated Financial Statements and the matters set out under "Risk Factors". Where a claim relating to the information contained in this prospectus is brought before a court of an EU member state, a plaintiff investor might, under the national legislation of the relevant member state, have to bear the costs of translating this prospectus before the legal proceedings are initiated. In the event that such legal proceedings are initiated before a court in Austria, a German translation of the prospectus will be required, and the costs thereof will have to be borne initially by the plaintiff investor and ultimately by the party held to be responsible therefor in the legal proceedings. Civil liability attaches to those persons who have tabled this summary and applied for its notification, but only if this summary is misleading, inaccurate or inconsistent when read together with the other sections of this prospectus.

The STRABAG Group

Business

STRABAG is one of the leading providers of construction services in Europe (based on Deloitte's market study European Powers of Construction 2006 and the Company's own internal estimates), focusing in particular on Germany, Austria and CEE. STRABAG's comprehensive service range covers all segments of the construction industry and is marketed under the four main brands STRABAG, Züblin, DYWIDAG and Heilit+Woerner. The Group operates in the three segments: Building Construction & Civil Engineering, Road Construction and Tunnelling & Services.

Apart from Europe, the Group's main geographical area of activity is the Middle East. In addition, the Group engages in project business all over the world. Its worldwide operations consist of more than 500 locations. At June 30, 2007, the Group had more than 56,800 employees (full time equivalents) worldwide. The STRABAG Group generated a total output volume of EUR 10.385 billion in 2006 and of EUR 4.463 billion in the first half year of 2007 (EUR 4.065 billion in the first half year of 2006).

On August 17, 2007, Rasperia Trading Limited acquired a 30% interest in the Company. Rasperia is a company indirectly owned by Mr. Oleg Deripaska, a Russian entrepreneur owning interests in a variety of industries within and outside the Russian Federation, including the construction industry. The Company's Existing Shareholders have entered into a shareholders agreement with Rasperia. See "*Principal Shareholders—Shareholders' Agreements*" for more information. STRABAG intends to explore opportunities for collaborating with Rasperia or other companies controlled by Mr. Deripaska with a view to further expanding its activities in the Russian Federation, as described below.

Strengths

STRABAG believes that the following strengths make it a leader in the European construction industry:

- ***Leading Market Positions.*** Based on a market study published by Deloitte, public filings and the Company's own internal estimates, management believes that in 2006 the Group was the number one construction company in Germany, Austria and CEE combined in terms of output volume. More than 80% of STRABAG's output volume was generated in Germany, Austria, Hungary, the Czech Republic, Poland and Slovakia in 2006. Based on the aforementioned sources STRABAG holds a position among the top three in these markets.

- ***Strong Growth Prospects Driven by CEE Development and Access to Fast Growing Russian Construction Sector.*** In the three years ended December 31, 2006, STRABAG achieved substantial output volume growth in each of Hungary, the Czech Republic, Poland and Slovakia. CEE accounted for approximately 29% of STRABAG's total output volume in 2006. More than

80% of STRABAG's output volume was generated in Germany, Austria, Hungary, the Czech Republic, Poland and Slovakia in 2006. Based on STRABAG's established presence in the region and its successful track record of add-on acquisitions, management believes that STRABAG is well-positioned to continue to increase its share in this growing market and to actively participate in further market consolidation. This is true, in particular, of the Russian Federation, where the Company has recently intensified its focus. In addition, management believes that Rasperia's status as a shareholder of the Company positions STRABAG well to collaborate with Rasperia or other companies controlled by Mr. Deripaska with a view to further expanding its activities in the Russian Federation.

- ***Promising Business Opportunities in Traditional Markets.*** STRABAG believes that there are substantial opportunities in its traditional markets. These include among others the renewed growth of the German construction sector, the investment backlog in German and Austrian road and railway construction as well as a recognized need for investments in the energy sector. In addition, STRABAG has expanded its portfolio into areas such as recycling asphalt, rail track construction, environmental engineering and hydraulic engineering.

- ***Extensive Own Resource Base.*** STRABAG has proprietary access to an extensive network of raw material supply sources throughout Bavaria, Austria and CEE. STRABAG believes that these resources provide it with a significant competitive advantage, particularly as permits for additional new facilities, especially quarries, are rarely granted.

- ***Strong Management Team and Superior Execution with Proven Track Record.*** STRABAG benefits from an experienced senior management team with long-standing work experience in the construction industry and strong local management teams, which allow the Group to adapt to a variety of different local cultures in the countries in which it is active. STRABAG has successfully executed over 15 significant acquisitions during the past three years and has been able to integrate the newly acquired companies into its organization and group-wide risk management systems within a few months. In light of this track record, management believes that it is well-positioned to assume an active role in the expected consolidation of the construction industry, particularly in CEE and also Germany and Austria.

Strategy

With a view to achieving sustained long-term growth of its output volume, revenue and profitability, STRABAG aims to:

- ***Expand Its Market Position in Growth Markets and in New Business Fields.*** In CEE, STRABAG seeks to grow through regional expansion and selected acquisitions. With respect to the Middle East, Africa and Asia, STRABAG pursues a strategy of building an early presence by following its European customers to these regions. The Group also intends to extend its operations into new business fields, such as environmental technologies, rail track construction and other growing segments.

- ***Intensify Focus on the Russian Federation and Expand Russian Business Activities.*** A particular focus of the Company's activities in CEE is the Russian Federation, especially the metropolitan areas of Moscow, St. Petersburg and Ekaterinburg, and in the medium term, Sochi, the host city of the Olympic Winter Games in 2014. The Company plans to further expand its activities in the Russian market taking advantage of the fact that it is one of the first Western construction companies to have expanded into this region, its existing market position and its reputation with customers. The Company recently signed letters of intent for various Russian construction projects on the occasion of Mr. Putin's visit to Vienna in May 2007. To support its planned business expansion in the Russian Federation, the Company has begun the process of reallocating some of its existing staff as well as of hiring additional staff. In addition, STRABAG intends to explore opportunities for collaborating with Rasperia or other companies controlled by Mr. Deripaska.

- ***Capitalize on Leadership in Germany and Austria.*** STRABAG intends to expand its leading position in its traditional markets Germany and Austria (the Company believes it has a leading position in these markets based on a market study published by Deloitte, public filings and the Company's own internal estimates). In Germany, STRABAG intends to leverage its market position to participate in the recovery of the construction industry, make value-accretive acquisitions in selected niche markets, expand its access to raw materials and broaden its product and service portfolio. In Austria, STRABAG believes that it has a cost leadership position and is focused on defending that position and expanding in Western Austria as well as into specialty areas.
- ***Strengthen Proprietary Access to Raw Materials.*** STRABAG intends to expand its network of raw material supply sources with a view to improving its independence from third party suppliers and raw material price volatility and capturing a greater portion of the construction value chain, in particular in connection with entering new markets.
- ***Grow Public Private Partnerships and Concession Projects.*** STRABAG intends to benefit from the growing importance of financing models that combine public sector funds and private financing in the European construction industry, particularly in Germany, Austria and CEE, while adhering to stringent project selection criteria and risk management.
- ***Invest in Value-accretive Acquisitions.*** STRABAG intends to continue to pursue selected acquisitions in order to accelerate growth and regional penetration, to complement its existing portfolio and to realize further synergies through economies of scale.
- ***Observe Strict Cost, Capital and Risk Discipline.*** STRABAG intends to pursue a policy of sustained cost-efficiency, disciplined deployment of capital, tight risk management and strict legal, regulatory and environmental compliance in order to achieve profitable growth.

The Offering

Subject Matter of the Offering	Up to 28,200,001 ordinary bearer shares with no par value (no par value shares) as follows: up to 16,000,000 New Shares, up to 9,200,001 Existing Shares from the holdings of Haselsteiner Familien-Privatstiftung, BLR-Baubeteiligungs GmbH, UNIQA Versicherungen AG and UNIQA Beteiligungs-Holding GmbH and up to 3,000,000 Additional Shares borrowed from Haselsteiner Familien-Privatstiftung, BLR-Baubeteiligungs GmbH and UNIQA Beteiligungs-Holding GmbH to cover over-allotments. The Offering includes (i) a public offering to retail and institutional investors in the Republic of Austria, and (ii) a private placement to selected institutional investors outside the Republic of Austria and outside the United States in reliance on Regulation S under the Securities Act.
Offer Shares	28,200,001 ordinary no par value voting bearer shares are being offered (including 3,000,000 Additional Shares to cover over-allotments), each share representing a calculated notional amount of EUR 1.00 of the nominal share capital. Each share carries one right to vote at the Company's shareholders' meeting and full dividend rights from, and including, the financial years starting from January 1, 2007.

Joint Bookrunners	Deutsche Bank AG, Raiffeisen Centrobank AG, Goldman Sachs International.
Joint Lead Managers	Deutsche Bank AG, Raiffeisen Centrobank AG, Goldman Sachs International, Erste Bank der oesterreichischen Sparkassen AG.
Co-Managers	Dresdner Bank Aktiengesellschaft, Landesbank Baden-Württemberg, Raiffeisenlandesbank Niederösterreich-Wien AG, Raiffeisenlandesbank Oberösterreich Aktiengesellschaft, Raiffeisen-Landesbank Steiermark AG.
Offer Price Range	EUR 42.00 to EUR 48.00 per Offer Share.
Offer Price	The Offer Price will be determined by the Company and the Joint Bookrunners on or about October 18, 2007 upon conclusion of the book-building process.
Publication of Offer Price and Number of Offer Shares	The Offer Price and the actual number of Offer Shares sold in the Offering are expected to be announced on or about October 18, 2007 (see "*The Offering*").
Offer Period	The Offer Period runs from October 8, 2007 to October 18, 2007, 12:00 noon (Central European Summer Time, "CEST"), for institutional investors and to October 17, 2007, 6:00 p.m. (CEST), for retail investors. The Offering may be extended, shortened or terminated at the absolute discretion of the Company and/or the Joint Bookrunners at any time and without prior notice.
Delivery and Payment	Delivery of the Offer Shares against payment of the Offer Price is expected to take place on October 23, 2007.
Stabilization/Greenshoe Option	Over-allotments and Stabilization Measures may be implemented in connection with the Offering to the extent permitted by applicable law. With regard to a possible over-allotment of up to 3,000,000 Additional Shares, Haselsteiner Familien-Privatstiftung, BLR-Baubeteiligungs GmbH and UNIQA Beteiligungs-Holding GmbH have made available to the Joint Bookrunners free of charge 3,000,000 Shares by means of a securities loan. In this regard, the Company will grant the Joint Bookrunners an option (the "Greenshoe Option"), exercisable within 30 calendar days following the commencement of trading of the Shares on the Vienna Stock Exchange, to subscribe for and purchase up to 3,000,000 Option Shares at the Offer Price (less agreed commissions) to be issued by the Company from authorized capital upon exercise of the Greenshoe Option.
General Allotment Criteria	Purchase orders will be evaluated on the basis of the offered prices and investor demand. Additionally, a number of other factors will be considered in allotting the Offer Shares, including: the level and nature of demand for Offer Shares, maximization of the proceeds from the Offering and support of the development of an orderly and liquid after-market for the Shares.

Preferential Allotment to Austrian Retail Investors	Retail Investors in the public offering in Austria who submit orders of up to 250 Shares before the expected deadline of October 16, 2007 to Raiffeisen Centrobank AG, an Austrian Raiffeisenbank, Erste Bank der oesterreichischen Sparkassen AG, an Austrian savings bank (*Sparkasse*) (with the exception of Bank Austria Creditanstalt AG) or ecetra Central European e-Finance AG (brokerjet.at) will receive preferential allotment. The period for preferential allotment may be shortened.
Stock Exchange Listing	Application will be made to list the Shares, except for the Registered Shares, on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) and they are expected to trade on the Vienna Stock Exchange in the prime market segment commencing on or about October 19, 2007 under the symbol "STR".
Lock-up	The Company and the Existing Shareholders (as defined in "*Principal Shareholders*") will undertake vis-à-vis the Managers in the Underwriting Agreement or otherwise, for a period of six months following commencement of trading in the Shares, not to effect certain measures which could have an effect on the market for the Shares, without the prior written consent of the Joint Bookrunners (for further information on the lock-up provisions, see "*Plan of Distribution—Lock-up Agreements*").
International Securities Identification Number (ISIN)	AT000000STR1
Trading Symbol	STR

Use of Proceeds

Based on the issue of 16,000,000 New Shares in this Offering at an assumed Offer Price of EUR 45.00, being the midpoint of the Offer Price Range, STRABAG expects the net proceeds of the Offering to be approximately EUR 684.5 million (or approximately EUR 815.7 million if the Greenshoe Option is exercised in full), after deducting the commissions payable to the Managers and other offering-related expenses incurred by the Company. The Company will not receive any of the proceeds from the sale of Existing Shares by the Selling Shareholders.

The Company intends to use the net proceeds from the Offering primarily to finance the Group's further expansion through organic growth and value-accretive acquisitions of other businesses and assets with a primary regional focus on CEE, particularly the Russian Federation, but also Germany and Austria and to a lesser extent other parts of the world. Investments are primarily planned to enhance the Group's network of raw material supply sources including financing of the Group's new cement plant in Hungary, to promote public-private partnership models primarily in CEE and to extend operations into new business fields, such as environmental technologies and rail track construction. The net proceeds from the Offering are also intended to be used to strengthen the Group's capital base to support further growth and, if appropriate, to discharge indebtedness. The balance will be used for general corporate purposes.

Summary of Risk Factors

Before deciding to purchase Shares in the Company, investors should carefully consider certain risks. The price of the Shares may decline if any of these or other risks materialize and investors could lose all or part of their investment. These risks, which are presented in the section "*Risk Factors*" below, include in particular:

Risks Relating to the Industry and the Markets in Which the STRABAG Group Operates

- The STRABAG Group is subject to economic and political risks in relation to its international operations and intended further expansion of its international activities.
- The STRABAG Group's plans to collaborate with Rasperia or other companies controlled by Mr. Deripaska with respect to the expansion of its business in the Russian Federation may fail.
- Economic instability in the Russian Federation and downturns in emerging markets could materially adversely affect the STRABAG Group's business.
- The STRABAG Group depends heavily on construction sector activity levels, which tend to be cyclical and differ among the countries in which it operates.
- Calculation and pricing of construction projects, in particular lump sum pricing and construction projects providing for a functional description of services, expose the STRABAG Group to significant risks. Because the margins achieved on most construction projects are relatively low, one or a small number of loss-making construction projects could have a disproportionately large effect on the STRABAG Group's overall results.
- The construction industry in Germany has been on the decline for more than a decade due to industry-wide overcapacity and weak demand.
- The seasonality of the construction industry, bad weather conditions, volatile demand for construction services as well as a deferral of construction projects may cause the STRABAG Group's quarterly results to fluctuate.
- Competition in the construction industry could adversely affect the results of operations, market share and profits of the STRABAG Group.
- Some construction projects are implemented under legal structures that carry special risks for construction companies in addition to the risk that the project as a whole may not be completed.
- The STRABAG Group may be materially adversely affected by weaknesses in the Russian legal system and unlawful or arbitrary government action.
- The European construction industry suffers from a shortage of skilled labor.
- Crime and corruption in the Russian Federation could disrupt the STRABAG Group's ability to conduct its business.

Risks Relating to the STRABAG Group's Business Activities

- Construction time delays and defects in construction projects may expose the STRABAG Group to contractual penalties, other losses and reputational risks.

- The STRABAG Group may not be able to fully realize future revenues reported in its backlog.
- The STRABAG Group is exposed to risks due to its dependency on certain customers, including governments funding infrastructure projects.
- Contractors may dispute amounts owed to the STRABAG Group under construction contracts and fail to make payment.
- The STRABAG Group is exposed to warranty and liability risks for defective services and products, including construction projects.
- The STRABAG Group is exposed to risks in connection with construction works carried out in consortia.
- Changes in the cost of services rendered by sub-contractors and deficiencies in the performance of services by sub-contractors may adversely affect the operating and financial performance of the STRABAG Group.
- Changes in the cost or availability of raw materials may adversely affect the operating and financial performance of the STRABAG Group and the STRABAG Group may not be able to pass on increases in supply costs to its customers.
- The continued internationalization of its business entails certain risks for the STRABAG Group.
- The STRABAG Group is subject to risks associated with the acquisition of other businesses.
- The Company does not control some of the companies of which it is a shareholder and actions taken by such companies may not be aligned with the strategy and interests of the Company and/or the STRABAG Group. Further, actions by minority investors in some of its subsidiaries may impair the Company's operations.
- The STRABAG Group may need to raise capital in the future and may be able to do so only on economically unfavorable terms or may not be able to do so at all.
- Companies in the STRABAG Group are subject to financial and other covenants under certain credit facilities that could limit the STRABAG Group's flexibility in managing its business.
- Exchange rate fluctuations could adversely affect the STRABAG Group's results of operations and financial condition.
- Deviations of actual revenue and profits from estimates based on the percentage-of-completion method of accounting for contract revenue may result in material adjustments and render results across periods less comparable.
- The STRABAG Group's insurance coverage may be inadequate.
- Environmental and other regulatory matters could adversely affect the STRABAG Group's ability to conduct its business and could require it to make substantial expenditures. Further, the STRABAG Group is exposed to liability as a result of the use of hazardous substances.
- The STRABAG Group is exposed to risks relating to the evaluation of pension liabilities.
- The STRABAG Group may be exposed to risks relating to the disposition of real estate that is not required for operational purposes.

- The STRABAG Group is exposed to tax risks.
- The STRABAG Group is dependent on its senior management and other key employees.
- A failure to maintain and further develop appropriate risk management systems could adversely affect the STRABAG Group.

Risks Relating to Legal and Regulatory Proceedings and Investigations

- Criminal investigations are currently being conducted in Germany with respect to certain road construction projects in Saxony, Eastern Germany, in which the STRABAG Group was involved. As a result of these investigations, prosecutors, procurement agencies and others may take action against the STRABAG Group and its current and former employees that could have a material adverse effect on the reputation, business, results of operations, financial condition and share price of the Company.
- The STRABAG Group has not conducted a comprehensive compliance review of all road construction projects. Therefore, it is possible that additional investigations launched by prosecutors will uncover evidence of criminal wrongdoing in other parts of the STRABAG Group of which the STRABAG Group currently has no knowledge. Evidence of such wrongdoing may cause authorities to exclude the STRABAG Group from participating in public tenders and lead to substantial reputational and financial harm.
- The STRABAG Group's existing internal compliance controls and enhancements currently being implemented may not be effective at preventing and detecting criminal behaviour.
- The STRABAG Group is exposed to competition law risks.
- The STRABAG Group faces risks from pending shareholder litigation in Germany.

Risks Relating to the Offering, the Shareholder Structure and the Shares

- The Company's principal shareholders may exercise significant influence over the STRABAG Group and their interests may not always correspond to the interests of other shareholders.
- A dispute among the Company's principal shareholders may lead to a distraction of management and adversely affect the Company's business.
- The Company is a holding company and its ability to pay dividends depends on its receipt of funds from its subsidiaries.
- The lack of an active trading market for the Company's shares and other factors could lead to high volatility of the share price.
- A suspension of trading in the Shares could adversely affect the share price.
- In case of sales of Shares currently held by the Company's principal shareholders, the Company's share price may suffer or a change of control in the Company may occur.
- Shareholders' interests in the Company may be diluted if the Company issues additional shares in the future.
- Rights of shareholders in a Societas Europaea (SE) with its corporate seat in Austria may differ from rights of shareholders in a corporation organized in another jurisdiction.

Summary Consolidated Financial Data

The following information and data have been extracted without material adjustment (except as described below) from, and are only a summary of, the Consolidated Financial Statements which appear elsewhere in this prospectus. Potential investors are encouraged to read the entire prospectus, including the Consolidated Financial Statements, the other financial information included in the prospectus and the section headed "Operating and Financial Review", before making any investment decision. See also "Presentation of Financial and Other Information". The Consolidated Financial Statements have been prepared in accordance with IFRS.

	Year ended December 31,			Six months ended June 30,	
	2004(1)	**2005**(2)	**2006**(3)	**2006**	**2007**
	audited (TEUR)	**audited (TEUR)**	**audited (TEUR)**	**unaudited (TEUR)**	**unaudited (TEUR)**
Selected Income Statement Figures					
Revenue	5,222,905	6,955,797	9,430,621	3,412,292	4,046,735
Changes in inventories	38,884	34,387	-173,119	5,415	-54,913
Own work capitalized	11,727	16,564	19,438	6,687	25,015
Other operating income	136,967	149,901	231,500	110,421	102,884
Raw materials, consumables and services used	-3,609,458	-5,019,607	-6,588,108	-2,440,403	-2,857,958
Employee benefits expense	-1,185,509	-1,401,876	-1,831,660	-785,169	-914,438
Depreciation and amortization expense	-208,889	-178,677	-229,678	-100,451	-124,079
Other operating expenses	-311,496	-400,981	-614,264	-228,586	-262,378
Earnings before financial result and tax	95,131	155,508	244,730	-19,794	-39,132
Share of profit of associates	7,897	5,424	76,986	-4,285	9,852
Net investment income	8,673	2,197	21,638	4,290	7,655
Other financial results	-20,351	-28,414	-56,151	-24,058	-27,828
Financial result	-3,781	-20,793	42,473	-24,053	-10,321
Profit before taxes	91,350	134,715	287,203	-43,847	-49,453
Income tax expense	-25,602	-40,149	-63,199	12,115	17,023
Profit for the period	65,748	94,566	224,004	-31,732	-32,430
Attributable to minority interest	30,249	44,628(4)	32,653	-23,273(4)	-15,434
Attributable to equity holders of the parent	35,499	49,938	191,351	-8,459	-16,996
Earnings per share (in EUR)(5)	0.51	0.71	2.73(6)	-1.25	-0.24(6)
Selected Cash flow data					
Cash-flow from operating activities	104,098	267,755	446,351	-189,788	-248,339
Cash-flow from investing activities	-161,210	-113,377	-271,158	-102,775	-298,917
Cash-flow from financing activities	-52,994	186,259	-148,349	131,446	290,859
Net change in cash and cash equivalents	-110,106	340,637	26,844	-161,117	-256,397
Cash and cash equivalents at the start of the year	318,976	212,399	555,857	555,857	586,265
Cash and cash equivalents at the end of the year	212,399	555,857	586,265	392,023	331,349

(1) Figures derived from the 2004 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(2) Figures derived from the 2005 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(3) Figures derived from the 2006 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(4) Profit attributable to minority interest in 2004 and 2005 included the share of STRABAG SE's profit attributable to minority shareholders of STRABAG SE, reflecting the fact that in those years FIMAG AG held only 59.94% of the shares of STRABAG SE. An adjusted illustration of the profit of the period attributable to minority interests is provided in a separate table below. For a detailed comparison of the actual figures with what the figures would have been had the merger been effected as at January 1, 2004, see "*Operating and Financial Review—Operating Results of the STRABAG SE Group for the financial years 2004, 2005 and 2006—Profit attributable to minority interests*". For a discussion of the Merger, see "*Presentation of Financial Information*".

(5) Based on the number of shares outstanding as of June 30, 2007 (70 million shares).

(6) Earnings per share of the financial year 2006 cannot be compared to the figures of the financial years 2005 and 2004 and earnings per share for the six months ended June 30, 2007 cannot be compared to those for the six months ended June 30, 2006, because FIMAG was merged with STRABAG SE in the course of the Merger. For a description of the net distributions made by the Group see "*Dividend Policy*".

	December 31, 2004[1]	December 31, 2005[2]	December 31, 2006[3]	June 30, 2007
	audited (TEUR)	audited (TEUR)	audited (TEUR)	unaudited (TEUR)
Selected Balance Sheet Data				
Intangible assets	32,550	67,085	79,612	172,869
Property, plant and equipment	955,907	985,226	1,130,089	1,291,928
Investment property	n/a[4]	150,641[4]	155,208	153,758
Financial assets	309,511	370,612	393,784	329,677
Other non-current assets	302,394	163,244	143,626	191,228
Inventories	540,856	618,717	456,365	458,114
Current receivables	1,299,640	2,215,545	2,630,877	2,821,334
Cash and cash equivalents	212,399	555,857	586,265	331,349[6]
Total assets	**3,653,257**	**5,126,927**	**5,575,826**	**5,750,257**
Equity	**802,256**	**905,470**	**1,035,894**	**924,026**[6]
thereof minority interest	347,138[5]	408,947[5]	177,877	165,652
Non-current provisions	358,737	556,617	630,303	609,941
Non-current liabilities	627,551	642,372	512,999	544,795
Current provisions	246,960	299,525	401,650	386,134
Current liabilities	1,617,753	2,722,943	2,994,980	3,285,361
Total liabilities	**2,851,001**	**4,221,457**	**4,539,932**	**4,826,231**

(1) Figures derived from the 2004 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(2) Figures derived from the 2005 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(3) Figures derived from the 2006 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(4) Since the 2006 financial year, STRABAG in accordance with IAS 40 reports investment property separately and has produced an adjusted 2005 figure for purposes of comparability. In the 2004 financial year, investment property was not reported separately.

(5) Equity attributable to minority interest in 2004 and 2005 included the share of STRABAG SE's equity attributable to minority shareholders of STRABAG SE, reflecting the fact that in those years FIMAG AG held only 59.94% of the shares of STRABAG SE. An adjusted illustration of minority interest is provided in a separate table beneath. For a detailed comparison of the actual figures with what the figures would have been had the merger been effected as at January 1, 2004, see "*Operating and Financial Review—Equity of the STRABAG Group*". For a discussion of the Merger see "*Presentation of Financial Information*".

(6) For more information about the capital increase registered on August 21, 2007 see "*Capitalization and Indebtedness*".

	2004	2005	2006	Six months ended June 30, 2006
	unaudited (TEUR)	unaudited (TEUR)	unaudited (TEUR)	unaudited (TEUR)
Adjustments of income statement and balance sheet assuming FIMAG AG had been merged into STRABAG SE as at January 1, 2004				
Profit for the period	65,748	94,566	224,004	-31,732
Attributable to minority interest	2,361	8,817	37,984	-17,461
Attributable to equity holders of the parent	63,387	85,749	186,020	-14,271
Equity	802,256	905,470		
thereof minority interest of STRABAG SE	94,293	146,469		

	2004	2005	2006	Six months ended June 30, 2006	Six months ended June 30, 2007
	unaudited (TEUR)	unaudited (TEUR)	unaudited (TEUR)	unaudited (TEUR)	unaudited (TEUR)
Other Financial and Operating Data					
EBIT[1]	111,701	163,129	343,354	-19,789	-21,625
EBITDA[1]	320,590	341,806	573,032	80,662	102,454
Output volume[2]	5,963,530	9,314,847[3]	10,385,111	4,064,787	4,463,302
Order backlog	4,980,112	7,927,000	8,506,614	9,246,421	10,638,869

(1) The Group presents EBIT and EBITDA as supplemental measures of its performance and includes these figures in the notes to its Consolidated Financial Statements for the financial years 2004, 2005, 2006 and the six months ended June 30, 2007. Management considers these metrics as important indicators of its recurring operations. However, neither EBIT nor EBITDA is a measure of operating performance or liquidity under IFRS or GAAP, and accordingly they should not be considered as alternatives to STRABAG's net income or cash flow measures as determined in accordance with IFRS. Other companies in the construction industry may calculate EBIT and EBITDA differently, and consequently STRABAG's presentation of these figures might not be readily comparable to EBIT and EBITDA or measures with similar names as presented by other companies. For a detailed discussion of EBITDA and EBIT see "*Operating and Financial Review-Operating Results of the STRABAG SE Group for the financial years 2004, 2005 and 2006 and for the Six Months Ended June 30, 2006 and 2007—EBITDA and EBIT*".

(2) STRABAG presents output volume because it is widely used in the construction industry and management believes that it is a useful measure for assessing the overall construction output of STRABAG and other entities and alliances in which STRABAG holds a direct or indirect interest. It is important to note that output volume is not an IFRS financial measure and is not designed to measure STRABAG's financial performance. Output volume should not be considered as an alternative to STRABAG's revenue as determined in accordance with IFRS. STRABAG's output volume is not indicative of its revenue. There is no official definition of output volume. Measures bearing the same or similar names disclosed by other construction companies or presented in industry reports and similar publications may be calculated differently. For more information, including a detailed definition and explanation see "*Operating and Financial Review—Revenue, Output Volume and Order Backlog*".

(3) The 2005 Consolidated Financial Statements reflect the assets and liabilities of the Züblin Group as of December 31, 2005 and its output volume for the years ended December 31, 2005 but do not reflect the Züblin Group's results for that year. The 2006 Consolidated Financial Statements finally reflect the revenue, output volume and results of the Züblin Group. From output volume for the financial year 2005, TEUR 1,542,534 were attributable to the Züblin Group and have to be eliminated from the 2005 output volume number to correlate the figure to revenue as at December 31, 2005. See "*Operating and Financial Review—Revenue, Output Volume and Order Backlog*".

	December 31, 2004	**December 31, 2005**	**December 31, 2006**	**June 30, 2007**
	unaudited (TEUR)	**unaudited (TEUR)**	**unaudited (TEUR)**	**unaudited (TEUR)**
Equity ratio (in %)	21.96	17.66	18.58	16.07

RISK FACTORS

In addition to the other information set forth in this prospectus, in particular the information contained in "Operating and Financial Review" and "Business", prospective investors should consider carefully the information set forth below before making an investment in the Shares. The risks described below constitute, in the STRABAG Group's opinion, the most significant risks of which it is currently aware, but the list does not purport to be exhaustive and the risks described do not constitute the only risks to which the STRABAG Group is exposed. The order in which the individual risks are presented does not provide an indication of the likelihood of their occurrence nor of the severity or significance of the individual risks. Furthermore, other risks and aspects may be of significance of which the STRABAG Group is currently unaware or which it does not currently consider to be material but which may also have a material adverse effect on the STRABAG Group's business and business prospects and on its financial condition and results of operations. If these risks materialize, individually or together with other circumstances, they may materially impair the STRABAG Group's business and may have a material adverse effect on the STRABAG Group's financial condition and results of operations and the price of the Shares may decline and investors could lose all or part of their investment.

Risks Relating to the Industry and the Markets in Which the STRABAG Group Operates

The STRABAG Group is subject to economic and political risks in relation to its international operations and intended further expansion of its international activities.

The STRABAG Group offers its services in numerous countries around the world and intends to further expand its international activities. In several regions and countries, in particular in CEE, economic and political conditions significantly differ from those in Western Europe. Further, as a result of the enlargement of the European Union (the "EU"), the construction industry in the new EU member states has experienced significant growth which has been driven primarily by government programs aimed at enhancing the inadequate and frequently outdated infrastructure of these member states. Since a significant portion of the funding for these programs comes from the EU, the STRABAG Group has to rely on continued availability of funding from these sources. The STRABAG Group is exposed to numerous factors beyond its control that may potentially affect its business operations in these countries. Among these factors are potential political, social, economic, financial or market-related instability or volatility, foreign exchange controls, corruption as well as changes in interest rates, inflation and governmental spending. Legal and administrative systems in these countries may be insufficiently developed and thus impair the proper completion of construction projects and limit the enforceability of receivables or other claims. Each of these factors may have a detrimental effect on the business operations and growth opportunities of the STRABAG Group in the relevant countries.

The STRABAG Group's plans to collaborate with Rasperia or other companies controlled by Mr. Deripaska with respect to the expansion of its business in the Russian Federation may fail.

On August 17, 2007, Rasperia acquired a 30% interest in the Company. Rasperia is a company indirectly owned by Mr. Deripaska, a Russian entrepreneur owning interests in a variety of industries within and outside of the Russian Federation, including the construction industry. The STRABAG Group intends to explore opportunities for collaborating with Rasperia or other companies controlled by Mr. Deripaska with a view to further expanding its activities in the Russian Federation. However, there is currently no binding agreement between the STRABAG Group and Rasperia or other companies controlled by Mr. Deripaska with respect to any such collaboration, nor does the agreement entered into among the current shareholders of the Company contain firm commitments on the part of Rasperia to collaborate with the STRABAG Group with respect to the identification and exploitation of business opportunities in the Russian market. There can be no assurance that STRABAG will succeed in entering into any definitive collaborative agreement on attractive terms or at all. Furthermore, Mr. Deripaska owns stakes in various construction companies such as Transtroi, Glavstroi and HOCHTIEF Aktiengesellschaft. It is possible that Mr. Deripaska may increase existing participations in such companies or acquire additional interests in the construction sector. Mr. Deripaska's current construction industry interests and any future stakes he may acquire in other construction companies could create conflicts of interest in situations where he or a company under his control are in a position to award a contract or compete with the STRABAG Group for a construction project. If any of these risks materializes, the STRABAG Group's strategy with respect to the Russian Federation and the Russian market may be adversely affected.

Economic instability in the Russian Federation and downturns in emerging markets could materially adversely affect the STRABAG Group's business.

Following the acquisition of an interest in the Company by Rasperia, the STRABAG Group intends to substantially grow its business in the Russian Federation by, among other things, increasing the scope of its activities in this region and bidding for construction projects in connection with the Olympic Winter Games in Sochi in 2014. However, the growth of the Russian construction sector depends to a significant extent on the development of the Russian economy as a whole. Therefore, the STRABAG Group's ability to grow its revenues in the Russian Federation is materially influenced by the future development of the Russian economy. Despite recent improvements in the Russian economy, there can be no assurance that this trend will continue. Factors that could lead to a deterioration of the economic situation of the Russian Federation include:

- greater social, economic and political uncertainty and instability, including regional conflict and the risk of war and acts of terrorism,
- a reversal of reform policies,
- the fact that government debt is high relative to gross domestic product,
- a weak banking system providing limited liquidity to domestic enterprises, restrictions on transfers of hard currency outside of the Russian Federation,
- exchange rate volatility and the lack of available currency hedging instruments,
- an increase in inflation rates (including the risk of social unrest associated with periods of hyperinflation), and
- significant increases in unemployment.

The factors listed above have been characteristic of the Russian economy at various times during the last 15 years. Any of these factors, either alone or in combination with others, could have a material negative influence on the investment climate in the Russian Federation, thereby reducing investment in the construction sector and materially adversely affecting the STRABAG Group's business, financial condition and results of operations.

The Russian economy is further vulnerable to market downturns and economic slowdowns elsewhere in the world, particularly in emerging markets. This is due in part to the fact that the Russian Federation's economy relies on the production and export of oil and is therefore exposed to risks associated with dramatic shifts in the price of oil on a worldwide basis. Financial problems or perceived risks associated with investing in emerging economies could dampen foreign investment in the Russian Federation, which could adversely affect the Russian economy, including its construction sector. Thus, even if the Russian economy remains relatively stable, financial problems in emerging markets generally could disrupt the business of companies operating in the Russian Federation. These factors could have a material adverse effect on the STRABAG Group's business, financial condition and results of operations.

The STRABAG Group depends heavily on construction sector activity levels, which tend to be cyclical and differ among the countries in which it operates.

The results of the STRABAG Group depend heavily on infrastructure, commercial and to some degree residential construction activity and spending levels. Construction activity and spending levels vary across the STRABAG Group's many markets and generally tend to be cyclical, especially in mature economies. The construction industry is sensitive to interest rates and economic and other factors outside the STRABAG Group's control. Economic downturns may lead to recessions in the construction industry, either in individual markets or globally, and construction spending may fall even in growing economies. The STRABAG Group may thus be affected significantly by global downturns or downturns in one or more individually significant markets.

Calculation and pricing of construction projects, in particular lump sum pricing and construction projects providing for a functional description of services expose the STRABAG Group to significant risks. Because the margins achieved on most construction projects are relatively low, one or a small number of loss-making construction projects could have a disproportionately large effect on the STRABAG Group's overall results.

Any construction company's ability to complete construction projects as planned depends on numerous factors such as onsite conditions, which may differ from those assumed in the original bid, delays caused by weather conditions, contract modifications creating unanticipated costs not covered by change orders, changes in the availability, proximity and costs of materials (including steel, concrete and stone, gravel and sand, as well as fuel and lubricants), the availability and skill level of workers in the geographic location of a construction project, suppliers' or subcontractors' failure to perform, fraud or theft committed by employees, mechanical problems with machinery or equipment, requests by governmental authorities, difficulties in obtaining required governmental permits or approvals, changes in applicable laws and regulations, the possibility to use sophisticated equipment and constraints as to timing and completion dates of construction projects. Further, differing labor conditions in the various countries of operation pose a significant challenge to construction project coordination and organization. Finally, most construction projects are awarded through tender procedures, which frequently result in construction projects being awarded based on the best bid in terms of pricing rather than overall quality and reliability. As a result, in order for a construction project to be profitable, it is critical that as many of the factors mentioned above as possible are taken into account in the planning stage and factored into the calculation. There can be no assurance, however, that these factors can be successfully managed on any given project. Moreover, due to the negotiating power of customers, the STRABAG Group occasionally must perform construction projects based upon a lump sum pricing model and projects providing for an all-in description of the functional features or the services to be rendered rather than more favorable unit pricing. In these cases, any additional services or materials or changes in assumptions that could not be foreseen when accepting the relevant construction project may not be charged separately. In light of all of the above, there can be no assurance that any given construction project will be successful or will generate a profit. In the past, some construction projects have generated significant losses. Because the margins on most construction projects are relatively low, one or a small number of unsuccessful construction projects could have a disproportionately large effect on the STRABAG Group's overall results. As a result, the STRABAG Group may be unable to attain profits or may even incur significant losses in the execution of its construction projects, which may materially and adversely affect the financial condition and results of operations of the STRABAG Group.

The construction industry in Germany has been on the decline for more than a decade due to industry-wide overcapacity and weak demand.

The construction industry in Germany, which is one of the STRABAG Group's major markets (its output volume in Germany in 2006 amounted to EUR 3.988 billion as compared to EUR 10.385 billion, for the entire STRABAG Group), has been subject to a recession for more than a decade. This downturn was partly cyclical following a construction boom in the mid-1990s and partly caused by pressure on public spending arising from the financing of German unification. Although in the German construction sector has recently come out of recession, this trend reversal may not be stable.

The seasonality of the construction industry, bad weather conditions, volatile demand for construction services as well as a deferral of construction projects may cause the STRABAG Group's quarterly results to fluctuate.

Construction activity decreases substantially during periods of cold weather, snow or heavy or sustained rain. Consequently, demand for construction services is significantly lower during the winter in temperate countries and during the rainy season in tropical countries. Further, demand for construction services is generally volatile. Typically, construction companies' operations are thus partly seasonal, with turnover generally increasing during the second half of the year because of better weather conditions. However, high levels of rainfall can adversely impact the operations during these periods as well. Accordingly, seasonal patterns and adverse weather conditions can materially adversely affect the results of operations of the STRABAG Group, particularly if such conditions occur with unusual intensity, during abnormal periods, or last longer than usual. Also, results achieved during good quarters may not be sufficient to compensate for bad quarters. Further, turnover and profit fluctuations may occur due to the deferral of construction projects.

Competition in the construction industry could adversely affect the results of operations, market share and profits of the STRABAG Group.

The STRABAG Group operates in a variety of local and regional markets around the world, and many factors affect the competitive environment the STRABAG Group faces in any particular market. These factors include the number of competitors in the market, their pricing policies and market penetration, their pre-existing relationships with customers or customers' prior experience with particular contractors, their track record of being able to complete construction projects on time, their financial strength (including key financial data such as equity ratios, which are prerequisites in certain bidding processes), the total production capacity serving the market, the availability of up to-date technology in terms of construction methods and equipment, market entry barriers, which are typically low, and the proximity of natural resources, as well as general economic conditions and demand within the market. Each of these factors or a combination thereof may influence the competitive environment in the markets in which the STRABAG Group operates and may have a material adverse impact on the demand for its products and services and on its market share.

Some construction projects are implemented under legal structures that carry special risks for construction companies in addition to the risk that the project as a whole may not be completed.

In particular, major infrastructure projects are increasingly financed by public-private partnerships ("PPP"), where – in the typical scenario – the government assigns responsibility for constructing and operating a piece of infrastructure, such as a highway, to a company but retains regulatory control and ownership. In a particular type of PPP arrangement referred to as build-operate-transfer ("BOT"), a public sector entity grants a concession to a private company, which undertakes to construct, finance and operate a piece of infrastructure over the period of the concession before transferring the facility to the government at no cost to the government, as a fully operational facility. The return on any investment in such projects depends on the duration of the concession, in addition to the amount of usage revenues collected, debt service costs and other factors. In the case of highways, traffic volumes, and thus toll revenues, are affected by a number of factors, including toll rates, the quality and proximity of alternative free roads, fuel prices, taxation, environmental regulations, consumer purchasing power and general economic conditions. The level of traffic on a given highway also is influenced heavily by the degree to which it is connected to other road networks. Given these factors, in addition to the risk that a construction project may fail in its entirety, the STRABAG Group is exposed to risks associated with the operation of the relevant projects over an extended period of time, which may materially and adversely affect its results of operations. In particular, there can be no assurance that the return on investments of the STRABAG Group in any such project will match the estimates typically set forth in the relevant concession agreement.

The STRABAG Group may be materially adversely affected by weaknesses in the Russian legal system and unlawful or arbitrary government action.

The Russian Federation is still developing the legal framework required to support a market economy. The lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of the Russian legal system may result in ambiguities and inconsistencies, the enactment of laws and regulations without a clear constitutional or legislative basis, and ultimately in investment risks that do not exist in more developed legal systems. Moreover, the Russian government has a high degree of discretion and at times exercises its discretion arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to law.

Risks relating to the Russian legal system include:

- a nationalization or expropriation of assets or confiscatory taxation,
- controls on foreign investment and local practices disfavoring foreign companies,
- inconsistencies among laws, decrees, governmental and ministerial orders and resolutions, and between federal, regional and local laws and regulations,
- limited judicial and administrative guidance on interpreting laws and regulations,
- organizational and financial deficiencies in the Russian court systems,
- an impairment of judicial independence through influence by political, social and commercial forces, including corruption,
- the relative inexperience of judges in interpreting new legislation and certain areas of business and corporate laws,
- a high degree of discretion on the part of governmental authorities in the application and enforcement of legislation, non-availability of reliable texts of laws and regulations at the regional and local levels hindering consistent and accurate application thereof, and
- the risk that it may be impossible or more difficult than in other countries to obtain and/or enforce a judgment or arbitral award.

The factors listed above (*cf.* Transparency International, Global Corruption Report 2007, pages 31 *et seq*, 342 *et seq*, 346 *et seq*; FIAS and Worldbank, Russia-Administrative Barriers to Investment within subjects of the Russian Federation, September 2001, pages I-16 and I-19) create uncertainties with respect to the legal and business decisions that the STRABAG Group makes with respect to the Russian Federation, many of which risks do not exist in countries with more developed economies. If any of these decisions were directed against Rasperia or its ultimate shareholder, the above factors could directly or indirectly affect the shareholder structure of the Company. Moreover, if directed against the STRABAG Group, its assets, permits or other rights, they could impair the STRABAG Group's ability to pursue business opportunities in the Russian Federation and therefore have a material adverse effect on the STRABAG Group's business, financial condition and results of operations.

The European construction industry suffers from a shortage of skilled labor.

The construction industry in Europe increasingly faces a shortage of skilled workers. In CEE, particularly in Poland, the problem is amplified by the fact that since the enlargement of the EU, many construction workers have relocated to other countries that offer higher wages, particularly to the United Kingdom and Ireland. Consequently, competition among construction companies for skilled labor is intense, which may result in both a deterioration of quality of services provided and in an increase in labor costs. Occasionally, entire teams of construction personnel decide to accept offers from competitors, which typically has a significant negative impact on the completion of affected ongoing construction projects. Any limited availability of skilled personnel, if enduring and significant, may materially and adversely affect the STRABAG Group's ability to further pursue its growth strategy.

Crime and corruption in the Russian Federation could disrupt the STRABAG Group's ability to conduct its business.

The political and economic changes in the Russian Federation in recent years have resulted in significant dislocations of authority. The local and international press have reported that significant organized criminal activity has arisen, particularly in large metropolitan centers, such as Moscow. In addition, the local and international press have reported high levels of official corruption (see also Transparency International, Global Corruption Report 2007, pages 31 *et seq*, 342 *et seq*, 346 *et seq*; FIAS and Worldbank, Russia-Administrative Barriers to Investment within subjects of the Russian Federation, September 2001, pages I-16 and I-19) in the locations where the STRABAG Group's conducts its business, including the bribing of officials for the purpose of initiating investigations by government agencies. Press reports have also described instances in which government officials engaged in selective investigations and prosecutions to further the commercial interests of government officials or certain companies or individuals. Additionally, published reports indicate that Russian media regularly publish disparaging articles in return for payment. The depredations of organized or other crime, demands of corrupt officials, allegations that the STRABAG Group has been involved in official corruption or engaged in improper activities or slanted articles, press speculation and negative publicity could disrupt its ability to conduct its business and could thus materially adversely affect its business, financial condition and results of operations.

Risks Relating to the STRABAG Group's Business Activities

Construction time delays and defects in construction projects may expose the STRABAG Group to contractual penalties, other losses and reputational risks.

Construction projects are time-critical and schedule-driven and for the most part have to be carried out within the narrow time frame requested by the contractor. Particularly as a result of adverse weather conditions, unexpected technical difficulties, defects in construction projects, for example water leakage or breakdown of a structural component, or on account of delays of the start of construction, there is a risk that, with respect to any given project, the STRABAG Group may not in all cases be able to meet the contractually agreed deadlines and that counterparties may delay or refuse acceptance of finished projects until considerable time has been spent on rectifying alleged defects, which may not be separately remunerated. In the event of any such delay, the applicable contractual provisions regularly provide for a contractual penalty that is partly independent of fault. Further, any delays may lead to conflicting demands on resources scheduled to be used in other projects. An accumulation of such events may have a materially adverse impact on the reputation, business, financial condition and results of operations of the STRABAG Group.

The STRABAG Group is exposed to risks due to its dependency on certain customers, including governments funding infrastructure projects.

Companies and governments of countries that regularly award construction contracts could restrict or suspend awarding contracts to the STRABAG Group due to political or other considerations. The construction industry generally is to some extent dependent on the amount of infrastructure work funded by various governmental agencies which, in turn, depends on the condition of the existing infrastructure in the relevant countries, the need for new or expanded infrastructure and federal, state or local government spending levels. In the new EU member states, the STRABAG Group partly depends on the extent to which infrastructure programs are funded by the EU. The award of contracts by contracting authorities is furthermore subject to uncertainties as a result of restricted or altered budgets, the participation in costly tender procedures with uncertain outcome, bureaucracy and corruption. A decrease in government funding of infrastructure projects could decrease the number of construction projects available and limit the STRABAG Group's ability to obtain new contracts, which could materially reduce its revenues and/or profits.

The STRABAG Group may not be able to fully realize future revenues reported in its backlog.

As of June 30, 2007, the STRABAG Group's backlog was approximately EUR 10.639 billion. The STRABAG Group includes a construction project in its backlog when the relevant contract is awarded or a firm letter of commitment is obtained and funding is in place. However, the revenue projected in the backlog may not be realized or, if realized, may not result in profits. For example, if a construction project reflected in the STRABAG Group's backlog is terminated, suspended or reduced in scope, the revenue and profit the STRABAG Group actually receives from its backlog could be materially lower than expected. If a contractor cancels a construction project, the STRABAG Group may be reimbursed for certain costs but typically has no contractual right to receive the full revenues reflected in its backlog for that project.

Contractors may dispute amounts owed to the STRABAG Group under construction contracts and fail to make payment.

The remuneration for construction services provided is frequently contested by the customer, particularly if unexpected difficulties or delays in construction occur, in situations where it is unclear under the relevant contract who is responsible for a cost overrun, or if the construction company renders additional services. Claims contested by a customer frequently must be asserted in court. In addition, remuneration will sometimes be delayed or remain unpaid on account of inadequate payment practices or the customer's insolvency. In other instances, customers may sue the STRABAG Group for damages or for recovery of contractual penalties. The STRABAG Group is party to a number of legal disputes in the ordinary course, some of which involve considerable amounts in dispute, and the outcome of which is often difficult to predict. The resulting legal expenses and any shortfall in the payments actually received by the STRABAG Group may have a material adverse impact on the financial condition and results of operations of the STRABAG Group.

The STRABAG Group is exposed to warranty and liability risks for defective services and products, including construction projects.

Services provided or products sold by the STRABAG Group, including construction projects, may contain defects. This may lead to the relevant customers or buyers asserting a contractual warranty claim against the STRABAG Group. Further, third parties may also bring a claim for damages or for product liability against the STRABAG Group where defective products have caused damage to property or personal injury. Hidden defects that are not detected for years may cause such claims to be raised at a later point in time than expected and may impair the ability to take recourse against consortium members or sub-contractors or other third parties to which such defects are attributable.

The STRABAG Group is exposed to risks in connection with construction works carried out in consortia.

The STRABAG Group regularly participates in various types of consortia formed for the purpose of implementing construction projects. Within such consortia, the responsibilities of the various individual parties may not always be clearly defined. According to both Austrian law and the laws of other countries where the STRABAG Group carries out construction works, the parties to a consortium are jointly and severally liable for their obligations. Vis-à-vis third parties, the STRABAG Group may therefore also be liable for damages that were caused by other members of a consortium. Should the cause of the damage be unclear or disputed, or should the consortium member causing the damage (e.g., on account of his or her insolvency) not be in a financial position to indemnify the STRABAG Group against the claims of third parties, the STRABAG Group may have to bear an economic loss that it did not cause or suffer reputational harm which is not attributable to it.

Changes in the cost of services rendered by sub-contractors and deficiencies in the performance of services by sub-contractors may adversely affect the operating and financial performance of the STRABAG Group.

The STRABAG Group relies on sub-contractors to render certain services. Particularly in connection with turnkey construction projects in the building construction segment, if a sub-contractor violates prior commitments to participate in a construction project, the STRABAG Group may face significant increases in costs for the completion of that project or may be obliged to procure alternatives to replace the relevant services. Further, deficiencies in the performance of services rendered by sub-contractors or violations of law by such sub-contractors (e.g., labor law, environmental issues, corruption) may expose the STRABAG Group to warranty and damages claims by customers and other legal action.

Changes in the cost or availability of raw materials may adversely affect the operating and financial performance of the STRABAG Group and the STRABAG Group may not be able to pass on increases in supply costs to its customers.

Over the past several years, worldwide energy prices have risen considerably. This trend has led to a corresponding increase in the energy costs of construction companies. In addition, it has increased construction companies' raw material costs generally because many of the raw materials used in the construction industry, such as steel, cement, bitumen, bricks, plastics and other raw materials, are produced in energy-intensive processes. The STRABAG Group seeks to secure the supply of materials and other supplies it needs by developing permanent relationships with important suppliers, concluding framework agreements and acquiring its own resources (e.g., quarries, asphalt and concrete mixing plants) for certain types of raw materials. However, the STRABAG Group may not always be successful in doing so. Occasionally, certain raw materials may temporarily not be available at all (e.g., bitumen, which would mainly affect the road construction segment). Should the STRABAG Group's existing suppliers cease operations or reduce or terminate production or should the cost of procuring the relevant materials increase significantly for other reasons, the STRABAG Group may face significant increases in costs for the completion of its construction projects. Further, because pricing arrangements contained in agreements of the STRABAG Group with its customers may limit the STRABAG Group's ability to pass on increases in supply costs, the STRABAG Group's results may be materially adversely affected if any such increases occur and are not anticipated by the STRABAG Group.

The continued internationalization of its business entails certain risks for the STRABAG Group.

The STRABAG Group aims to further develop its business internationally and to increase its presence in the global construction markets. Based on its current plans, CEE will be the regional focus of this expansion. There can be no assurance, however, that the envisaged further expansion will be successful and that the required use of financial and human resources will yield the desired results. Inaccurate projections of market conditions in the relevant countries or a failure to utilize business and growth opportunities may materially and adversely affect the business, financial condition and results of operations of the STRABAG Group.

The STRABAG Group is subject to risks associated with the acquisition of other businesses.

The STRABAG Group's growth strategy contemplates the acquisition of new businesses and the integration of those businesses into its organization. Synergies from recent acquisitions and any future acquisitions may prove less than originally expected. Further, acquisition candidates may have liabilities or adverse operating issues, which the STRABAG Group may fail to discover prior to the acquisition. Acquisitions may be financed through the issuance of new shares or an increase in debt, which could dilute the interests of existing shareholders or increase the STRABAG Group's debt burden and may cause its share price to fall.

Further, acquisition targets may either not be available or the STRABAG Group may fail to successfully complete acquisitions due to competition from other construction companies. Consequently, the STRABAG Group's ability to pursue its growth strategy may be impaired.

The Company does not control some of the companies of which it is a shareholder and actions taken by such companies may not be aligned with the strategy and interests of the Company and/or the STRABAG Group. Further, actions by minority investors in some of its subsidiaries may impair the Company's operations.

The Company does not have a controlling interest in some of the companies through which it conducts its business and may make future investments in companies in which it will not have a controlling interest. Some key matters, such as the approval of business plans and the timing and amount of cash distributions, require the consent of the other shareholders or may be approved by the other shareholders without the consent of the Company. Consequently, the strategy of such companies may not always be aligned with the Company's and/or the STRABAG Group's interests. These and other limitations arising from investments in companies the Company does not control may prevent the Company from achieving its objectives for these investments. Further, actions by minority investors whose interests are not always aligned with the Company's may adversely impact operating and financial strategies and results by, among other things, impairing or delaying reorganizational measures taken within the STRABAG Group in order to enhance organizational efficiency.

The STRABAG Group may need to raise capital in the future and may be able to do so only on economically unfavorable terms or may not be able to do so at all.

The STRABAG Group has a significant need for liquidity and financing, which has up to now predominantly been met from cash flow from operations and through bank loans and corporate bonds. Further, the Company has taken out a syndicated facility permitting the issuance of letters of guarantee for various purposes (e.g., bid bonds, performance bonds) at the Company's request. To the extent that the STRABAG Group's cash flow from operations is insufficient to cover its liquidity and financing needs, the STRABAG Group may require additional financing. The STRABAG Group's ability to obtain such financing on economically favorable terms in the future will depend in part upon prevailing capital markets conditions, particularly interest rate levels, conditions imposed on its business, its operating results and its credit ratings. If adequate funds are not available on acceptable terms or at all, the STRABAG Group may not be able to make future investments, acquire businesses, pursue other opportunities or respond to competitive challenges, and its financing costs may increase.

Companies in the STRABAG Group are subject to financial and other covenants under certain credit facilities that could limit the STRABAG Group's flexibility in managing its business.

The STRABAG Group is party to several credit facility agreements that restrict the ability of the STRABAG Group to engage in certain activities, including the ability (subject to certain exceptions) to incur liens or encumbrances, incur additional indebtedness or guarantee obligations in excess of certain thresholds, dispose of a material portion of assets, effect material acquisitions, engage in a merger with a third party or pledge accounts receivable. If the STRABAG Group fails to meet the terms of these covenants or of any other restrictions contained in the credit facility agreements, an event of default could occur, which could result in the acceleration of all of the STRABAG Group's outstanding indebtedness causing such debt to become immediately due and payable. If such an acceleration occurs, the STRABAG Group may not be able to repay such indebtedness on a timely basis which could have a material adverse effect on its business operations and, in the worst case, lead to its insolvency.

Exchange rate fluctuations could adversely affect the STRABAG Group's results of operations and financial condition.

Given the STRABAG Group's international operations, exchange rate fluctuations may significantly affect its results of operations and financial condition. The underlying risks include both transaction risk due to the fact that the STRABAG Group's revenues are generated in a different currency than the currency in which its costs are incurred as well as translation risk based on the fact that a significant portion of the STRABAG Group's assets and liabilities are denominated in currencies other than the euro, the STRABAG Group's reporting currency. This effect may be positive or negative, depending on the actual exchange rate movement as well as the nature of any currency hedging instruments the STRABAG Group may put in place from time to time.

Deviations of actual revenue and profits from estimates based on the percentage-of-completion method of accounting for contract revenue may result in material adjustments and render results across periods less comparable.

The STRABAG Group accounts for contract revenue using the percentage-of-completion method. Under this method, for any given period, revenue is recognized for a construction project in an amount determined by multiplying the percentage of completion of the relevant project with the total estimated revenue for the contract. Estimated contract losses are recognized in full when determined, i.e., when it is probable that total contract costs will exceed total contract revenue. Contract revenue and total cost estimates are reviewed and revised at a minimum on a quarterly basis, as work progresses and as change orders are approved, and adjustments are reflected accordingly. Nevertheless, the actual outcome of a construction project and thus the revenues and profits actually attained may deviate from previous estimates and projections. If the number and amount of such deviations is material, this may have a considerable adverse impact on the business, financial condition and results of operations of the STRABAG Group.

The STRABAG Group's insurance coverage may be inadequate.

The STRABAG Group believes it is currently insured to a reasonable extent against operational risks. There can be no assurance, however, that the STRABAG Group will not incur losses or that no claims will be made which exceed the amounts agreed under its insurance contracts. The STRABAG Group is in particular exposed to the risk of incurring losses for which no or only insufficient insurance coverage exists.

Environmental and other regulatory matters could adversely affect the STRABAG Group's ability to conduct its business and could require it to make substantial expenditures. Further, the STRABAG Group is exposed to liability as a result of the use of hazardous substances.

The STRABAG Group's operations are subject to various environmental laws and regulations relating to the management, disposal and remediation of hazardous substances and the emission and discharge of pollutants into the air, water and soil. Despite comprehensive precautionary measures and risk management, such substances may occasionally cause damage to customers, employees and third parties and expose the STRABAG Group to liability. In addition, the STRABAG Group could be held liable under any of these laws and regulations for contamination resulting not only from its own activities but also from the historical activities carried out by others on its project sites or on properties acquired by the STRABAG Group. The STRABAG Group's operations are also subject to laws and regulations relating to workplace safety and workers' health, which, among other things, regulate employee exposure to hazardous substances. These laws and regulations have become, and are becoming, increasingly stringent. The STRABAG Group cannot predict the nature, scope or effect of any new or amended requirements that could be imposed, or how existing or future laws or regulations will be administered or interpreted, with respect to products or activities to which they have not been previously applied. As a result, the STRABAG Group could become subject to substantial fines and penalties, cleanup obligations, third-party property damage or personal injury claims as well as to reputational damage. In addition, increased sensitivity on the part of the public and, at times, resistance by citizens' initiatives against major construction projects may cause such construction projects to be delayed or frustrated.

The STRABAG Group is exposed to risks relating to the evaluation of pension liabilities.

The STRABAG Group and certain of its subsidiaries, primarily those located in Germany, have incurred pension obligations vis-à-vis present or past employees. The STRABAG Group does not maintain insurance cover for such obligations but makes provisions on its balance sheet. The amount of these provisions is based upon certain actuarial assumptions, which include assumptions with respect to prevailing interest rates, life expectancy, the rate of current and future pension levels, the future development of salaries and wages and the expected interest income achievable with respect to the underlying pension plan assets. To the extent that these assumptions materially deviate from actual future pension liabilities, the STRABAG Group's business, financial condition and results of operations could be materially adversely affected.

The STRABAG Group may be exposed to risks relating to the disposition of real estate that is not required for operational purposes.

The STRABAG Group owns a portfolio of real estate that is not required for operational purposes, which is currently valued at approximately EUR 198 million. The STRABAG Group intends to dispose of this portfolio during the next three years. There can be no assurance, however, that the STRABAG Group will be in the position to commercialize the relevant real property during that timeframe on economically attractive terms or at all.

The STRABAG Group is exposed to tax risks.

The STRABAG Group is subject to regular audits by tax authorities. The STRABAG Group is of the view that the tax returns provided by the Company and its subsidiaries have been fully and accurately submitted. To the extent that the STRABAG Group anticipates potential tax liabilities arising from currently pending tax audits, it has established provisions on its balance sheet in amounts that it considers to be reasonable. Nonetheless, with hindsight and because in the course of a tax audit finance authorities may contest the factual basis of tax returns or may take views that are different from those reflected in such returns, substantial additional tax demands could arise and penalties could be imposed.

The STRABAG Group is dependent on its senior management and other key employees.

The commercial success of the STRABAG Group depends in large part on the continuing service of its senior management, particularly the members of the Management Board, and other key personnel of the STRABAG Group. Qualified personnel is of great importance to the STRABAG Group's continuing success as, by reason of its business experience, it is in the position to recognize and avoid possible risks in the development and implementation of construction projects. The STRABAG Group endeavors to assure sufficient availability of qualified personnel by continuously investing in the further education of its personnel and striving to recruit highly qualified university graduates. However, there can be no assurance that the STRABAG Group will be able to retain its key personnel or, where necessary, attract suitable successors. The risk of loss of senior management and other personnel in key positions, which is particularly pronounced with respect to qualified management personnel in CEE countries, and the shortage of available junior staff, may have material adverse effects on the STRABAG Group's business.

A failure to maintain and further develop appropriate risk management systems could adversely affect the STRABAG Group.

The STRABAG Group's risk management system is designed to assist with the assessment, avoidance and reduction of risks which jeopardize its business. The STRABAG Group's operating risks primarily include the complex risks of construction project selection and execution. There are, however, inherent limitations on the effectiveness of any risk management system. These limitations include the possibility of human error and the circumvention or overriding of the system. Accordingly, any such system can provide only reasonable assurances, and not absolute assurances, of achieving the desired objectives. For example, due to the specifics of the construction industry, individual risks such as losses on a construction project may only be detected with delay. Other risks include risks from possible instances of manipulation (acceptance of advantages, fraud, deception, corruption or other infringements of the law). Despite the risk management system in place, there can be no assurance that violations of internal guidelines, applicable law or criminal acts by employees or third parties retained by the STRABAG Group such as sub-contractors or consultants and their employees can be entirely prevented.

If the STRABAG Group's risk management system does not achieve its objectives or if the STRABAG Group's internal organizational, information, risk monitoring, and risk management systems are inadequate, corporate or administrative failures or illegal activities could occur or wrong decisions could be made, which in turn could have material adverse effects on the STRABAG Group's reputation, business, financial condition and results of operations.

Risks Relating to Legal and Regulatory Proceedings and Investigations

Criminal investigations are currently being conducted in Germany with respect to certain road construction projects in Saxony, Eastern Germany, in which the STRABAG Group was involved. As a result of these investigations, prosecutors, procurement agencies and others may take action against the STRABAG Group and its current and former employees that could have a material adverse effect on the reputation, business, results of operations, financial condition and share price of the Company.

In December 2005, five employees of STRABAG AG, Cologne along with owners and employees of various subcontractors were arrested as part of an ongoing investigation into various crimes committed or suspected of having been committed by employees of STRABAG AG in connection with road construction projects in and around Chemnitz, Eastern Germany (the Chemnitz investigation). The crimes at issue include fraud, embezzlement, money laundering, formation of a criminal organization and bribery. In connection with the Chemnitz investigation, on January 30, 2007 and February 1, 2007, prosecutors conducted searches of STRABAG AG's premises in Chemnitz, Zwickau and Makranstädt, Eastern Germany, as well as its headquarters in Cologne, Germany, and the residences of certain STRABAG AG employees. During these searches, a large volume of documents and electronic data were confiscated and several employees of STRABAG AG, who have since been terminated, were arrested. In March 2007, another former employee of STRABAG AG was sentenced to jail after entering into a plea bargain with prosecutors. See "*Business—Legal Disputes and Other Proceedings*" for more information on the background and status of the Chemnitz investigation.

The STRABAG Group understands that prosecutors currently believe that the total damage suffered by third parties as a result of the crimes described above amounts to approximately EUR 27 million. The STRABAG Group currently does not have information as to how the above amount has been calculated, but has established a provision in the amount of EUR 25 million in its 2006 financial statements to cover potential damages, expenses and losses arising out of or in connection with such crimes. Furthermore, various procurement agencies have indicated that they will review recent construction projects in which STRABAG AG has been involved. Although the STRABAG Group is not aware of any additional consequences being contemplated, it is possible that as a result of information gained in the course of the search, through statements of its current or former employees or for other reasons, prosecutors, procurement agencies and others will take further action against the STRABAG Group and its current or former employees.

As a result of the investigation described above, the STRABAG Group could face substantial damages, criminal and civil fines, penalties, sanctions, injunctions against future conduct, equitable remedies, including profit disgorgement, disqualifications from engaging in certain types of business or participating in public tenders, the cancellation of certain existing contracts, including acquisition and disposition contracts, and the commencement of significant third-party litigation or other restrictions, all of which could have a material adverse effect on the business, results of operations, financial condition and share price of the Company. In addition, the Chemnitz investigation and perceptions by third parties of the STRABAG Group's role in the underlying crimes could harm the STRABAG Group's reputation and relationships with its existing customers, impair its ability to obtain new customers, business partners and procurement contracts and affect its ability to grow its business as planned. Furthermore, the STRABAG Group's business could be harmed by the fact that the pending criminal investigation will continue to divert the attention and resources of management.

The STRABAG Group has not conducted a comprehensive compliance review of all road construction projects. Therefore, it is possible that additional investigations launched by prosecutors will uncover evidence of criminal wrongdoing in other parts of the STRABAG Group of which the STRABAG Group currently has no knowledge. Evidence of such wrongdoing may cause authorities to exclude the STRABAG Group from participating in public tenders and lead to substantial reputational and financial harm.

As discussed above, certain former employees of the STRABAG Group are currently being investigated by prosecutors in connection with various road construction projects in Saxony, Eastern Germany, on suspicions of fraud, corruption and other crimes. While the STRABAG Group has cooperated with prosecutors in investigating the crimes at issue in the Chemnitz investigation by responding to all queries raised by them, it has not conducted a comprehensive compliance review of all road construction projects in Saxony, nor has it conducted any special compliance investigations outside of Saxony. Therefore, it is possible that criminal actions similar to those underlying the Chemnitz investigation or any other crimes of which management currently has no knowledge occurred or are occurring in other parts of the STRABAG Group. Furthermore, it is possible that, in light of evidence discovered by the prosecutor in connection with the searches of the headquarters of STRABAG AG, Cologne and other locations and statements by current or former employees of the STRABAG Group and other persons, prosecutors will launch additional investigations of the STRABAG Group and/or its employees in Germany, Austria and Switzerland and that, in the course of any such investigations, they will discover further evidence of fraud, corruption or other crimes. The press has already reported that various procurement agencies in Germany have announced their intention to investigate selected current and past construction projects in which the STRABAG Group is or was involved. For example, the press has reported that the Ministry of Economics of Saxony will investigate all construction projects in which the STRABAG Group was involved where the total project costs deviated by 10% or more from the original estimate and all projects since 2002 in which the STRABAG Group has been involved either alone or as part of a consortium. In addition, prosecutors may launch inquiries unrelated to the Chemnitz investigation and, in doing so, may discover further evidence of wrongdoing. For example, on March 29, 2007, the offices of the Berlin branch of Heilit+Woerner, another German subsidiary of the STRABAG Group, were searched by local prosecutors, based on suspicions of fraud in connection with a road construction project in Berlin. Based on its current knowledge, the STRABAG Group believes that this search is unrelated to the Chemnitz investigation and the underlying facts are different from those at issue in the Chemnitz investigation. It is possible that these or any other investigations will cause prosecutors to press additional charges against the STRABAG Group and its current or former employees, in which case the STRABAG Group could face similar consequences as those described above. It is also possible that any evidence of misconduct discovered in such investigations, even if not conclusively proven, either alone or in combination with the crimes at issue in the Chemnitz investigation, will cause procurement agencies in Germany to exclude the STRABAG Group from participating in bids for road construction projects. In 2006, the STRABAG Group's road construction segment achieved output volume of EUR 1.835 billion in Germany, or 17.67% of the STRABAG Group's total volume. See "*Business—Procurement Law—Germany*" for more information on the procurement laws of Germany and any sanctions the STRABAG Group may face if it were found to have violated these laws. If any of these risks materializes, the STRABAG Group may suffer substantial reputational harm and may incur significant damages and losses and/or criminal penalties, each of which could have a material adverse effect on the STRABAG Group's business, results of operations and financial condition.

The STRABAG Group's existing internal compliance controls and enhancements currently being implemented may not be effective at preventing and detecting criminal behavior.

In light of the Chemnitz investigation, the STRABAG Group believes that its existing internal controls have not been fully effective at preventing and detecting all instances of fraud and corruption committed by its employees. Accordingly, the STRABAG Group is in the process of implementing a series of modifications to its internal controls with a view to enhancing their effectiveness. See "*Business—Risk Management and Compliance*" for an overview of these modifications. In addition, the STRABAG Group intends to provide compliance training to all of its employees. However, despite these steps, there can be no assurance that the STRABAG Group's internal controls will be able to prevent and detect evidence of wrongdoing in all cases. The construction industry has historically been particularly prone to corruption, and there can be no assurance that any set of internal controls, no matter how carefully designed, will be able to prevent all criminal behavior. Accordingly, there are circumstances in which the STRABAG Group's controls may fail, such as when several employees deliberately conspire to disapply these controls and engage in criminal behavior. If this happens, the STRABAG Group and its customers may suffer substantial damage, and the STRABAG Group may face consequences similar to those described above.

The STRABAG Group is exposed to competition law risks.

In the construction industry's recent past, a series of investigations by competition authorities have been carried out on both a national and an international level. The STRABAG Group has been, and may from time to time become, involved in such investigations. This risk applies in particular to situations where the STRABAG Group participates in private and public procurement procedures in which a limited number of competitors take part. In such situations there is a risk that competition authorities, competitors, or contractors may suspect the existence of illegal agreements between market participants, which restrict competition, and accordingly proceed against them. For example, a (not yet enforceable) fine due to alleged coordination of bids was recently imposed on the STRABAG Group's Czech subsidiary STRABAG a.s. in connection with tender procedures in the road construction sector in Slovakia and proceedings regarding a ban on STRABAG a.s.' participation in similar tenders in the future are pending before Slovak authorities. Further, in light of a recent court decision, similar fines and bans may be imposed on and, claims for significant damages may be raised against the STRABAG Group's Hungarian subsidiary STRABAG Zrt. Any such development could have a material adverse effect on the STRABAG Group's business and reputation. Further, the co-operation of the STRABAG Group with its two biggest competitors in Austria in the joint operation of an asphalt mixing plant in Amstetten, Austria, is currently under review by the Austrian competition authorities. The decision of the court in these proceedings may potentially require the STRABAG Group to dispose of such plants or to operate such plants in different structures of co-ownership or on its own in the future.

The STRABAG Group faces risks from pending shareholder litigation in Germany.

Minority shareholders of the Company's German subsidiaries STRABAG AG, Cologne, and Ed. Züblin AG, Stuttgart, have initiated several legal proceedings against the two companies, challenging, *inter alia*, various resolutions adopted at the 2006 and 2007 shareholders' meetings of STRABAG AG and Ed. Züblin AG, including, in case of Ed. Züblin AG, the election of the members of the Supervisory Board. In addition, the plaintiffs claim that the transfer of certain businesses between STRABAG AG and Ed. Züblin AG that forms part of an intra-group restructuring completed in 2006 was unlawful and has to be rescinded, and have taken preparatory action to cause STRABAG AG and Ed. Züblin AG to bring damage claims against members of their management and supervisory boards and against the Company. Further, in case of Ed. Züblin AG, the plaintiffs claim that the other members of the STRABAG Group should be prohibited from competing with this subsidiary. The Company expects that some of the proceedings may continue for several years before courts render final judgments, and the Company is unable to predict the likelihood of its prevailing in these cases.

Any final judgment in favor of the respective plaintiffs in one or more of the pending proceedings may have a material adverse effect on the financial condition and results of STRABAG Group, and the notion or expectation that such a final judgment could be issued could significantly affect the price for the Shares of the Company even if STRABAG AG and Ed. Züblin AG ultimately prevail. If a final judgment were to hold that the Company as majority shareholder of the two companies caused STRABAG AG or Ed. Züblin AG or both to enter into transactions resulting in detrimental effects for either of these companies, the Company could be required to pay damages to STRABAG AG and/or Ed. Züblin AG as well as to the minority shareholders or to rescind these transactions, including the intra-group restructuring. Any such rescission would result in expenses and the STRABAG Group would no longer be able to fully realize the synergies resulting from the reorganization of its German building construction and civil engineering activities. Moreover, any such rescission may have a significant negative impact on the operating profitability of STRABAG Group's German business activities and its ability to compete effectively in Germany. If a final judgment were to hold that the Company and its subsidiaries other than Ed. Züblin AG are obliged to refrain from competition with Ed. Züblin AG, the Company may have to compensate Ed. Züblin AG for losses incurred as a result of a violation of this prohibition and may be required to abandon some of its operations which could have a material adverse effect on its financial condition and results of operations.

Risks Relating to the Offering, the Shareholder Structure and the Shares

The Company's principal shareholders may exercise significant influence over the STRABAG Group and their interests may not always correspond to the interests of other shareholders.

Following the Offering, the Haselsteiner Group, the Raiffeisen NÖ-Wien Group, the UNIQA Group and Rasperia will hold in the aggregate close to 75% of the Shares. The Haselsteiner family, the Raiffeisen NÖ-Wien Group, the UNIQA Group and Rasperia have entered into a shareholders' agreement. The shareholders' agreement provides for nomination rights with respect to members of the supervisory board of the Company (with the Haselsteiner Group and Rasperia each being entitled to nominate one member), the coordination of voting rights of the shares of the Haselsteiner Group, the Raiffeisen NÖ-Wien Group, the UNIQA Group and Rasperia at the Company's shareholder meetings and other rights with respect to the shares as well as certain additional core undertakings with respect to strategic business development of the STRABAG Group. The principal shareholders may be able to significantly influence matters requiring shareholder approval, and there can be no assurance that they will align their voting behaviour with the interests of other shareholders.

A dispute among the Company's principal shareholders may lead to a distraction of management and adversely affect the Company's business.

The Haselsteiner family, the Raiffeisen NÖ-Wien Group, the UNIQA Group and Rasperia have entered into a shareholders' agreement (see "*Principal Shareholders—Shareholders' Agreements*"). The shareholders' agreement provides, among other things, that certain supervisory board matters and all matters reserved for the shareholders meeting require a unanimous vote among the principal shareholders. In the event of a dispute among the principal shareholders or the termination of the shareholders' agreement, a deadlock could arise that could lead to uncertainty and distraction among the members of the management board, result in a departure of key executives and impair the ability of the Company's shareholders meeting and supervisory board to quickly and effectively take decisions on important matters. In addition, in any such situation, one or more of the principal shareholders could attempt to increase its stake in the Company. This could lead to a change of control and cause the Company to pursue different strategies from those described in the prospectus.

The Company is a holding company and its ability to pay dividends depends on its receipt of funds from its subsidiaries.

The Company is a holding company with no significant assets other than direct and indirect interests in the many subsidiaries through which it conducts its operations. The Company's ability to pay dividends, if any, depends predominantly upon receipt of sufficient funds from its subsidiaries. The extent of such cash flows to the Company will depend on the business, financial condition and results of operations of its subsidiaries. In addition, payments and transfers of funds may be restricted by the terms of any indebtedness that may be incurred by subsidiaries and by applicable law. Some countries may impose regulations restricting the payment of dividends to foreign shareholders through exchange control regulations. To the Company's knowledge, there are currently no countries in which it has operating subsidiaries that directly restrict the payment of dividends. However, there can be no assurance that such restrictions will not arise in the future. The above factors could cause any or all subsidiaries to be unable to pay dividends or make other distributions directly or indirectly to the Company, thereby limiting the Company's liability to pay dividends to its shareholders.

The lack of an active trading market for the Company's shares and other factors could lead to high volatility of the share price.

Prior to the Offering there was no active trading market for the Company's shares. The Offer Price will be determined based on a bookbuilding process. This price may not correspond to the market price at which the Company's shares will trade on the Vienna Stock Exchange following the Offering. There can be no guarantee that an active trading market for the shares will develop or continue over time. The number of free float shares, changes in the Company's and/or the STRABAG Group's results, as well as variations in the general condition of the construction industry, economic fluctuations, and the general development of the financial markets may lead to considerable price fluctuations in the Company's shares.

A suspension of trading in the Shares could adversely affect the share price.

The FMA is authorized to suspend, or to request a regulated market on which securities are admitted to trading to suspend, such securities from trading, if, in its opinion, the relevant issuer's situation is such that continued trading would be detrimental to the interests of investors. The FMA is further authorized to instruct the Vienna Stock Exchange to suspend trading in an issuer's securities in connection with measures taken against market manipulation and insider trading. Any suspension of trading in the Shares could adversely affect the share price.

A sale of Shares held by the Company's principal shareholders may cause a decline in the Company's share price or lead to a change of control.

The Company and the Existing Shareholders have committed themselves up until the expiry of six months after the commencement of trading in the Shares, without prior written agreement of the Joint Bookrunners, neither indirectly nor directly to buy, sell, assign or dispose of Shares or other stocks of the Company in other ways, or to carry out transactions which commercially correspond to a sale. If any of these shareholders take any such measures – before the expiry of this deadline with the consent of the Joint Bookrunners or afterwards – or if some or all of the shares currently held by Rasperia are forcibly sold due to a default of Rasperia under the financing arrangements obtained for the acquisition of its stake in the Company or if the market believes that such sales may occur, the stock exchange price of the Company's shares may be materially adversely affected. In the event of a voluntary or forced sale of a significant number of Shares currently held by the Existing Shareholders, a change of control in the syndicate formed by Rasperia, the Haselsteiner Group, the Raiffeisen NÖ-Wien Group and the UNIQA Group and, ultimately, the Company may occur. A forced sale may occur, in particular, if Rasperia were to default under its financing agreements with Deutsche Bank AG, which it entered into for the purpose of financing the acquisition of its stake in the Company (see "*Principal Shareholders—Shareholders' Agreements—Related Financing Agreements*"). In any such case, certain of the Existing Shareholders and, potentially, other shareholders acquiring all or a portion of the Shares currently held by Rasperia could be required to make a mandatory takeover offer pursuant to the Austrian Takeover Act.

Shareholders' interests in the Company may be diluted if the Company issues additional shares in the future.

In the future the STRABAG Group may decide to raise further capital to finance its business activities. The issuance of equity securities, the exercise of any convertible bonds or bonds with warrants the Company may issue in the future, as well as the purchase of other enterprises or participations in enterprises in exchange for shares, may lead to a commercial dilution of shareholders' interests in the Company.

Under Austrian corporate law, shareholders have preferential statutory subscription rights (*Bezugsrechte*) in respect of any new shares issued by the Company in a capital increase in proportion to their shareholdings. Due to restrictions in other jurisdictions, shareholders outside Austria may be prohibited under applicable law or excluded under the terms of the capital increase from participating in future capital increases to the same extent as Austrian shareholders.

Rights of shareholders in a Societas Europaea (SE) with its corporate seat in Austria may differ from rights of shareholders in a corporation organized in another jurisdiction.

The Company is a *Societas Europaea* with its corporate seat in Austria and thus subject to European legislation and applicable Austrian law. The rights of the Company's shareholders are governed by the SE Regulation, by the articles of association of the Company and by Austrian law (including the SE Act and the Stock Corporation Act; for further details see "*Management and Corporate Governance*" and "*Description of Share Capital*"). The Company is one of very few companies in this legal form in Austria and the first *Societas Europaea* applying for the listing of its shares on the Vienna Stock Exchange. There are no precedents and no established practice in Austria relating to certain legal characteristics of a *Societas Europaea*. Further, rights of shareholders may differ in some respects from the rights of shareholders in corporations organized in jurisdictions other than Austria and it may be difficult for investors to enforce the securities laws of other jurisdictions, or to prevail in a claim against the Company based on those laws. (For further details see "*Description of Share Capital*".)

THE OFFERING

Subject Matter of the Offering

The Offering comprises up to 28,200,001 Offer Shares in the Company, consisting of up to 16,000,000 New Shares to be issued by the Company originating from a capital increase, which was resolved by the Management Board with the approval of the Supervisory Board on October 4, 2007 using authorized capital, up to 9,200,001 Existing Shares offered by Haselsteiner Familien-Privatstiftung, BLR-Baubeteiligungs GmbH, UNIQA Versicherungen AG and UNIQA Beteiligungs-Holding GmbH, and up to 3,000,000 Additional Shares from the holdings of Haselsteiner Familien-Privatstiftung, BLR-Baubeteiligungs GmbH and UNIQA Beteiligungs-Holding GmbH made available to the Joint Bookrunners free of charge by means of a securities loan to cover over-allotments. The Offer Shares are ordinary no par value bearer shares, each share representing a calculated notional amount of EUR 1.00 of the nominal share capital with full dividend entitlement from January 1, 2007.

The Offering consists of (i) a public offering to retail and institutional investors in the Republic of Austria and (ii) a private placement outside the Republic of Austria and the United States to selected institutional investors in reliance on Regulation S under the Securities Act. In connection with the capital increase relating to the Offering, the subscription rights for the New Shares have been excluded.

No action has been or will be taken in any jurisdiction other than the Republic of Austria that would permit a public offering of the Offer Shares. Prospective investors and depositary banks should inform themselves of applicable laws and regulations.

Deutsche Bank AG, Große Gallusstraße 10-14, D-60272 Frankfurt am Main, Raiffeisen Centrobank AG, Tegetthoffstrasse 1, A-1015 Vienna, and Goldman Sachs International, Peterborough Court, 133 Fleet Street, GB-London EC4A 2BB, are acting as Joint Bookrunners in the Offering. Retail investors in the Republic of Austria may subscribe for Offer Shares at Raiffeisen Centrobank AG, all Austrian Raiffeisen banks, Erste Bank der oesterreichischen Sparkassen AG, all Austrian savings banks (*Sparkassen*) (with the exception of Bank Austria Creditanstalt AG) or ecetra Central European e-Finance AG (brokerjet.at). Institutional investors may subscribe for Offer Shares at Deutsche Bank AG, Raiffeisen Centrobank AG, Goldman Sachs International, Erste Bank der oesterreichischen Sparkassen AG, Dresdner Bank AG or Landesbank Baden-Württemberg.

The Offering is subject to the registration of the capital increase from authorized capital with the commercial register.

The Offering is expected to commence on October 8, 2007 and to end on October 18, 2007, 12:00 noon (CEST), for institutional investors and on October 17, 2007, 6:00 p.m. (CEST), for retail investors.

The Offering may be extended, shortened or terminated in the absolute discretion of the Company and/or the Joint Bookrunners at any time prior to the execution of the Underwriting Agreement (as defined below). Between the date of execution of the Underwriting Agreement and the Closing Date, the Offering may only be terminated by the Joint Bookrunners in the limited circumstances referred to in the underwriting agreement expected to be dated October 18, 2007 ("the Underwriting Agreement") among the Company and the Managers, which circumstances include the occurrence of certain events of force majeure and material adverse changes in the Company's business. Since the closing of the Offering is expected to take place after the commencement of trading in the Shares, except for the Registered Shares, on the Vienna Stock Exchange, a termination of the Underwriting Agreement may result in the cancellation of any trades in the Offer Shares effected prior to such termination (For further details see "*Plan of Distribution—Indemnification, Termination*").

Prospective investors seeking to purchase Offer Shares are advised to contact their bank, broker or other financial adviser for further details regarding the manner in which applications for Offer Shares are to be processed. There will be no minimum and no maximum number of Offer Shares which may be applied for by prospective investors in the Offering, whether expressed as a number of Offer Shares or an amount in euros. Multiple subscriptions and offers to purchase will be accepted, subject to allocation as described below. Prospective investors who have placed purchase orders may withdraw these orders at any time prior to the end of the Offer Period. In the case of any unsuccessful applications, to the extent that any surplus application monies have already been paid by a prospective investor to its bank, broker or other financial adviser, investors are advised to contact their respective bank, broker or other financial adviser for details regarding the refund of such monies.

No expenses or taxes will be charged to the purchasers of the Offer Shares, except for customary banking charges.

Offer Price and Number of Offer Shares

The Offer Price is expected to be between EUR 42.00 and EUR 48.00 per Offer Share. The Offer Price and the placement volume will be determined by the Company and the Joint Bookrunners based upon the order book compiled in the bookbuilding process. The purchase orders will be evaluated on the basis of the offered prices and anticipated investor demand. A number of other factors will be considered when establishing the Offer Price and the basis for the allocation of the Offer Shares, including the level and nature of the demand for Offer Shares as well as the objectives of maximizing the proceeds of the Offering and encouraging the development of an orderly and liquid after-market in the Shares. Prior to the Offering, there was no public market for the Shares.

The Offer Price and the actual number of Offer Shares to be sold in the Offering are expected to be announced and published, including by way of an ad-hoc announcement, via electronic media, on or about October 18, 2007 and by short notice in the Official Gazette shortly thereafter. Such information will also be deposited with the FMA in accordance with Section 7 para 5 of the Capital Markets Act on or about October 18, 2007.

Allocation

After the Offer Price has been set, the Offer Shares will be allocated to investors based on the bids then available. Except as disclosed below, no class of investors will receive preferential treatment in respect of allocations. The amount of Offer Shares, if any, allocated to an investor will be determined in the absolute discretion of the Company and the Joint Bookrunners. Prospective investors in the Offering are therefore advised to contact their bank, broker or other financial adviser for details regarding the actual allocation of Offer Shares made to them. Although the Company does not accept any responsibility therefor, the Company expects that information regarding allocations in the Offering may be made available by these institutions on or about the day two banking days in Austria immediately prior to the Closing Date.

Preferential Allocation

Retail Investors in the public offering in Austria who submit orders of up to 250 Shares before the expected deadline of October 16, 2007 to Raiffeisen Centrobank AG, an Austrian Raiffeisenbank, Erste Bank der oesterreichischen Sparkassen AG, an Austrian savings bank (*Sparkasse*) (with the exception of Bank Austria Creditanstalt AG) or ecetra Central European e-Finance AG (brokerjet.at) will receive preferential allotment. The period for preferential allotment may be shortened at any time without prior notice.

Payment and Delivery

Payment for and delivery of the Offer Shares are expected to take place on or about October 23, 2007. The Offer Shares will be represented by modifiable global certificates, which will be deposited with OeKB, and made available for delivery through book-entry facilities to Euroclear and Clearstream. Purchasers of Offer Shares will not be entitled to receive physical share certificates.

Admission to the Vienna Stock Exchange and Commencement of Trading

Application will be made to list the Shares, except for the Registered Shares, on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*). Trading in the Shares, except for the Registered Shares, is expected to commence in the prime market segment of the Official Market of the Vienna Stock Exchange on October 19, 2007.

Stabilization and Greenshoe Option

In connection with the Offering, Deutsche Bank AG or an agent or affiliate of Deutsche Bank AG will act as Stabilization Manager in its own name, but for the account of the Managers and may, in compliance with applicable Austrian law and Commission Regulation (EC) No 2273/2003 of December 22, 2003, take action aimed at stabilizing the stock exchange or market price of the Shares in order to offset selling pressure. Stabilization Measures may be effected on the Vienna Stock Exchange, in the over-the-counter market or otherwise. The Stabilization Manager is not obligated to take any Stabilization Measures, and, therefore, there can be no assurance that Stabilization Measures will be taken. Should Stabilization Measures be taken, they may be terminated at any time and without prior notice. Stabilization Measures may only be taken as of the date the Shares are first traded on the Vienna Stock Exchange and must be completed no later than 30 calendar days after such date (the "Stabilization Period").

As a result of Stabilization Measures, the stock exchange or market price of the Shares may be higher than the price which would otherwise prevail in the market. In addition, stabilization may result in the stock exchange or market price of the shares temporarily reaching a level that is not sustainable in the long term.

In view of possible Stabilization Measures, investors can be allotted up to 3,000,000 Additional Shares in addition to the up to 16,000,000 New Shares and the up to 9,200,001 Existing Shares. For this purpose, Haselsteiner Familien-Privatstiftung, BLR-Baubeteiligungs GmbH and UNIQA Beteiligungs-Holding GmbH have made the Additional Shares required for such over-allotment temporarily available to the Joint Bookrunnners free of charge by means of a securities loan.

In view of possible over-allotments, the Company will grant the Joint Bookrunners an option (the "Greenshoe Option") to subscribe for and purchase up to 3,000,000 Option Shares to be issued by the Company from authorized capital upon exercise of the Greenshoe Option at the subscription price (EUR 1.00). The difference between the Offer Price, less the agreed commissions and the subscription price will be paid by the Managers to the Company on the closing date for the Option Shares. The Greenshoe Option may be exercised on one occasion, within 30 days of the date of the commencement of trading in the Shares on the Vienna Stock Exchange and may be exercised only to the extent over-allotments have been made.

Within one week after the end of the Stabilization Period, a notice will be published in the Official Gazette announcing whether or not Stabilization Measures were effected and, if Stabilization Measures were effected, the date at which Stabilization Measures started, the date at which Stabilization Measures last occurred and the price range within which Stabilization Measures were carried out, for each of the dates during which Stabilization Measures were carried out.

USE OF PROCEEDS

The Company will receive the net proceeds from the Offering comprising the gross proceeds from the sale of the New Shares and the Option Shares less the commissions of the Managers and other offering related expenses incurred by the Company ("net proceeds"). The net proceeds the Company will receive from the Offering depend on the actual number of New Shares and Option Shares sold, the final Offer Price, the commissions and the actual offering related costs.

Assuming the issue of 16,000,000 New Shares (or 16,000,000 New Shares and 3,000,000 Option Shares if the Greenshoe Option is exercised full) and an Offer Price of 45.00 at the mid point of the Offer Price Range, the gross proceeds from the Offering would be EUR 720 million (or EUR 855 million if the Greenshoe Option is exercised in full). The Company estimates that its total costs (including commissions of the Managers and incorporation tax (*Gesellschaftssteuer*)), based on an Offer Price at the mid point of the Offer Price Range, will amount to approximately EUR 35.5 million (or approximately EUR 39.3 million if the Greenshoe Option is exercised in full) and, accordingly, expects to receive net proceeds from the Offering in the amount of approximately EUR 684.5 million (or approximately EUR 815.7 million if the Greenshoe Option is exercised in full).

The aggregate proceeds payable to the Selling Shareholders if they sell all of the Existing Shares to be sold by them in the Offering less the commissions of the Managers payable by the Selling Shareholders are expected to be approximately EUR 403.2 million (based on an Offer Price of EUR 45.00 as aforesaid). The Company will not receive any of the proceeds from the sale of the Existing Shares by the Selling Shareholders.

The Company intends to use the net proceeds from the Offering primarily to finance the Group's further expansion through organic growth and value-accretive acquisitions of other businesses and assets with a primary regional focus on CEE, particularly the Russian Federation, but also Germany and Austria and to a lesser extent other parts of the world. Investments are primarily planned to enhance the Group's network of raw material supply sources including financing of the Group's new cement plant in Hungary (see "*Business—Raw Materials*"), to promote public-private partnership models primarily in CEE and to extend operations into new business fields, such as environmental technologies, rail track construction and facilities management. Part of the net proceeds may also be invested to strengthen the Group's market position and to acquire complementary technological know-how, assets or employees in the Group's three segments Road Construction, Building Construction & Civil Engineering and Tunnelling. The net proceeds from the Offering are also intended to be used to strengthen the Group's capital base to support further growth and, if appropriate, to discharge indebtedness thereby improving the Group's equity ratio, among other things.

The balance will be used for general corporate purposes.

For a description of the use of proceeds from Rasperia's investment in the Company see "*Principal Shareholders—Shareholders' Agreements*".

DIVIDEND POLICY

Holders of Shares are entitled to an annual dividend declared in respect of the Company's financial year. The payment and amount of dividends on the Shares are subject to approval by the shareholders at the annual shareholders' meeting. See "*Description of the Share Capital of the Company and the Articles of Association—General Provisions regarding Profit Appropriation and Dividend Payments*".

The following table shows the dividends paid out by the Company and the former parent of the Group, FIMAG Finanz Industrie Management AG ("FIMAG") as well as contributions made by the shareholders to the respective companies, in the financial years 2004, 2005, 2006 and 2007 (as of the date of this prospectus), both as per-share and as aggregate amounts:

	2004		2005		2006		2007[(1)]	
	in TEUR total	in EUR per share[(2)]	in TEUR total	in EUR per share[(2)]	in TEUR total	in EUR per share[(2)]	in TEUR total	in EUR per share[(2)]
Dividends paid by FIMAG	0	0	0	0	229,978	2.42	n/a	n/a
Dividends paid by STRABAG SE	125,072	1.32	124,816	1.31	194,025	2.04	77,000	0.81
thereof intra-group dividends	-74,963	n/a	-74,809	n/a	-116,290	n/a	n/a	n/a
Contributions to the Group	0	n/a	-25,003	n/a	-202,064	n/a	0	n/a
Net distributions (consolidated reduction of equity)	50,109	0.53	25,004	0.26	105,649	1.11	77,000[(3)]	0.81

(1) As of the date of this prospectus.

(2) Based on the number of shares outstanding prior to the Offering (95,000,000 shares).

(3) As of December 31, 2006 the STRABAG Group had non-operating long-term receivables amounting to around EUR 77 million outstanding from related parties. In connection with the dividends in the amount of around EUR 77 million paid on April 20, 2007 these receivables were repaid in full (see also "*Certain Relationships and Related Party Transactions—Related Party Transactions—IDAG*"). Accordingly, on a netted basis there was no decrease in liquidity caused by the dividend payment.

Because, among other things, the Company and its predecessor were privately held companies in the relevant years, past dividends are not an indication of future dividends to be paid by STRABAG SE.

Management currently intends to propose dividends of at least 30% of the Group's annual consolidated profit attributable to equity holders of the parent at shareholders' meetings in future years. However, the timing and amount of future dividend payments, if any, will depend upon the Company's future earnings and prospects, capital requirements and financial condition and such other factors as the Management and Supervisory Boards of the Company consider relevant, as well as the approval of shareholders. There can be no assurance that any dividends will be paid or that, if paid, they will correspond to the policy described above.

The Company's ability to pay dividends in any given year depends on its unconsolidated financial statements prepared in accordance with Austrian GAAP. Dividends may only be paid from the annual net profit (*Bilanzgewinn*) recorded in the Company's unconsolidated annual financial statements as approved by the Supervisory Board or by the shareholders' meeting. In determining the amount available for distribution, the annual net income (*Jahresüberschuss*) must be adjusted to account for any accumulated undistributed net profit or loss from previous years as well as for withdrawals from or allocations to reserves. Certain reserves must be established by law, and allocation to such reserves must therefore be deducted from the annual net income in order to calculate the annual net profit.

Future dividends paid by the Company may be subject to deduction of Austrian withholding tax, as described in "*Taxation in the Republic of Austria—Taxation of Dividends*".

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the STRABAG Group's capitalization and indebtedness as of June 30, 2007 (i) on an actual basis, (ii) as adjusted on a pro forma basis to reflect the capital increase with respect to the sale of 25,000,000 shares to Rasperia in exchange for EUR 1,050,000,000 and (iii) as adjusted on a pro forma basis to reflect the transaction described in (ii) and the capital increase implemented in connection with this Offering (assuming the sale of 16,000,000 New Shares at an Offer Price of EUR 45.00, the mid-point of the Offer Price Range, and the deduction of the commissions payable to the Managers and other offering-related expenses incurred by the Company in the amount of EUR 35.5 million) as described under "*Use of Proceeds*".

The information set forth below has been derived from the Consolidated Financial Statements, which have been prepared in accordance with IFRS. This table should be read in conjunction with "*Operating and Financial Review*" and the Consolidated Financial Statements appearing elsewhere in this prospectus.

	As of June 30, 2007		
	Actual	**As adjusted for the Rasperia capital increase**	**As adjusted for the Rasperia capital increase and this Offering**
	(unaudited)	**(unaudited)**	**(unaudited)**
	(TEUR)	**(TEUR)**	**(TEUR)**
Cash and cash equivalents[(1)]	**331,349**	**1,370,849[(7)]**	**2,055,300[(9)]**
Current financial liabilities[(2)]	783,724	783,724	783,724
Current liabilities to banks	721,012	721,012	721,012
Current bonds	50,000	50,000	50,000
Other current liabilities	12,712	12,712	12,712
Non-current financial liabilities[(3)]	516,801	516,801	516,801
Non-current liabilities to banks	176,810	176,810	176,810
Non-current bonds	275,000	275,000	275,000
Other non-current liabilities	64,991	64,991	64,991
Total financial liabilities	**1,300,525**	**1,300,525**	**1,300,525**
thereof guaranteed	0	0	0
thereof secured[(4)]	284,103	284,103	284,103
thereof unguaranteed and unsecured	1,016,422	1,016,422	1,016,422
Equity:			
Share capital	70,000	95,000	111,000[(9)]
Capital reserves	448,047	1,462,547[(8)]	2,130,998[(9)]
Retained earnings	240,327	240,327	240,327
Minority interest	165,652	165,652	165,652
Total equity[(5)]	**924,026**	**1,963,526**	**2,647,977[(9)]**
Total capitalization[(6)]	**2,224,551**	**3,264,051**	**3,948,502[(9)]**

(1) Includes securities, cash on hand and bank deposits.

(2) Total current financial liabilities include, among other things, short-term liabilities to banks of EUR 721 million, short-term bonds of EUR 50 million and liabilities from finance leases of EUR 13 million.

(3) Total non-current financial liabilities include, among other things, long-term bonds of EUR 275 million, long-term liabilities to banks of EUR 177 million and long-term liabilities from finance leases of EUR 61 million.

(4) In its financial reporting, the Company does not differentiate between current and non-current secured financial liabilities.

(5) The Company targets a long-term equity ratio in excess of 20%.

(6) Corresponds to current and non-current financial liabilities and equity.

(7) Cash will be, and partly has already been, used as discussed under "*Use of Proceeds*".

(8) Effective August 17, 2007, Rasperia acquired a total of 25,000,000 shares from the Company. Following this capital increase, capital reserves increased by EUR 1,014.5 million, reflecting the equity contribution of EUR 1,050 million, partly offset by the increase in share capital of EUR 25 million and incorporation tax (*Gesellschaftsteuer*) of EUR 10.5 million. This corresponds to an equity contribution of EUR 42 per share before deduction of incorporation tax.

(9) In case the Greenshoe Option is exercised in full, the Company will have additional net proceeds from the Offering in the amount of EUR 131.3 million of which EUR 3 million constitute share capital and EUR 128.3 million share premium which constitute capital reserves. Total equity would increase to EUR 2,779.2 million and the total capitalization to EUR 4,079.8 million.

Except as described in this prospectus (in particular as a result of the Rasperia capital increase described above and as a result of seasonality, see "*Operating and Financial Review—Key Factors affecting the STRABAG Group's Results of Operations*"), there has not been a material change in the Group's financial position since June 30, 2007.

The Company believes that cash flow from operating activities and other existing sources of financing are sufficient to cover the foreseeable cash flow requirements of the Group over the next twelve months from the date of this prospectus.

DILUTION

The net assets of STRABAG on a consolidated basis as of June 30, 2007 and adjusted to reflect the capital increase with respect to the sale of 25,000,000 shares to Rasperia amounted to EUR 1,798 million, or EUR 18.92 per Share, based on 95,000,000 Shares outstanding. Net assets is total assets less total liabilities less capital attributable to minority shareholders. Net assets per Share is determined by dividing net assets by the number of outstanding shares.

Assuming the issue of 16,000,000 New Shares (or 16,000,000 New Shares and 3,000,000 Option Shares if the Greenshoe Option is exercised full) in this Offering at an assumed Offer Price of EUR 45.00, being the midpoint of the Offer Price Range, STRABAG's net assets as of June 30, 2007 (adjusted as described in the preceding paragraph) would have been EUR 2,482.3 million (or EUR 2,613.6 million if the Greenshoe Option is exercised in full), or EUR 22.36 per Share (or EUR 22.93 million if the Greenshoe Option is exercised in full), after deducting the commissions payable to the Managers and other offering-related expenses incurred by the Company. This represents an immediate dilution in net assets of EUR 22.64 per Share (or EUR 22.07 if the Greenshoe Option is exercised in full), or 50.30% per Share (or 49.05% if the Greenshoe Option is exercised in full), to investors purchasing Offer Shares. Dilution per Share to new investors is determined by subtracting the net assets per Share after the Offering from the Offer Price paid by a new investor.

The following table illustrates the per share dilution:

	EUR (assuming no exercise of the Greenshoe Option)	EUR (assuming full exercise of the Greenshoe Option)
Offer Price at midpoint of Offer Price Range	45.0	45.0
Net assets per Share as of June 30, 2007[(1)]	18.92	18.92
Increase per Share attributable to new investors	3.44	4.0
Net assets per Share after the Offering	22.36	22.93
Dilution per Share to investors	22.64	22.07

(1) Based on 95,000,000 Shares outstanding and adjusted to reflect the capital increase with respect to the sale of 25,000,000 shares to Rasperia.

Investors should be aware that the dilution as calculated above is based on an assumed Offer Price for the Offer Shares of EUR 45.00, the midpoint of the Offer Price Range, and the assumed issue of 16,000,000 New Shares and 3,000,000 Option Shares, as the case may be, in this Offering. The actual dilution per Share based on the Offer Price will equal the difference between (1) the Offer Price and (2) the sum of net assets prior to the Offering plus net proceeds from the Offering, divided by the number of Shares outstanding after the Offering including the Option Shares, if any.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data of the Group have been derived from the Consolidated Financial Statements, which appear elsewhere in this prospectus as of and for the twelve months ended December 31, 2004, 2005 and 2006. The selected consolidated financial data are presented as follows:

- *the consolidated financial statements of FIMAG AG as of and for the year ended December 31, 2004 (the "2004 Consolidated Financial Statements"), as published and audited jointly by KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH;*

- *the consolidated financial statements of FIMAG AG as of and for the year ended December 31, 2005 (the "2005 Consolidated Financial Statements"), as published and audited jointly by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH;*

- *the consolidated financial statements of STRABAG SE as of and for the year ended December 31, 2006 (the "2006 Consolidated Financial Statements"), as published and audited jointly by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH; and*

- *the unaudited condensed consolidated interim IFRS financial statements for the six months ended June 30, 2007 of STRABAG SE (the "2007 Interim Consolidated Financial Statements" and, together with the 2004 Consolidated Financial Statements, the 2005 Consolidated Financial Statements and the 2006 Consolidated Financial Statements, the "Consolidated Financial Statements").*

The presentation of the 2004 and 2005 Consolidated Financial Statements corresponds to the presentation of the 2006 Consolidated Financial Statements and the 2007 Interim Consolidated Financial Statements, with the exception of the presentation of loss/profit attributable to minority interests on the Group's income statement and the minority interest reflected in equity on the Group's balance sheet. These two differences are discussed in the footnotes to the table below. For a comparison of the actual figures with what the figures would have been had the merger been effected as at January 1, 2004, see "Operating and Financial Review—Operating Results of the STRABAG SE-Group for the financial years 2004, 2005 and 2006 and for the Six Months Ended June 30, 2006 and 2007—Development of EBIT and EBITDA—Profit attributable to minority interest" and "Operating and Financial Review—Selected balance sheet items and equity of the STRABAG SE Group—Group Equity".

The information below should be read together with the Consolidated Financial Statements and notes thereto as well as the financial information and information related thereto included elsewhere in this prospectus, including the "Operating and Financial Review", "Presentation of Financial Information", and "Capitalization and Indebtedness".

	Year ended December 31, 2004[(1)]	2005[(2)]	2006[(3)]	Six months ended June 30, 2006	2007
	audited (TEUR)	audited (TEUR)	audited (TEUR)	unaudited (TEUR)	unaudited (TEUR)
Selected Income Statement Figures					
Revenue	5,222,905	6,955,797	9,430,621	3,412,292	4,046,735
Changes in inventories	38,884	34,387	-173,119	5,415	-54,913
Own work capitalized	11,727	16,564	19,438	6,687	25,015
Other operating income	136,967	149,901	231,500	110,421	102,884
Raw materials, consumables and services used	-3,609,458	-5,019,607	-6,588,108	-2,440,403	-2,857,958
Employee benefits expense	-1,185,509	-1,401,876	-1,831,660	-785,169	-914,438
Depreciation and amortization expense	-208,889	-178,677	-229,678	-100,451	-124,079
Other operating expenses	-311,496	-400,981	-614,264	-228,586	-262,378
Earnings before financial result and tax	95,131	155,508	244,730	-19,794	-39,132
Share of profit of associates	7,897	5,424	76,986	-4,285	9,852
Net investment income	8,673	2,197	21,638	4,290	7,655
Other financial results	-20,351	-28,414	-56,151	-24,058	-27,828
Financial result	-3,781	-20,793	42,473	-24,053	-10,321
Profit before taxes	91,350	134,715	287,203	-43,847	-49,453
Income tax expense	-25,602	-40,149	-63,199	12,115	17,023
Profit for the period	65,748	94,566	224,004	-31,732	-32,430
Attributable to minority interest	30,249[(4)]	44,628[(4)]	32,653	-23,273[(4)]	-15,434
Attributable to equity holders of the parent	35,499	49,938	191,351	-8,459	-16,996
Earnings per share (in EUR)[(5)]	0.51	0.71	2.73[(6)]	-1.25	-0.24[(6)]
Selected Cash flow data					
Cash-flow from operating activities	104,098	267,755	446,351	-189,788	-248,339
Cash-flow from investing activities	-161,210	-113,377	-271,158	-102,775	-298,917
Cash-flow from financing activities	-52,994	186,259	-148,349	131,446	290,859
Net change in cash and cash equivalents	-110,106	340,637	26,844	-161,117	-256,397
Cash and cash equivalents at the start of the year	318,976	212,399	555,857	555,857	586,265
Cash and cash equivalents at the end of the year	212,399	555,857	586,265	392,023	331,349

(1) Figures derived from the 2004 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(2) Figures derived from the 2005 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(3) Figures derived from the 2006 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(4) Profit attributable to minority interest in 2004, 2005 and in the six months ended June 30, 2006 included the share of STRABAG SE's profit attributable to minority shareholders of STRABAG SE, reflecting the fact that in those periods FIMAG AG held only 59.94% of the shares of STRABAG SE. An adjusted illustration of the profit of the period attributable to minority interests is provided in a separate table below. For a detailed comparison of the actual figures with what the figures would have been had the merger been effected as at January 1, 2004, see "*Operating and Financial Review—Operating Results of the STRABAG SE Group for the financial years 2004, 2005 and 2006—Profit attributable to minority interests*". For a discussion of the Merger, see "*Presentation of Financial Information*".

(5) Based on the number of shares outstanding as at June 30, 2007 (70 million shares).

(6) Earnings per share of the financial year 2006 cannot be compared to the figures of the financial years 2005 and 2004 and earnings per share for the six months ended June 30, 2007 cannot be compared to those for the six months ended June 30, 2006, because FIMAG was merged with STRABAG SE in the course of the Merger. For a description of the net distributions made by the Group see "*Dividend Policy*".

	December 31, 2004[(1)]	2005[(2)]	2006[(3)]	June 30, 2007
	audited (TEUR)	audited (TEUR)	audited (TEUR)	unaudited (TEUR)
Selected Balance Sheet Data				
Intangible assets	32,550	67,085	79,612	172,869
Property, plant and equipment	955,907	985,226	1,130,089	1,291,928
Investment property	n/a[(4)]	150,641[(4)]	155,208	153,758
Financial assets	309,511	370,612	393,784	329,677
Other non-current assets	302,394	163,244	143,626	191,228
Inventories	540,856	618,717	456,365	458,114
Current receivables	1,299,640	2,215,545	2,630,877	2,821,334
Cash and cash equivalents	212,399	555,857	586,265	331,349[(6)]
Total assets	**3,653,257**	**5,126,927**	**5,575,826**	**5,750,257**
Equity	**802,256**	**905,470**	**1,035,894**	**924,026**[(6)]
thereof minority interest	347,138[(5)]	408,947[(5)]	177,877	165,652
Non-current provisions	358,737	556,617	630,303	609,941
Non-current liabilities	627,551	642,372	512,999	544,795
Current provisions	246,960	299,525	401,650	386,134
Current liabilities	1,617,753	2,722,943	2,994,980	3,285,361
Total liabilities	**2,851,001**	**4,221,457**	**4,539,932**	**4,826,231**

(1) Figures derived from the 2004 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(2) Figures derived from the 2005 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(3) Figures derived from the 2006 Consolidated Financial Statements. For certain limitations on comparability see "*Operating and Financial Review—Factors affecting the comparability of Financial Information*".

(4) Since the 2006 financial year, STRABAG reports investment property separately in accordance with IAS 40 and has produced an adjusted 2005 figure for purposes of comparability. In the 2004 financial year, investment property was not reported separately.

(5) Equity attributable to minority interest in 2004 and 2005 included the share of STRABAG SE's profit attributable to minority shareholders of STRABAG SE, reflecting the fact that in those years FIMAG AG held only 59.94% of the shares of STRABAG SE. An adjusted illustration of minority interest is provided in a separate table beneath. For a detailed comparison of the actual figures with what the figures would have been had the merger been effected as at January 1, 2004, see "*Operating and Financial Review—Equity of the STRABAG Group*". For a discussion of the Merger see "*Presentation of Financial Information*".

(6) For more information about the capital increase registered on August 21, 2007 see "*Capitalization and Indebtedness*".

	2004	2005	2006	Six months ended June 30, 2006
	unaudited (TEUR)	**unaudited (TEUR)**	**unaudited (TEUR)**	**unaudited (TEUR)**
Adjustments of income statement and balance sheet assuming FIMAG AG had been merged into STRABAG SE as at January 1, 2004				
Profit for the period	65,748	94,566	224,004	-31,732
Attributable to minority interest	2,361	8,817	37,984	-17,461
Attributable to equity holders of the parent	63,387	85,749	186,020	-14,271
Equity	802,256	905,470	n.a.	n.a.
thereof minority interest of STRABAG SE	94,293	146,469	n.a.	n.a.

	2004	2005	2006	Six months ended June 30, 2006	Six months ended June 30, 2007
	unaudited (TEUR)	**unaudited (TEUR)**	**unaudited (TEUR)**	**unaudited (TEUR)**	**unaudited (TEUR)**
Other Financial and Operating Data					
EBIT(1)	111,701	163,129	343,354	-19,789	-21,625
EBITDA(1)	320,590	341,806	573,032	80,662	102,454
Output volume(2)	5,963,530	9,314,847(3)	10,385,111	4,064,787	4,463,302
Order backlog	4,980,112	7,927,000	8,506,614	9,246,421	10,638,869

(1) The Group presents EBIT and EBITDA as supplemental measures of its performance and includes these figures in its Consolidated Financial Statements for the financial years 2004, 2005 2006, and the six months ended June 30, 2007. Management considers these metrics as important indicators of its recurring operations. However, neither EBIT nor EBITDA is a measure of operating performance or liquidity under IFRS or GAAP, and accordingly they should not be considered as alternatives to STRABAG's net income or cash flow measures as determined in accordance with IFRS. Other companies in the construction industry may calculate EBIT and EBITDA differently, and consequently STRABAG's presentation of these figures might not be readily comparable to EBIT and EBITDA or measures with similar names as presented by other companies. For a detailed discussion of EBITDA and EBIT see "*Operating and Financial Review—Operating Results of the STRABAG SE Group for the financial years 2004, 2005 and 2006 and for the Six Months Ended June 30, 2006 and 2007—EBITDA and EBIT*".

(2) STRABAG presents output volume because it is widely used in the construction industry and management believes that it is a useful measure for assessing the overall construction output of STRABAG and other entities and alliances in which STRABAG holds a direct or indirect interest. It is important to note that output volume is not an IFRS financial measure and is not designed to measure STRABAG's financial performance. Output volume should not be considered as an alternative to STRABAG's revenue as determined in accordance with IFRS. STRABAG's output volume is not indicative of its revenue. There is no official definition of output volume. Measures bearing the same or similar names disclosed by other construction companies or presented in industry reports and similar publications may be calculated differently. For more information, including a detailed definition and explanation see "*Operating and Financial Review—Revenue, Output Volume and Order Backlog*".

(3) The 2005 Consolidated Financial Statements reflect the assets and liabilities of the Züblin Group as of December 31, 2005 and its output volume for the years ended December 31, 2005 but do not reflect the Züblin Group's results for that year. The 2006 Consolidated Financial Statements finally reflect the revenue, output volume and results of the Züblin Group. From output volume for the financial year 2005, TEUR 1,542,534 were attributable to the Züblin Group and have to be eliminated from the 2005 output volume number to correlate the figure to revenue as at December 31, 2005. See "*Operating and Financial Review—Revenue, Output Volume and Order Backlog*".

	December 31, 2004	December 31, 2005	December 31, 2006	June 30, 2007
	unaudited (TEUR)	**unaudited (TEUR)**	**unaudited (TEUR)**	**unaudited (TEUR)**
Equity ratio (in %)	21.96	17.66	18.58	16.07

Selected Segment Information	2004 unaudited (TEUR)	2005 unaudited (TEUR)	2006 unaudited (TEUR)	Six months ended June 30, 2006	Six months ended June 30, 2007
Revenue					
Building Construction & Civil Engineering	2,023,702[1]	2,733,300[1]	4,257,243	1,746,457	2,212,047
Road Construction	2,653,630	3,655,248	4,216,820	1,405,011	1,599,336
Tunnelling & Services	533,781[1]	540,110[1]	935,213	231,694	204,713
Miscellaneous & Consolidation	11,792	27,139	21,345	29,130	30,639
Total revenue	5,222,905	6,955,797	9,430,621	3,412,292	4,046,735
Output volume					
Building Construction & Civil Engineering	2,280,713[2]	4,356,938[2]	4,898,764	2,088,655	2,458,116
Road Construction	3,064,120	4,171,527	4,646,303	1,606,899	1,675,618
Tunnelling & Services	499,921[2]	624,528[2]	693,218	299,041	270,059
Miscellaneous & Consolidation	118,776	161,854	146,826	70,192	59,509
Total output volume	5,963,530	9,314,847	10,385,111	4,064,787	4,463,302
EBIT					
Building Construction & Civil Engineering	11,313[3]	48,686[3]	53,392	-12,871	-6,049
Road Construction	106,690	75,828	220,408[4]	-17,829	-19,915
Tunnelling & Services	-8,793[3]	37,977[3]	68,096	8,569	1,567
Miscellaneous & Consolidation	2,491	638	1,458	2,342	2,772
Total EBIT	111,701	163,129	343,354	-19,789	-21,625

(1) In the course of the readjustment of the Group's primary segments in 2006, a revenue portion of TEUR 163,383 for the 2004 financial year, which constituted civil engineering services, was shifted from the Other Construction Fields Segment to the Building Construction & Civil Engineering Segment. Similarly, a civil engineering revenue portion of TEUR 398,194 was shifted in the 2005 financial year from the Other Construction Fields Segment to the Building Construction & Civil Engineering Segment.

(2) During the 2004 and 2005 financial years, the Group's primary reporting segments consisted of the Segments were Road Construction, Building Construction, and Other Construction Fields. Other Construction Fields included Civil Engineering & Tunnelling, and Project Development. In 2006 STRABAG realigned the third Segment: While Civil Engineering joined Building Construction to become Building Construction & Civil Engineering, the Tunnelling & Project Development Segment remained substantially unchanged in scope and was re-named Tunnelling & Services. In the course of the readjustment of the Group's primary segments in 2006, a total output volume portion of TEUR 165.390 for the 2004 financial year, which constituted civil engineering services, was shifted from the Other Construction Fields Segment to the Building Construction & Civil Engineering Segment. Similarly, a civil engineering output volume portion of TEUR 1,069,568 was shifted in the 2005 financial year from the Other Construction Fields Segment to the Building Construction & Civil Engineering Segment.

(3) In the course of the readjustment of the Group's primary segments in 2006, an EBIT portion of TEUR 5,382 for the 2004 financial year, which constituted civil engineering services, was shifted from the Other Construction Fields Segment to the Building Construction & Civil Engineering Segment. Similarly, a civil engineering EBIT portion of TEUR 17,076 was shifted in the 2005 financial year from the Other Construction Fields Segment to the Building Construction & Civil Engineering Segment.

(4) The 2006 EBIT of the Road Construction Segment reflects an extraordinary capital gain in the amount of EUR 70.6 million realized by the sale of DEUTAG GmbH & Co KG.

Output volume of the Group according to region in 2004, 2005 and 2006	2004 unaudited (TEUR)	% change	2005 unaudited (TEUR)	% change	2006 unaudited (TEUR)
Germany	**1,969,589**	**78.87**	**3,523,051**	**13.19**	**3,987,792**
Austria	**1,568,045**	**22.61**	**1,922,599**	**8.15**	**2,079,368**
Hungary	**678,347**	**38.23**	**937,674**	**-14.03**	**806,104**
Czech Republic	**503,774**	**41.81**	**714,400**	**10.65**	**790,513**
Poland	276,405	56.86	433,576	27.15	551,273
Slovakia	218,731	15.61	252,885	18.76	300,333
Croatia	97,722	146.54	240,921	-20.64	191,197
Russian Federation	56,901	61.52	91,908	88.51	173,250
Other CEE countries	85,185	84.42	157,098	39.79	219,601
Rest of CEE	**734,944**	**60.06**	**1,176,388**	**22.04**	**1,435,654**
Benelux	196,212	6.47	208,897	4.79	218,900
Switzerland	182,324	61.87	295,134	9.38	322,821
Other countries of Rest of Europe	25,357	227.99	83,169	91.66	159,399
Rest of Europe	**403,893**	**45.38**	**587,200**	**19.40**	**701,120**
Africa	63,373	77.27	112,343	13.54	127,559
Middle East	41,558	206.46	127,360	59.53	203,179
America	0	n/a	81,596	76.76	144,230
Asia	7	n/a	132,236	-17.12	109,592
Rest of World	**104,938**	**332.19**	**453,535**	**28.89**	**584,560**
Total Output Volume	**5,963,530**	**56.20**	**9,314,847**	**11.49**	**10,385,111**

Output volume of the Group according to region in the six months ended June 30, 2006 and 2007

	Six months ended June 30, 2006 unaudited (TEUR)	% change	Six months ended June 30, 2007 unaudited (TEUR)
Germany	1,562,282	3.46	1,616,372
Austria	855,132	6.00	906,435
Hungary	307,808	-20.66	244,201
Czech Republic	279,909	11.50	312,105
Rest of CEE	509,651	34.00	682,923
Rest of Europe	308,585	22.10	376,790
Rest of World	241,421	34.40	324,475
Total Output Volume	**4,064,787**	**9.80**	**4,463,302**

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of the STRABAG Group's financial condition and results of operations is based on, and should be read in conjunction, with the STRABAG Group's Consolidated Financial Statements as of and for the twelve months ended December 31, 2004, 2005, and 2006, which have been prepared in accordance with IFRS. The financial statements are presented as follows:

- *the consolidated financial statements of FIMAG AG as of and for the year ended December 31, 2004 (the "2004 Consolidated Financial Statements"), as published and audited jointly by KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH;*

- *the consolidated financial statements of FIMAG AG as of and for the year ended December 31, 2005 (the "2005 Consolidated Financial Statements"), as published and audited jointly by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH;*

- *the consolidated financial statements of STRABAG SE as of and for the year ended December 31, 2006 (the "2006 Consolidated Financial Statements"), as published and audited jointly by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH; and*

- *the unaudited condensed consolidated interim IFRS financial statements for the six months ended June 30, 2007 of STRABAG SE (the "2007 Interim Consolidated Financial Statements" and, together with the 2004 Consolidated Financial Statements, the 2005 Consolidated Financial Statements and the 2006 Consolidated Financial Statements, the "Consolidated Financial Statements").*

All financial information referred to in the following discussion and analysis has been derived from these sources, unless otherwise indicated. For a detailed description of the Group's Consolidated Financial Statements see "Presentation of Financial and Other Information". This discussion contains certain forward-looking statements that are based on assumptions about the STRABAG Group and its business. The Group's actual performance and results and the timing of certain events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview

STRABAG is one of the leading providers of construction services in Europe based on a market study published by Deloitte and the Company's own internal estimates. The Group's main geographic areas of activity are Germany, Austria and CEE. STRABAG's comprehensive service range includes all segments of the construction industry. The Group offers its services under the four main brands STRABAG, Züblin, Dywidag and Heilit+Woerner.

The Group's key strengths are its leading market positions, its strong growth prospects driven by CEE development, its promising business opportunities in traditional markets, its own resource base, its successful acquisition track record, its Central Business Units and its strong management team.

The STRABAG Group operates in three segments: (1) Building Construction & Civil Engineering, (2) Road Construction and (3) Tunnelling & Services.

Other than Europe, the Group's main geographical area of operation is the Middle East. In addition, the Group engages in project business all over the world. It currently operates worldwide in more than 500 locations. As of June 30, 2007, the Group had more than 56,800 employees (full time equivalents) worldwide. The STRABAG Group generated revenue of EUR 9.4 billion, total output volume of EUR 10.4 billion and profit of EUR 224 million in 2006 and of EUR 4.0 billion, EUR 4.5 billion and EUR -32.4 million, respectively, in the first half year of 2007.

On August 17, 2007, Rasperia Trading Limited acquired a 30% interest in the Company. Rasperia is a company indirectly owned by Mr. Oleg Deripaska, a Russian businessman owning interests in a variety of industries within and outside the Russian Federation, including the construction industry. The Company's Existing Shareholders have entered into a shareholders agreement with Rasperia. See "*Principal Shareholders—Shareholders' Agreements*" for more information. STRABAG intends to explore opportunities for collaborating with Mr. Deripaska or companies controlled by him with a view to further expanding its activities in the Russian Federation.

Key Factors affecting the STRABAG Group's Results of Operations

The following table illustrates the development of STRABAG's revenue, output volume, EBITDA, EBIT and profit in the financial years 2004, 2005 and 2006 and for the six months ended June 30, 2006 and 2007.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005[(1)] (TEUR)	% change	STRABAG SE 2006 (TEUR)	FIMAG Six months ended June 30, 2006 (TEUR)	% change	STRABAG SE Six months ended June 30, 2007 (TEUR)
Revenue	5,222,905	33.18	6,955,797	35.58	9,430,621	3,412,292	18.59	4,046,735
Output volume	5,963,530	56.20	9,314,847	11.49	10,385,111	4,064,787	9.80	4,463,302
EBITDA	320,590	6.62	341,806	67.65	573,032	80,662	27.02	102,454
EBIT	111,701	46.04	163,129	110.48	343,354	-19,789	-9.28	-21,625
Profit/loss for the period attributable to equity holders of the parent	35,499	40.67	49,938	283.18	191,351	-8,459	-100.92	-16,996

(1) The acquisition of the Züblin Group has been reflected in output volume as from January 1, 2005 and for IFRS purposes as from December 31, 2005. See "*Reconciliation of output volume to revenue*" for more information.

STRABAG's revenue, output volume and results over this period have been driven primarily by the following factors:

Acquisitions and STRABAG's acquisition policy. The key objectives of STRABAG's acquisition policy are entering into new markets, playing an active role in the consolidation of the construction industry in saturated, fragmented markets and expanding its business in such saturated markets by entering new segments and business fields at all stages of the value chain. In particular in connection with the consolidation process in Germany, in the three years ended December 31, 2006, STRABAG's revenue, output volume and results were materially affected by acquisitions, particularly the acquisition of the Züblin Group and the Dywidag and Heilit+Woerner entities in 2005 and of the remaining 50% interest in Preusse Bauholding GmbH & Co KG ("Preusse") and Stratebau GmbH ("Stratebau") in 2006. The 2005 Consolidated Financial Statements reflect the assets and liabilities of the Züblin Group as of December 31, 2005 and its output volume for the year ended December 31, 2005 but do not reflect the Züblin Group's results for that year. The 2006 Consolidated Financial Statements fully reflect the revenue, output volume and results of the Züblin Group. The 2005 and 2006 Consolidated Financial Statements fully reflect the revenue, output volume and results of the Dywidag and Heilit+Woerner acquisitions. In 2006 STRABAG acquired the remaining 50% share in Stratebau GmbH and thus has become sole shareholder of Stratebau. While 50% of Stratebau's output volume was included in STRABAG's output volume for 2005 and Stratebau did not contribute to STRABAG's overall results in that year, in 2006 Stratebau GmbH was included in STRABAG's output volume for the whole 2006 financial year and since October 10, 2006 in its results. In 2006, STRABAG also acquired a 100% stake in Preusse which has been included in STRABAG's output volume for the whole 2006 financial year and since June 12, 2006 in its results.

In the six months ended June 30, 2007, the Group acquired the polish operations of the Swedish NCC group, companies since renamed Polski Asfalt. The purchase price was EUR 106 million including assumed liabilities, subject to post-closing adjustments. Polski Asfalt has been included in STRABAG's results since April 13, 2007; it is not yet included in STRABAG's output volume.

The Group has extensive experience in integrating both small and large acquisitions and believes it can rapidly achieve cost savings following an acquisition. The Group's service companies play an important role in providing the necessary backup-facilities for expansion.

While the Group intends to further pursue selected acquisitions in order to accelerate its regional penetration and believes it is well-positioned to be a major participant in the consolidation of the construction industry, the acquisitions of the Züblin Group, Dywidag and Heilit+Woerner brought an exceptional increase in total size and output volume.

General economic conditions and government spending on infrastructure projects. STRABAG's results in any given period are materially affected by construction sector activity levels, which in turn are primarily driven by general economic conditions and the level of government spending on infrastructure projects. According to Euroconstruct, the European construction industry grew from an aggregate output volume of EUR 1,287.37 billion in 2004 to an estimated output volume of EUR 1,349.40 billion in 2006. Based on Euroconstruct data, the weighted average growth rate of the CEE markets, which accounted for 29.2% of STRABAG's output volume in 2006, was significantly above the European average, reflecting significant government spending on the inadequate and frequently outdated infrastructure of these countries. By comparison, the German construction industry, which is the largest construction market in Europe and accounted for 38.4% of STRABAG's output volume in 2006, showed only moderate growth in 2006, after being on the decline for a decade. Recent forecasts suggest that growth in the construction industry in Germany in 2007 is gaining momentum.

In Europe, cyclical trends in general economic conditions in recent years have been partially offset by the enlargement of the European Union, as a result of which the construction industry in the new EU member states has experienced significant growth. This growth has been driven primarily by government programs aimed at enhancing the inadequate and frequently outdated infrastructure. STRABAG was present in these markets at an early stage and thus able to benefit from this growth.

STRABAG's ability to calculate accurate cost and time estimates for its construction projects. The profitability of most of STRABAG's construction projects depends on its ability to accurately estimate the cost of these projects and the time required to execute them. In some cases, STRABAG's estimates of the cost and time requirements of a project and the actual cost and time required to complete the project may significantly diverge. In the period covered by the Consolidated Financial Statements, such deviations had a material impact on STRABAG's results. As a result, STRABAG introduced a three-step decision model comprising project selection, review by a price commission and board approval for large projects to support the project selection process. Each project is under the supervision of a technical director and a commercial director, who have joint responsibility. Nevertheless, it is possible that similar problems may occur in the future.

Changes in raw material prices. As with other construction companies, STRABAG is exposed to changes in the level of raw material prices. For example, in 2004 an unpredicted increase in the steel price had a material impact on STRABAG's results. Because STRABAG seeks to take such changes into account in calculating construction projects, increases in the level of raw material prices typically have the greatest impact on STRABAG's revenues and output volume. By contrast, they typically have a lesser impact on STRABAG's results. However, in situations where prices rise unexpectedly or STRABAG has less access to the raw materials required for a particular project than its competitors, its ability to pass such increases on to its customers is limited.

The degree of competition in the markets in which STRABAG operates. At a European level, the STRABAG Group competes with several internationally active construction companies which, like STRABAG, operate across regions and in multiple countries. The Group also faces competition from a number of medium-sized firms with a strong regional presence. In particular in Austria, the increasing competition in the three years ended December 31, 2006, has led to shrinking margins. STRABAG believes that the following factors are key elements of its plan to compete successfully: its pre-existing relationships with customers or customers' prior experience with specific contractors, a track record of being able to complete construction projects on time; financial strength; the total production capacity serving the market; up to-date technology in terms of construction methods; and equipment and the access to natural resources.

Projects carried out in the form of PPPs. The importance of financing models that combine public sector funds and private financing is growing constantly in the European construction industry. Major infrastructure projects are increasingly financed by PPP and similar arrangements (see "*Industry Overview—Innovative Financing Models*"). In this field, STRABAG is awarded contracts which are only available to construction companies able to provide not only the construction service, but also relevant additional services such as financing, design and operation such as most recently the EUR 100 million PPP project "Public Authorities' Center Heidelberg" awarded to Züblin Development GmbH, where the Group undertook to construct and operate a new building for the state's judicial authorities. STRABAG considers PPP to be a significant growth area. Usually in PPP projects, STRABAG carries out the construction work and recognizes revenue related to that work. In addition, it often holds participations in specially set up companies, which carry out extra services such as financing, design and operation. The result from these extra services is reflected in financial result. In 2004, the Group realized extraordinary income through the sale of a PPP project. The Group believes that it is well-positioned in the growing infrastructure PPP market in CEE and intends to expand its market position through organic growth taking advantage of its local presence and experience. STRABAG's strategy for Germany and Austria includes leveraging its top position in road construction to maximize its share in the developing PPP market for motorways. The Group also intends to promote PPP models in the building construction fields such as the health sector.

Seasonality. Due to snow, ice and other adverse weather conditions, STRABAG's revenue in the winter season is typically lower than in the spring and summer seasons. Because a large portion of its costs are fixed, STRABAG has in the past experienced significant losses in the first quarter of each calendar year, which have been offset by higher margin contributions starting in the second quarter. STRABAG typically has reached the break-even point early in the second half of the year. Seasonal patterns are particularly pronounced in the STRABAG Group's road construction business and to a lesser extent in its building and civil engineering activities. While these variations do not affect the comparability of STRABAG's revenue, output volume and results from year to year, any interim financial information that STRABAG may publish following the Offering will be subject to seasonal patterns.

Segment Reporting

Primary Segment Reporting

STRABAG presents segment information in accordance with IAS 14. Its primary segment reporting is based on its three business areas: Building Construction & Civil Engineering, Road Construction, and Tunnelling & Services. Assets and liabilities as well as income and expenses are allocated to the individual segments only in as far as they can be attributed directly or according to the principle of causation. Items not allocated in this way are shown under Miscellaneous & Consolidation, which includes group management, commercial administration, IT, machine management and other unallocable expenses.

STRABAG's segment reporting reflects the management structure of its organization, in which the management board of STRABAG SE is responsible for making strategic decisions with respect to the group's overall business, whereas the implementation of these decisions is the responsibility of the commercial and technical heads of the relevant segments, who manage the business on a day-to-day basis. The reporting system also reflects STRABAG's internal reporting and the predominant sources of risks and returns in its business.

STRABAG reorganized its segments effective as of January 1, 2006. For purposes of the following discussion, all segment data for the three years ended December 31, 2006 have been restated to reflect the new segment reporting. See "*Selected Consolidated Financial Data*" for a reconciliation of STRABAG's segment data under its new segment reporting structure and the corresponding data under its old segment reporting structure.

In the three years ended December 31, 2006 and in six months ended June 30, 2007, there were significant transactions among STRABAG's three primary segments, which relate to services provided by one segment to another, in particular by the Miscellaneous & Consolidation Segment to the three other operative segments. All such intersegmental transactions are priced at arm's length and accounted for as follows: The segment with primary responsibility for the relevant project records all income derived from that project as revenue. If the segment uses another segment to provide intra-group services in connection with the project, that other segment records intersegmental revenue for the services performed, while the segment receiving the services incurs an intra-group expense in the same amount. All output relating is recorded in the segment providing the service.

Set forth below is a description of each of STRABAG's primary segments:

Building Construction & Civil Engineering

Building includes housing; commercial and industrial facilities such as shopping centers, business parks, office buildings, hotels, airports and railway stations; public buildings such as hospitals, universities and schools; the production of prefabricated elements; and steel-girder and facade construction.

Civil Engineering activities include bridges, power plants, special foundation engineering and environmental engineering activities, including the construction of landfills, waste treatment plants, and waste water collection and treatment systems, as well as the regeneration of polluted soils and industrial sites.

In the six months ended June 30, 2007 the Building Construction & Civil Engineering Segment contributed 55.07% to the Group's total output volume and 54.66% to the Group's revenue.

Road Construction

Road Construction covers mainly asphalt and concrete road construction. Other services include activities attributable to certain civil engineering activities not reported in the Building Construction & Civil Engineering Segment, e.g. sewer engineering and pipeline construction, smaller and medium-sized engineering-related concrete structures and paving, and the construction of large-area works such as runways and taxiways, reloading and parking facilities, sport and recreation facilities and railway structures.

The production of asphalt, concrete and other construction materials, as well as bitumen trading, are also important parts of the Road Construction Segment.

In the six months ended June 30, 2007 the Road Construction Segment contributed 37.54% to the Group's total output volume and 39.52% to the Group's revenue.

Tunnelling & Services

Tunnelling includes the construction of road and railway tunnels as well as underground galleries and chambers. Tunnelling work is done employing both cyclical and continuous driving. Projects around the world are managed and executed by central organizational units.

Services encompasses the development of infrastructure projects (e.g. traffic, energy), as well as building projects for office and commercial properties or hotels around the world, including not only construction work but also the related financing, marketing, operation and utilization.

In the six months ended June 30, 2007 the Tunnelling & Services Segment contributed 6.05% to the Group's total output volume and 5.06% to the Group's revenue.

Secondary Segment Reporting, regional information

STRABAG's secondary segment reporting, as presented in Note 24 to the 2006 Consolidated Financial Statements, is based on geographic regions. Allocation of revenue among geographic regions in the secondary segment reporting is based not on the locations where services are rendered but rather on the places where the entity generating those services is incorporated. Accordingly, management believes that additional operational information broken down by geographic region based on the location where the relevant services are rendered is useful in an analysis of STRABAG's business. Therefore, the following discussion includes supplemental geographic information with respect to the output volume of the Building Construction & Civil Engineering and Road Construction Segments. Management believes that the factors driving the year-on-year changes in the output volume figures presented are largely the same as those which explain the year-on-year changes in the corresponding revenue figures. No regional breakdown is provided for STRABAG's Tunnelling & Services Segment due to the project development nature of the activities of that segment. Where a geographic breakdown is provided (on the basis of the locations where services are rendered), it is based on the following regions: (1) Germany, (2) Austria, (3) Hungary, (4) the Czech Republic, (5) Rest of CEE, which primarily includes Poland, Slovakia, Croatia, the Russian Federation, Romania, Bulgaria, Serbia and Slovenia, (6) Rest of Europe, which primarily includes the Benelux countries and Switzerland and (7) Rest of World.

Factors Affecting the Comparability of Financial Information

The comparability of the 2004 Consolidated Financial Statements and the 2005 Consolidated Financial Statements on the one hand to the 2006 Consolidated Financial Statements on the other hand is limited due to the fact that the 2004 Consolidated Financial Statements and the 2005 Consolidated Financial Statements show the 40.06% stake in STRABAG SE held by the Haselsteiner Group, the Raiffeisen NÖ-Wien Group and UNIQA Group prior to the Merger as minority interest. Similarly, the comparability of figures for the six months ended June 30, 2006 and of those for the six months ended June 30, 2007 is limited. In order to improve the comparability and to better illustrate the development of the minority interests over the last three years, this prospectus presents "Profit for the period" and "Equity" both on an actual basis and as adjusted assuming that FIMAG AG had been merged into STRABAG SE on January 1, 2004. See "*Selected Consolidated Financial Data*", "*Operating and Financial Review—Operating Results of the STRABAG SE Group for the financial years 2004, 2005 and 2006 and for the Six Months Ended June 30, 2006 and 2007—Profit attributable to minority interests*" and "*Operating and Financial Review—Equity of the STRABAG SE Group*".

The comparability of the 2004 Consolidated Financial Statements on the one hand to the 2005 Consolidated Financial Statements and the 2006 Consolidated Financial Statements on the other hand is also limited due to the fact that the 2004 Consolidated Financial Statements are based on STRABAG's old segment reporting which was abandoned effective January 1, 2005. In order to improve the comparability of the 2004 Consolidated Statements with the 2005 Consolidated Financial Statements and the 2006 Financial Statements, this prospectus presents adjusted segment results for 2004 based on STRABAG's new segment reporting. See "*Selected Consolidated Financial Data*".

Critical Accounting Policies

The Company has prepared its Consolidated Financial Statements in accordance with IFRS. The Company's significant accounting policies as described in its Notes to its Consolidated Financial Statements are essential to understanding its reported results of operations and financial condition. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the Group's financial condition or results of operations. Critical accounting estimates could also involve estimates where management reasonably could have used a different estimate in the current accounting period. Management cautions that future events often vary from forecasts and that estimates routinely require adjustment.

Percentage of Completion Method. Revenue and profits from construction contracts are recognized by applying the percentage-of-completion method according to IAS 11. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs of the construction contract are recognized as revenue and expenses, respectively, by reference to the stage of completion. The stage of completion is determined by the work performed at the balance sheet date on the basis of a detailed calculation for each contract. Under the percentage of completion method, contract revenue is recognized as revenue in the income statement in the accounting periods in which the work is performed. Contract costs are reflected as expenses in the periods where the work is performed. However, when the estimate on a contract indicates a loss, the entire expected loss is immediately recognized as an expense. When revenue from a construction contract exceeds the advances received for it, this is shown on the assets side under "receivables from construction contracts". Conversely, if advances received exceed revenue, this is reported under "liabilities from construction contracts". Similarly, the results in the case of construction contracts that are carried out in consortia are realized according to the percentage of completion method in accordance with the degree of completion on the balance sheet date. Impending losses arising from further construction work are accounted for by means of appropriate depreciations.

STRABAG's estimates of contract revenue and cost are highly detailed. STRABAG believes, based on its experience, that its current systems of management and accounting controls allow management to produce materially reliable estimates of total contract revenue and cost during any accounting period. However, many factors can and do change during a contract performance period which can result in a change to contract profitability from one financial reporting period to another. Because the Group has many contracts in process at any given time, these changes in estimates can offset each other without impacting overall profitability. However, large changes in cost estimates on larger, more complex construction projects can have a material impact on STRABAG's financial statements.

Depreciation and Impairment. Acquired intangible assets and property, plant and equipment are recognized at their initial costs or costs of production minus depreciations and impairments. For self-constructed plants, both the direct and the appropriate portions of overhead costs are included in the production costs.

Goodwill and intangible assets without a determinable useful life are subject to an annual impairment test in accordance with IAS 36, based on which the valuation adjustment is undertaken. Other intangible assets, and property, plant and equipment are depreciated according to the straight-line method over their estimated useful lives. If there is an indication that an asset may be impaired and if the present value of the future cash surpluses is lower than the carrying value, then the asset's recoverable amount must be calculated in accordance with IAS 36.

Properties no longer needed for operational purposes are reported either as investment property according to IAS 40 or as inventories according to IAS 2. Investment properties are reported using the cost model method and are thus valued at cost less accumulated depreciation and impairment. Since the 2006 financial year, the company reports investment property separated from property, plant and equipment.

The identification of impairment indicators, the estimation of future cash flows and the determination of fair values of assets (or groups of assets) requires management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

Financial Assets. In accordance with IAS 28, investments in associates are recognized using the equity method – in as far as they are not shares of minor significance. The financial statements of associates that do not report in accordance with IFRS must be adapted to IFRS in order to apply uniform accounting policies. This adaption will be made on the basis of estimates. Non-consolidated subsidiaries, and other investments which are not reported using the equity method, are reported at historical cost or at fair value in accordance with IAS 39, in as far as this value can be reliably determined. All non-current securities are classified in accordance with IAS 39 as available-for-sale. They are reported at cost at the date of acquisition and valued during later periods at their respective market values. The market value of a security for this purpose is equal to the price quoted at the balance sheet date. The majority of securities owned by the Group are held to cover pension provisions.

Deferred Taxes. Deferred taxes are measured using the balance sheet liability method for all variances between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value of the individual companies. Furthermore, any tax advantage which is expected to be realizable from existing losses that have been carried forward will be included in the calculation. Exceptions to this comprehensive tax deferral are non-tax deductible goodwill balances. Deferred tax assets may only be recognized if the associated tax advantage is, in management's view, likely to be realizable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal in its value difference.

Provisions. Severance payments are dealt with under provisions created due to statutory regulations. The Group is obliged to make a one-off severance payment to employees of domestic subsidiaries in the case of dismissal or at retirement. The level of this payment depends on the number of years at the company, the total salary and other salary components due at the time of severance and amounts to between 2 months' and 12 months' salary. The provision for severance payments is determined by using actuarial estimates: the future claim over the length of the employee's employment is calculated by taking any future pay rises into consideration. The provision represents the present value of the already earned partial claims on the balance sheet date.

Pension provisions are calculated according to the projected unit credit method (IAS 19). This method determines the discounted post-employment benefit obligation acquired up to the balance sheet date. Due to the fixed pensions obligation, it is not necessary to consider expected future salary rises as part of the actuarial parameters. The effect in value of any change to these actuarial assumptions is recognized as actuarial gains and losses, which are fully and directly recognized against equity in the year of occurrence. Service costs are recognized in the employee benefits expense and the proportion of the interest in the allocation of provisions is recognized in the financial result.

Old age and part-time indemnity payments (*verrentete Altersteilzeitabfindungen*) are determined according to the same actuarial principles as pension provisions.

The conditions applied to calculate the severance and pension provisions for discounting, pay rises and fluctuation of employees, vary from country to country depending on the economic situation. Life expectancy is calculated according to the respective country's mortality tables.

Other provisions take into consideration all realizable risks and uncertain obligations. They are recognized at the respective amount that is necessary at the balance sheet date, according to commercial judgment, in order to cover future payment obligations, realizable risks and uncertain obligations within the Group. As a result provisions are established in an amount equal to the expected amount of the loss upon careful examination of the facts. Long-term provisions are, in as far as they are not immaterial, entered into the accounts at their discounted discharge amount on the balance sheet date. The discharge amount also includes the cost increases to be considered on the reporting date. Provisions relating to losses expected to arise from the obligation to recultivate gravel sites are established in amount that depends on the degree of utilization of the relevant sites.

Contingent Liabilities. Contingent liabilities are present or possible future obligations which are not reflected in the balance sheet as liabilities either because an outflow of resources is not probable or because the amount of the obligation cannot be assessed in advance with sufficient reliability. The amount of the contingent liabilities reported in the Notes to the Consolidated Financial Statements corresponds to the amount of existing guarantees outstanding on the balance sheet date. See "*Off-Balance Sheet Transactions*".

As is customary in the industry, STRABAG has issued bid, performance, advance payment and warranty guarantees and incurred joined liabilities with other partners in consortia. Up to December 31, 2005 financial guarantees were shown as contingent liabilities in the Notes to the Consolidated Financial Statements. Following a change in IAS 39, they are since reflected as liabilities in the balance sheet.

Revenue, Output Volume and Order Backlog

In analyzing STRABAG's results of operations for the three years ended December 31, 2006 and the six months ended June 30, 2007, this prospectus makes frequent reference to STRABAG's output volume. This section explains why management believes the presentation of output volume provides useful information to investors, how output volume is calculated and how it relates to revenue.

STRABAG presents output volume because it is widely used in the construction industry and management believes that it is a useful measure for assessing the overall construction output of STRABAG and other entities and alliances in which STRABAG holds a direct or indirect interest. It is important to note that output volume is not an IFRS financial measure and is not designed to measure STRABAG's financial performance. Moreover, STRABAG's output volume is not indicative of its revenue for the reasons discussed below, in particular because output volume (1) includes STRABAG's pro rata share of the output volume attributable to unconsolidated entities, investments and consortia (whose revenues are not reflected in STRABAG's revenue) and (2) with the exception of STRABAG AG and Ed. Züblin, includes STRABAG's pro rata share of the output volume of consolidated entities (whose revenues are fully reflected in STRABAG's revenue). Furthermore, in connection with the acquisition of the Züblin Group, STRABAG accounted for the output volume of the Züblin Group for all of 2005 (whereas the Consolidated Financial Statements reflect the revenue of the Züblin Group only with effect from December 31, 2005). Given the differences in the way output volume and revenue are calculated, output volume for the three years ended December 31, 2006 and for the six months ended June 30, 2007 was materially higher than revenue. Investors should also note that there is no official definition of output volume and that measures bearing the same or similar names disclosed by other construction companies or presented in industry reports and similar publications may be calculated differently. As a result, it is important that investors consider output volume only in conjunction with revenue and the Consolidated Financial Statements and related commentary as a whole.

Reconciliation of output volume to revenue

Set forth below is a reconciliation of STRABAG's output volume to revenue for the three years ended December 31, 2006.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Total Group's Output Volume	5,963,530	56.20	9,314,847	11.49	10,385,111
Pro rata output volume attributable to entities not consolidated and to investments	-493,034		-550,255		-522,368
Pro rata output volume attributable to consortia	-426,637		-504,680		-770,498
Difference to 100% of output volume of fully consolidated companies having minority interests	63,782		41,957		73,766
Difference between reflection as output volume and recognition as revenue in accordance with the date of the first consolidation or deconsolidation in accordance with IFRS	88,744		-1,542,534[(1)]		-121,442
Miscellaneous adjustments	26,520		196,462		386,052
Revenue	5,222,905	33.18	6,955,797	35.58	9,430,621

(1) The Züblin Group was fully consolidated for the first time as of December 31, 2005. Thus, its revenue was not included in the income statement for the 2005 financial year; accordingly, output attributable to the Züblin Group in the 2005 financial year was eliminated from STRABAG's overall output volume for the purpose of this reconciliation. In 2006 the Züblin Group's revenue was included in the income statement and accordingly no adjustments were required.

Set forth below is an explanation of the differences between output volume and STRABAG's revenue as reported in the Consolidated Financial Statements and a description of the adjustments necessary to get from one measure to the other:

- **Entities fully consolidated under IFRS.** With the exception of STRABAG AG and Ed. Züblin AG, output volume does not fully reflect the output volume attributable to less than 100%-owned entities fully consolidated under IFRS. Instead, the output volume attributable to such entities is included in output volume only pro rata to STRABAG's direct and indirect ownership interest in these entities. STRABAG AG and Ed. Züblin AG are treated differently because management believes that these two companies form a strategic part of the Group. By contrast, STRABAG's revenue as reported in the Consolidated Financial Statements includes 100% of the revenue of all consolidated entities.

- **Entities not fully consolidated under IFRS and investments.** Output volume includes output volume attributable to entities not fully consolidated under IFRS (i.e., not fully consolidated subsidiaries and associates) and output volume attributable to investments, in each case pro rata to STRABAG's ownership interest. By contrast, revenue as reported in the Consolidated Financial Statements does not include revenue attributable to not fully consolidated entities and investments. Instead, the Consolidated Financial Statements include income derived from not fully consolidated entities as share of profit of associates and income derived from investments as net investments income.

Set forth below is a breakdown of the output volume of not fully consolidated entities and investments included in STRABAG's output volume.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
DEUTAG GmbH & Co. KG(1)	108,840	2.35	111,400	-100.00	0
Stratebau GmbH(2)	68,362	1.04	69,073	-100.00	0
Bayerische Asphalt-Mischwerke GmbH & Co. KG für Straßenbaustoffe	32,152	12.40	36,139	54.76	55,927
A2 Bau Development GmbH(3)	38,177	-99.58	161	40.37	226
Raiffeisen evolution project development GmbH	11,439	96.31	22,456	28.87	28,939
Viamont DSP a.s.	0	n/a	17,348	102.10	35,061
Others each with an output volume contribution of less than EUR 15 million	234,064	25.47	293,678	36.96	402,215
	493,034	**11.61**	**550,255**	**-5.07**	**522,368**

(1) DEUTAG GmbH & Co KG was sold in the financial year 2006. Consequently, it did not contribute to STRABAG's overall output volume in 2006.

(2) In the 2004 and 2005 financial years STRABAG held a 50% interest in Stratebau GmbH and therefore 50% of Stratebau GmbH's output volume was included in STRABAG's output volume. Following the acquisition of the remaining 50% in 2006, Stratebau GmbH was fully consolidated and its results fully contributed to STRABAG's 2006 results. Accordingly, since the 2006 financial year, Stratebau GmbH's output volume is no longer reflected in this table.

(3) A2 Bau Development GmbH is a project company in which the Group still holds its 50% participation. However, after completion of the main construction works in 2004, its output volume in the 2005 and the 2006 financial years decreased significantly.

- **Consortia.** Output volume also includes output volume attributable to consortia generating third-party revenue by using the assets and staff of their members or subcontractors, pro rata to STRABAG's membership interest. By contrast, STRABAG's revenue as reported in the Consolidated Financial Statements does not include revenue attributable to consortia. However, revenue does include (1) revenue derived from the provision of assets and staff to consortia against payment and (2) profits from consortia (but not losses, which are reflected as other operating expenses in the Consolidated Financial Statements).

- **Difference between reflection as output volume and recognition as revenue.** While the date of recognition or de-recognition of revenues in accordance with IFRS is exactly predetermined by the respective IFRS regulations, the reflection of output volume follows group internal cost accounting rules. These internal rules differ from IFRS regulations so that the first time reflection output volume does not have to correlate with the recognition of revenue. For reconciliation purposes these differences have to be considered in both ways.

While the Züblin Group's revenue was not reflected in the Group's consolidated revenue for the 2005 financial year, its output volume in 2005, which amounted to TEUR 1,542,534, was already reflected in the Group's consolidated output volume for the 2005 financial year to illustrate the new size of the STRABAG Group, improving the comparability of output volume for 2005 to output volume for 2006 and subsequent future periods. To the extent output volume for 2004 is compared elsewhere in this prospectus to output volume for 2005 as an indicator of growth in revenue from 2004 to 2005, the contribution of the Züblin Group to consolidated output volume in 2005 has been eliminated to improve the validity of the comparison.

- **Miscellaneous adjustments.** Finally, output volume includes various income that is not included in revenue but instead is reflected in the Consolidated Financial Statements as changes in inventories, own work capitalized, other income and interest income. At the same time, unlike revenue, output volume does not include consortium-related income that arises when STRABAG AG operates as part of a consortium and bills customers for services provided by other consortium members.

The output volume figures for any consolidated or unconsolidated entities, investments and consortia are calculated based on their respective revenue and other income after applying the adjustments described above.

Order backlog

STRABAG reflects order backlog only after orders have become legally binding and regards orders received not to be a relevant operating measure and only as long as not yet reflected as output volume. Order backlog is calculated on the same basis as output volume. The following table presents STRABAG's order backlog in euro and as percentage of output volume for the years ended at December 31, 2004, 2005 and 2006.

	FIMAG December 31, 2004 (TEUR)	% change	FIMAG December 31, 2005 (TEUR)	% change	STRABAG SE December 31, 2006 (TEUR)	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
Total order backlog	4,980,112	59.17	7,927,000	7.30	8,505,614	9,246,421	15.06	10,638,869
Output volume	5,963,530		9,314,847		10,385,111	4,064,787	9.80	4,463,302

The order backlog as percentage of output volume remained relatively stable at 83.51% in 2004, 85.10% in 2005, 81.90% in 2006.

Order backlog increased from EUR 9,246.4 million at the end of the first half year 2006 by 15.06% to EUR 10,638.9 million at the end of the first half year 2007. However, order backlog does not develop equally across STRABAG's segments and geographic regions. For example, order backlog in the Russian Federation increased from EUR 306.8 million in the first half year 2006 by 183.05% to EUR 868.5 million in the first half year 2007.

Operating Results of the STRABAG SE Group for the Financial Years 2004, 2005 and 2006 and for the Six Months Ended June 30, 2006 and 2007

Revenue

Set forth below is a breakdown of the STRABAG Group's revenue for the years ended December 31, 2004, 2005 and 2006.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Revenue from construction contracts	4,675,048	36.46	6,379,703	37.46	8,769,273
Revenue from the sale of raw materials and bitumen	185,066	17.41	217,277	20.64	262,129
Revenue from consortia including trade to and services for consortia and pro rata profits resulting from consortia	267,278	-0.14	266,901	21.52	324,347
Other revenue	95,513	3.77	91,916	-18.54	74,872
Total revenue	**5,222,905**	**33.18**	**6,955,797**	**35.58**	**9,430,621**

The majority of STRABAG's revenue is derived from construction work. STRABAG recognizes revenue from construction projects according to the percentage-of-completion method. Accordingly, revenue for a construction project is recognized gradually over the term of the underlying contract. For each accounting period, revenue is recognized by dividing the work performed incurred in that period by the total contract work estimated for the construction project and multiplying the result by the agreed-upon contract price. STRABAG also derives revenue from the sale of raw materials and bitumen to other construction companies, the sale of goods and services to consortia in which it participates and its proportionate share of consortia profits. STRABAG's share of consortia losses are recognized as other operating expenses.

Revenue increased by 33.18% from EUR 5,222.9 million in 2004 to EUR 6,955.8 million in 2005. Acquisitions, particularly those of the Dywidag, Mischek and Heilit+Woerner entities, contributed 12 percentage points to this increase.

The increase in STRABAG's overall revenue from 2004 to 2005 primarily reflects substantial growth in the revenue of its Road Construction and Building Construction & Civil Engineering Segments, whereas the revenue of its Tunnelling & Services Segment rose only slightly. In geographic terms, the growth was greatest in Central and Eastern Europe, where STRABAG's business grew faster than the overall construction industry.

Revenue increased by 35.58% from EUR 6,955.8 million in 2005 to EUR 9,430.6 million in 2006. The majority of this growth was due to the acquisitions of the Züblin Group, whose revenues were included for the first time in the operating results of the Group of the 2006 financial year and to other acquisitions such as Stratebau and Preusse. A smaller part of the revenue increase was due to organic growth, particularly in Central and Eastern Europe.

In the three years 2004, 2005 and 2006, exchange rate movements did not have a material impact on revenue.

Set forth below is a breakdown of the STRABAG Group's revenue for the six months ended June 30, 2006 and 2007.

	FIMAG Six months ended June 30, 2006 (TEUR)	% change	STRABAG SE Six months ended June 30, 2007 (TEUR)
Revenue from construction contracts	3,112,302	20.40	3,747,067
Revenue from the sale of raw materials and bitumen	83,784	51.42	126,864
Revenue from consortia including trade to and services for consortia and pro rata profits resulting from consortia	190,197	-26.53	139,742
Other revenue	26,009	27.12	33,062
Total revenue	**3,412,292**	**18.59**	**4,046,735**

In the six months ended June 30, 2007, revenue increased by 18.59% from EUR 3,412.3 million in the six months ended June 30, 2006 to EUR 4,046.7 million, due mainly to the first-time consolidation of revenue after acquisitions in 2006 which were not included in revenue in the half year 2006 such as Preusse and Stratebau. Excluding the effect of these acquisitions, STRABAG's business showed strong organic growth across most regions, with the exception of Hungary, where significant projects were completed.

As discussed above, more than half of the construction work carried out by STRABAG and the associated revenue typically falls in the second half of the calendar year. This is due primarily to seasonal weather patterns, which impair the ability to carry out construction work during winter months. Accordingly, revenues for a full year account for more than two times of the respective first half year's revenues.

Changes in inventories

Changes in inventories includes revenue arising from changes in development land and from changes in finished and unfinished buildings and goods, but excludes all construction-related revenue, which is reflected in revenue and accounted for using the percentage-of-completion method. Furthermore, changes in inventories of raw materials, auxiliary supplies and fuel and goods are not shown under changes in inventories, but under raw materials, consumables and services used. Revenue reflected as changes in inventories neutralizes corresponding expenses recorded elsewhere in the income statement using the nature of expense method of accounting. According to this method, costs are recorded according to their type (e.g., raw materials, consumables and services used, employee benefit expense, and depreciation and amortization expense). Investors should note that changes in inventories as reported in the income statement is not identical to the actual changes in development land, finished and unfinished buildings and goods as reported in the balance sheet because the latter reflects the impact of exchange rate movements and changes in the basis of consolidation.

Changes in inventories decreased by 11.57% from EUR 38.9 million in the 2004 financial year to EUR 34.4 million in the 2005 financial year. In the 2006 financial year, it decreased to a negative EUR 173.1 million due to the completion and sale of various real estate projects in Germany in 2006.

Changes in inventories decreased from EUR 5.4 million in the six months ended June 30, 2006 to a negative EUR 54.9 million in the six months ended June 30, 2007 due mainly to the sale of various unfinished real estate projects in Germany, which in connection with the sale had to be reclassified from inventories to receivables from construction contracts.

Own work capitalized

Own work capitalized increased from EUR 11.7 million in 2004 to EUR 16.6 million in 2005 and to EUR 19.4 million in 2006. Under the nature of expense method of accounting, own work capitalized item offsets expenses for self-constructed assets capable of being capitalized, in particular buildings and parts of buildings, which are recorded in other line items of the income statement.

Own work capitalized increased from EUR 6.7 million in the six months ended June 30, 2006 to EUR 25.0 million in the six months ended June 30, 2007. Own work capitalized in the first half of 2007 mainly includes expenses incurred in connection with the construction of new Group headquarters in Bratislava and a service area located on the S1, a motorway near Vienna.

Other operating income

Other operating income includes all revenue and income not arising directly from the ordinary business operations of the STRABAG Group, including gains on the disposal or write-up of non-current assets other than financial assets, income from the reversal of provisions and various other items, such as income from letting and leasing of property, insurance recoveries, exchange rate differences, reversals of valuation allowances, income from re-charging, income from reversal of expired liabilities and debt cancellations. Other operating income increased from EUR 137.0 million in 2004 to EUR 149.9 million in 2005 and EUR 231.5 million in 2006. Other operating income as a percentage of total revenue was relatively constant and ranged between 2.62% in 2004, 2.16% in 2005 and 2.45% in 2006.

Other operating income decreased from EUR 110.4 million in the six months ended June 30, 2006 to EUR 102.9 million in the six months ended June 30, 2007; it amounted to 2.54% of total revenue in the first six months 2007 and thus remained in the range of the previous periods.

Raw materials, consumables and services used

The following table shows the development of raw materials, consumables and services used in the financial years ended December 31, 2004, 2005 and 2006.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Raw materials and consumables	-1,185,929	36.74	-1,621,586	36.59	-2,214,915
As % of revenue	22.71		23.31		23.49
Services used	-2,423,529	40.21	-3,398,021	28.70	-4,373,193
As % of revenue	46.40		48.85		46.37
Raw materials, consumables and services used	**-3,609,458**	**39.07**	**-5,019,607**	**31.25**	**-6,588,108**
As % of revenue	**69.11**		**72.16**		**69.86**

Raw materials and consumables include expenses for raw materials, asphalt mixtures, and pre-cast concrete elements processed or installed by the Group. Services used mainly related to services rendered by subcontractors and tradesmen engaged to execute construction contracts. They also include expenses for planning services, equipment rentals, third-party repairs and to a smaller extent for leased personnel.

Expenses for raw materials, consumables and services used increased from EUR 3,609.5 million in 2004 by 39.07% to EUR 5,019.6 million in 2005 and by 31.25% to EUR 6,588.1 million in 2006. As a percentage of revenue, raw materials, consumables and services used moved from 69.11% to 72.16% to 69.86% over the same period.

Raw material, consumables and services used have risen steadily over the past three financial years due to the growth in output. It should be noted that in the construction industry, these costs do not necessarily move in step with revenue, because the amounts of materials consumed can vary greatly among construction projects, and because materials can be substituted by the use of subcontractors.

For example, expenses for subcontractors rose more rapidly than revenue from 2004 to 2005 because of the increased subcontracting of parts of construction contracts, while employee benefit expense declined as a percentage of revenue over the same period.

However, the extent of subcontractor involvement and of the use of own employees or of personnel and plant provided by third parties varies greatly from project to project and period to period; therefore, a comparison of raw materials, consumables and services used across periods is not meaningful.

The following table shows the development of raw materials, consumables and services used in the six months ended June 30, 2006 and 2007.

	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
Raw materials and consumables	-794,653	16.70	-927,331
As % of revenue	23.29		22.92
Services used	-1,645,750	17.31	-1,930,627
As % of revenue	48.23		47.71
Raw materials, consumables and services used	**-2,440,403**	**17.11**	**-2,857,958**
As % of revenue	**71.52**		**70.62**

Expenses for raw materials, consumables and services used increased from EUR 2,440.4 million in the first six months 2006 by 17.11% to EUR 2,858.0 million in the first six months 2007. As a percentage of revenue, raw materials, consumables and services used decreased from 71.52% to 70.62%. As discussed above, a comparison of raw materials, consumables and services used across periods is not meaningful.

Employee benefit expense

Employee benefit expense includes wages, salaries, social security and related costs, expenses for termination benefits and contributions to employee provident funds, expenses for pensions and similar obligations, and other employee benefit expenses.

Set forth below is a breakdown of the STRABAG Group's employee benefit expense for the years ended December 31, 2004, 2005 and 2006.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Wages	-485,651	14.81	-557,586	26.54	-705,556
Salaries	-453,376	22.33	-554,610	39.16	-771,791
Social security and related costs	-225,924	17.84	-266,238	21.68	-323,946
Expenses for severance payments and contributions to employee provident funds	-6,688	17.08	-7,830	38.68	-10,859
Expenses for pensions and similar obligations	-3,990	-10.68	-3,564	-14.84	-3,035
Other social expense	-9,880	21.94	-12,048	36.73	-16,473
Employee benefit expense	**-1,185,509**	**18.25**	**-1,401,876**	**30.66**	**-1,831,660**
As % of revenue	**22.70**		**20.15**		**19.42**

Total employee benefit expense increased from EUR 1,185.5 million in 2004 by 18.25% to EUR 1,401.9 million in 2005 and by a further 30.66% to EUR 1,831.7 million in 2006. As percentage of revenue, employee benefit expenses decreased from 22.70% in 2004 to 20.15% in 2005 and 19.42% in 2006. The decreases were due in part to the increased use of subcontractors and increased expenditure for services used, which are not reflected in employee benefit expense. The decreases in employee benefit expense as a percentage of revenue were also due in part to the fact that the number of employees in the central Staff and Business Units did not increase as rapidly as revenue increased. This in turn was due to the fact that the Company was able to achieve organic revenue growth in part through greater efficiency on the part of existing employees and synergies in acquisitions through redundancies.

Set forth below is a breakdown of the STRABAG Group's employee benefit expense for the six months ended June 30, 2006 and 2007.

	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
Wages	-289,063	17.58	-339,870
Salaries	-340,066	17.12	-398,287
Social security and related costs	-142,528	10.13	-156,973
Expenses for severance payments and contributions to employee provident funds	-6,981	21.11	-8,455
Expenses for pensions and similar obligations	-918	94.88	-1,789
Other social expense	-5,613	61.48	-9,064
Employee benefit expense	**-785,169**	**16.46**	**-914,438**
As % of revenue	**23.01**		**22.60**

In the six months ended June 30, 2007 total employee benefit expense amounted to EUR 914.4 million, an increase of 16.46% from EUR 785.2 million in the six months ended June 30, 2006. As a percentage of revenue, employee benefit expense decreased slightly from 23.01% in the six months ended June 30, 2006 to 22.60% in the six months ended June 30, 2007. In interim periods employee benefit expense as a percentage of revenue is typically higher than in full years because parts of employee benefits are fixed costs and, accordingly, tend to decline relative to revenue with increased business volume.

Depreciation and amortization expense

Depreciation relates primarily to property, plant and equipment (including long-term assets leased by finance leases as well as current assets). Amortization relates primarily to intangible assets such as software, industrial property rights and goodwill.

The following table shows the development of depreciation and amortization of the STRABAG Group in the financial years ended December 31, 2004, 2005 and 2006.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Amortization including impairment	-6,993	-159.92	-18,176	-7.05	-19,458
Depreciation including impairment	-201,896	20.50	-160,501	-30.98	-210,220
Depreciation and amortization expense	**-208,889**	**14.46**	**-178,677**	**-28.54**	**-229,678**
As % of revenue	**4.00**		**2.57**		**2.44**

The increase in amortization in the 2005 and 2006 financial years as compared to 2004 was due to impairments of goodwill in the amount of EUR 15.2 million in 2005 and another extraordinary impairment in the amount of EUR 15.1 million in 2006. In 2006, this impairment mainly resulted from the restructuring of the niche business field facade construction and one impairment charge taken with respect to Heilit+Woerner Poland due to ongoing losses of this company. In contrast, in 2004 goodwill amortization included only regular goodwill amortization in the amount of EUR 4.0 million. Since 2005, goodwill amortization under IFRS 3 has no longer been possible. Other amortization has been constant over time.

In 2004, depreciation included EUR 61.7 million in impairment relating exclusively to real estate projects in connection with the transfer of the project developments business in Austria & Eastern Europe to Raiffeisen evolution project development GmbH (in which STRABAG holds a 20% participation). In 2005, impairment was insignificant, at EUR 0.4 million. Due to the steady increase in property, plant and equipment because of the Group's growth, regular depreciation also increased continuously.

The Group's depreciation and amortization expense increased from EUR 100.5 million in the six months ended June 30, 2006 by 23.52% to EUR 124.1 million in the six months ended June 30, 2007 due to higher depreciation resulting from rising investing activities. There were no material impairments on property, plant and equipment in the first half year 2006 or the first half year 2007.

However, depreciation and amortization expense for the first half of 2006 includes an impairment charge on goodwill with respect to the restructuring of the facade construction niche business discussed above, which did not recur in the first half of 2007.

Other operating expenses

Other operating expenses mainly relate to general administrative costs (such as postal and telephone costs, office supplies and cleaning services), travel and advertising costs, insurance premiums, the proportionate share of the losses of consortia, write-downs of receivables, the balance of allocations to and utilization of provisions, legal and advisory costs, rental and lease costs and losses on the disposal of intangible assets, and property, plant and equipment.

Other operating expenses increased from EUR 311.5 million in 2004 by 28.73% to EUR 401.0 million in 2005 and by another 53.19% to EUR 614.3 million in 2006. Other operating expenses as a percentage of revenue declined from 5.96% in 2004 to 5.76% in 2005 and rose to 6.51% in 2006.

Other operating expenses increased from EUR 228.6 million in the six months ended June 30, 2006 by 14.78% to EUR 262.4 million in the first six months 2007. Other operating expenses as a percentage of revenue decreased from 6.70% in the first six months 2006 to 6.48% in the first six months 2007.

Financial result

Financial result includes share of profit or loss of associates, net investment income and net interest and other finance income. Financial result decreased substantially, from a loss of EUR 3.8 million in 2004 to a loss of EUR 20.8 million in 2005. This decrease reflects a substantial decline in net interest income attributable to an increase in financial liabilities incurred for the purpose of financing STRABAG's business expansion. It also reflects a reduction of net investment income, due in particular to impairment charges in 2005 incurred with respect to unconsolidated entities and investments, in particular due to a EUR 5.45 million impairment of the investment in Syrena Immobilien Holding Aktiengesellschaft.

In 2006, the divestment of DEUTAG GmbH & Co KG led to the realization of an extraordinary capital gain of EUR 70.6 million, which contributed to a positive financial result of EUR 42.5 million. Excluding profits from the sale of DEUTAG, financial result would have been negative EUR 28.2 million in 2006 compared to negative EUR 20.8 million in 2005. Furthermore, unlike in the 2004 and 2005 financial years, in the 2006 financial year net investment income was significantly less reduced by impairments. However, parts of these positive effects were offset by interest expenses included in other financial results, which increased from EUR 28.4 million in 2005 to EUR 56.2 million in 2006, mainly due to an increased volume of financial liabilities and to a lesser extent to increased interest rates.

Financial result improved from a negative EUR 24.1 million to a negative EUR 10.3 million in the first half year 2007 as the positive effects of higher income from investments and associates more than offset the negative impact of rising interest rates and a higher volume of financial liabilities.

Income from investments and associates resulted mainly from project delevopments which were carried out through separate legal entities not controlled by the Group, the result from those being reflected in the financial result.

Income tax expense

The following table presents the development of income tax expense in the financial years ended December 31, 2004, 2005 and 2006.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Current taxes	-24,113	-85.90	-44,826	-84.98	-82,917
Deferred taxes	-1,489	414.10	4,677	321.60	19,718
Tax expense	**-25,602**	**-56.82**	**-40,149**	**-57.41**	**-63,199**
As % of profit before tax	**28.03**		**29.80**		**22.00**

Income tax expense includes taxes paid or owed from income, payments of back taxes resulting from tax inspections and deferred taxes.

Deferred taxes on losses carried forward in an amount of EUR 93.4 million were capitalized as STRABAG expects to be able to offset these losses with future taxable profits. No deferred tax assets were established on account of differences in book value on the assets side and tax losses carried forward of EUR 473.1 million in 2006, as their effectiveness as final tax relief is not sufficiently assured.

The STRABAG Group's effective tax rate changed from 28.03% in 2004 to 29.80% in 2005 to 22.00% in 2006. The decrease in the effective tax rate in 2006 partially reflects the fact that a portion of the STRABAG Group's capital gains realized in connection with the sale of DEUTAG GmbH & Co KG were not taxed at a group level, but instead were subject to trade tax (Gewerbesteuer) at the level of DEUTAG GmbH & Co KG. Disregarding these effects, the STRABAG Group's effective tax rate in 2006 would have been 25.9%. The changes in the STRABAG Group' effective tax rate from year to year reflect the interplay between two mutually offsetting factors: the fact that nominal corporate income tax rates in Austria and Central and Eastern European countries have been on the decline and the fact that the STRABAG Group's tax base has widened, in particular due to an increase in non-deductible expenses.

The following table presents the development of income tax expense in the six months ended June 30, 2006 and 2007.

	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
Current taxes	-7,780	-104.51	-15,911
Deferred taxes	19,895	65.54	32,934
Tax expense	**12,115**	**40.51**	**17,023**
As % of profit before tax	**27.63**		**34.42**

In interim periods income from deferred taxes is significantly higher than in full year periods because deferred tax assets are recognized for losses arisen in the first half of one year which will be offset in second half of the same year.

The percentage of income tax expense of profit for tax increased from 27.6% to 34.4%, which is due mainly to the different extent of half year losses in Germany for which deferred tax assets with a rate of 39% were recognized.

Profit attributable to minority interests

Minority interests in the FIMAG and/or STRABAG SE Group primarily comprise the following:

- Minority interest in the STRABAG AG sub-group, Cologne. The direct and indirect equity interest of STRABAG SE in STRABAG AG, Cologne amounts to 65.85%.

- Minority interest in the Ed. Züblin AG sub-group. STRABAG SE holds an interest of 57.26% in Ed. Züblin AG.

- Minority interests in the entities of the Bau Holding Beteiligungs AG sub-group, due to the 35% share of STRABAG AG, Cologne in Bau Holding Beteiligungs AG (while the other 65% are directly held by STRABAG SE).

- Minority interests in the subsidiaries of the STRABAG SE Group, because FIMAG held only 59.94% of STRABAG SE. Due to the merger of FIMAG with STRABAG SE which was resolved by the shareholders' meeting on July 3, 2006 and became effective on August 5, 2006 these minority interests ceased to exist as of August 5, 2006.

Minority interests in the financial years ended December 31, 2004, 2005 and 2006 and in the six months ended June 30, 2006 and 2007 were as follows.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005[1] (TEUR)	% change	STRABAG SE 2006 (TEUR)	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
Bau Holding Beteiligungs AG sub-group, Spittal an der Drau	-4,069	99.26	-8,108	69.89	-13,775	-247	-683.00	1,440
Strabag AG sub-group, Cologne	4,930	-64.16	1,767	n/a	-20,597	5,070	65.23	8,377
Ed. Züblin AG sub-group, Stuttgart	0	0	0	n/a	1,352	11,624	-47.02	6,158
Minority interest in Strabag SE	-27,887	28.41	-35,811	n/a	5,331	5,812	-100.00	0
Other minority interests	-3,221	-23.13	-2,476	100.48	-4,964	1,014	-153.35	-541
Total minority interests	**-30,249**	**47.54**	**-44,628**	**-26.83**	**-32,653**	**23,273**	**33.68**	**15,434**

Had the merger of FIMAG with STRABAG SE taken place on January 1, 2004, the following loss/profit attributable to minority interests would have resulted in 2004, 2005 and 2006.

	STRABAG SE 2004 (TEUR)	% change	STRABAG SE 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)	STRABAG SE June 30, 2006 (TEUR)
Bau Holding Beteiligungs AG sub-group, Spittal an der Drau	-4,069	99.26	-8,108	69.89	-13,775	-247
Strabag AG sub-group, Cologne	4,930	-64.16	1,767	n/a	-20,597	5,070
Ed. Züblin AG sub-group, Stuttgart	0	0	0	n/a	1,352	11,624
Other minority interests	-3,221	-23.13	-2,476	100.48	-4,964	1,014
Total minority interests	**-2,361**	**273.44**	**-8,817**	**330.80**	**-37,984**	**17,461**

EBITDA and EBIT

The following table shows the Group's EBITDA and EBIT performance in the financial years ended December 31, 2004, 2005 and 2006.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	FIMAG 2006 (TEUR)
EBITDA	320,590	6.62	341,806	67.65	573,032
As % of revenue	6.14		4.91		6.08
EBIT	111,701	46.04	163,129	110.48	343,354
As % of revenue	2.14		2.35		3.64

Both EBITDA (defined as profit for the period before other financial result, income tax expense and depreciation and amortization) and EBIT (defined as the profit for the period before other financial result and income tax expense) increased in the 2004, 2005 and 2006 financial years.

EBITDA increased from EUR 320.6 million in 2004 by 6.62% to EUR 341.8 million in 2005 and by 67.65% to EUR 573.0 million in 2006. The decline in EBITDA as percentage of revenue from 6.14% in 2004 to 4.91% in 2005 was due to a one-time extraordinary result included in EBITDA in 2004 arising from a concession project, and EBITDA in 2006 included an extraordinary capital gain realized by the sale of DEUTAG GmbH & Co. KG in the amount of EUR 70.6 million. Disregarding these extraordinary factors, EBITDA as a percentage of revenue would have remained relatively stable at 4.96% in 2004, 4.91% in 2005 and 5.33% in 2006. With respect to the 2004 EBIT, the extraordinary result described above was almost entirely offset by the 2004 impairments in real estate projects. See "*—Depreciation and amortization expense*".

EBIT increased from EUR 111.7 million in 2004 by 46.04% to EUR 163.1 million in 2005, outpacing revenue growth of 33.18% in the same period. In 2006 EBIT significantly increased as compared to 2005 and more than doubled to EUR 343.4 million. EUR 70.6 million of this increase resulted from an extraordinary capital gain realized by the sale of DEUTAG GmbH & Co KG. Adjusted for this extraordinary gain, EBIT amounted to EUR 272.7 million or 2.89% of revenue.

EBIT margin as percentage of revenue rose from 2.14% in 2004 to 2.35% in 2005 and to 3.64% in 2006.

The following table shows the Group's EBITDA and EBIT performance in the six months ended June 30, 2006 and 2007.

	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
EBITDA	80,662	27.02	102,454
As % of revenue	2.36		2.53
EBIT	-19,789	9.28	-21,625
As % of revenue	-0.58		-0.53

EBITDA increased from EUR 80.7 million in the six months ended June 30, 2006 by 27.02% to EUR 102.5 million in the six months ended June 30, 2007. The EBITDA margin increased by 0.17%, reflecting the Group's exploitation of higher margin opportunities in its growth markets. EBITDA is typically significantly lower in the first half of each calendar year, reflecting the impact of a seasonal reduction in revenues and STRABAG's fixed cost base, particularly personnel costs. As business volumes pick up, STRABAG's EBITDA margin typically increases significantly in the second half of the year.

EBIT decreased from a negative EUR 19.8 million in the six months ended June 30, 2006 by 9.28% to a negative EUR 21.6 million in the six months ended June 30, 2007. The factors driving the decrease in the first half of 2007 are the same as those which explain the reduction in EBITDA as well as the additional fixed cost impact of straight-line depreciation throughout the year, which was incurred on a larger asset base than in the corresponding period of the prior year.

Operating Results According to Primary Segments

Set forth is a breakdown of the Group's revenue and output volume by primary segment in the years ended December 31, 2004, 2005 and 2006 and in the six months ended June 30, 2006 and 2007.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Building Construction & Civil Engineering					
Output Volume(1)	2,280,713	91.03	4,356,938	12.44	4,898,764
Revenue	2,023,702	35.06	2,733,300	55.75	4,257,243
Inter-segment revenue(2)	18,427	259.86	66,311	59.33	105,654
Road Construction					
Output Volume(1)	3,064,120	36.14	4,171,527	11.38	4,646,303
Revenue	2,653,630	37.75	3,655,248	15.36	4,216,820
Inter-segment revenue(2)	130,725	1.66	132,900	-79.07	27,819
Tunnelling & Services					
Output Volume(1)	499,921	24.93	624,528	11.00	693,218
Revenue	533,781	1.19	540,110	73.15	935,213
Inter-segment revenue(2)	0	0	0	n/a	5,000
Miscellaneous & Consolidation					
Output Volume(1)	118,776	36.27	161,854	-9.28	146,826
Revenue	11,792	130.15	27,139	-21.35	21,345
Inter-segment revenue(2)	369,757	-3.31	357,533	24.07	443,601
Total Output Volume	**5,963,530**		**9,314,847**		**10,385,111**
Total Revenue	**5,222,905**		**6,955,797**		**9,430,621**

	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
Building Construction & Civil Engineering			
Output Volume[1]	2,088,655	17.69	2,458,116
Revenue	1,746,457	26.66	2,212,047
Road Construction			
Output Volume[1]	1,606,899	4.28	1,675,618
Revenue	1,405,011	13.83	1,599,336
Tunnelling & Services			
Output Volume[1]	299,041	-9.69	270,059
Revenue	231,694	-11.65	204,713
Miscellaneous & Consolidation			
Output Volume[1]	70,192	-15.22	59,509
Revenue	29,130	5.18	30,639
Total Output Volume	**4,064,787**		**4,463,302**
Total Revenue	**3,412,292**		**4,046,735**

(1) In order to ensure that produced output is reflected only once in the Group's output volume, intra-group services performed are allocated to the provider of the service. This can lead to adjustments of output volumes and revenue across segments. Inter-segmental revenue generally lead to output volume being reflected in the segment which performed the service without the generation of external revenue; on the other hand, the segment receiving the services demonstrates high external revenue and a low output volume.

(2) Inter-segment revenue constitutes internal revenue. In the operative segments, it is relatively low compared to (external) revenue, because most revenue is generated within the segment. Inter-segment revenue in the Miscellaneous & Consolidation segment includes machine rentals and Central Business Unit costs charged to the operative segments on a full costing basis, which reduces the profits of the respective segment, division and subdivision. The Group's profit sharing program is designed to ensure that intra-group charges are at arms' length.

Building Construction & Civil Engineering

Revenue

Building Construction & Civil Engineering revenue increased by 35.1%, from EUR 2,023.7 million in 2004 to EUR 2,733.3 million in 2005, whereas intersegmental revenue more than tripled during the same period, from EUR 18.4 million in 2004 to EUR 66.3 million in 2005. The increase in the segment's revenue reflects both the acquisition of the Dywidag and Mischek entities and an increase in revenue in Austria, the Rest of CEE and Germany.

Building Construction & Civil Engineering revenue increased by a further 55.75% from EUR 2,733.3 million in 2005 to EUR 4,257.2 million in 2006, with a comparable increase of 59.33% of intersegmental revenue from EUR 66.3 million in 2005 to EUR 105.7 million in 2006. The increase in the segment's revenue in 2006 mainly reflects the acquisition of the Züblin Group in 2005, and to a lesser extent was due to organic growth, which developed in line with output volume as described below.

Building Construction & Civil Engineering revenue increased by 26.66%, from EUR 1,746.5 million in the six months ended June 30, 2006 to EUR 2,212.0 million in the six months ended June 30, 2007. The increase in the segment's revenue developed in line with output volume in nearly all regions as explained below.

Regional development of output volume and revenue

Set forth below is a breakdown of the output volume of the Building Construction & Civil Engineering Segment, by geographic region for the years ended December 31, 2004, 2005 and 2006. STRABAG believes that a discussion of the regional development of the segment's output volume, after elimination of the Züblin Group's output volume contribution in 2005 in order to improve the validity of the comparison, is useful to investors because the underlying trends are largely the same as those driving the development of its revenue in each of these regions.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Germany	689,539	153.91	1,750,810	9.14	1,910,863
Austria	714,319	36.38	974,158	10.24	1,073,895
Hungary	150,167	20.73	181,296	19.60	216,831
Czech Republic	153,980	20.66	185,797	-19.88	148,862
Rest of CEE	342,029	60.88	550,269	18.97	654,680
Rest of Europe	223,093	63.64	365,077	30.85	477,693
Rest of World	7,586	n/a	349,531	19.00	415,940
Total	**2,280,713**	**91.03**	**4,356,938**	**12.44**	**4,898,764**

In Germany, the total increase in output volume from 2004 to 2005 by 153.91% was almost entirely due to the acquisition of both the Züblin Group (with an output volume contribution of EUR 894.5 million) and the Dywidag entities (with an output volume contribution of EUR 155.3 million). Accordingly, disregarding the output volume contribution of the Züblin Group in 2005, the growth of output volume would have been 24.18%, which is an indication of the development of revenue in Germany. This increase was almost entirely due to the acquisition of Dywidag. From 2005 to 2006, output volume in Germany increased by 9.14% to EUR 1.9 billion. In addition to a number of small and medium-sized projects, the Group's current larger projects which contributed to this increase include a power station in Neurath, a proton therapy centre in Essen, the Alcatel office and a hotel building in Stuttgart, and the new trade fair complex Neue Messe in Hamburg.

In Austria, the total increase in output volume from 2004 to 2005 by 36.38% was due primarily to the acquisition of the Züblin Group (with an output volume contribution of EUR 70 million) and the consolidation of the Mischek entities which was reflected in output volume (with an increase of EUR 90.4 million) and in the Group's income statement in 2005 for the first time. Disregarding the Züblin Group's output volume contribution in 2005, output volume in Austria from 2004 to 2005 would have grown by 26.58%, which is an indication for the development of revenue in Austria. Approximately half of this growth was due to construction projects. From 2005 to 2006, output volume in Austria increased by 10.24% to EUR 1.1 billion. Current projects which contributed to this increase include various residential and office buildings in Vienna, hospital buildings in Klagenfurt and Spittal an der Drau (both in the province of Carinthia) and a shopping centre in Vöcklabruck, Upper Austria.

In Hungary, output volume showed a steady increase of 20.73% in 2005 and 19.60% in 2006 due to the development of a building construction field with area-wide coverage. Current projects that contributed to the increase in output volume from 2005 to 2006 include a station of the M4 subway line in Budapest, a distribution centre and outlets of a German supermarket chain and the Árkád Shopping Centre in Györ.

The development of output volume in the Czech Republic is still characterized by project work in the Prague area and thus shows higher volatility: After an increase by 20.66% from 2004 to 2005, the output volume decreased from 2005 to 2006 by 19.9%. The decrease resulted from the completion of several major projects as well as a more selective policy of making acquisitions.

In the Rest of the CEE region, the total increase in output volume of EUR 208.2 million from 2004 to 2005 was only partially due to the acquisition of the Züblin Group, which contributed EUR 20 million to the output volume. Organic growth of the Group in Poland contributed approximately EUR 80 million to the output volume. In Croatia output volume increased by EUR 51.7 million due to the

Motorway Project Zagreb-Macelji and the organic growth of the Group. Building construction projects in the City of Moscow contributed EUR 33.7 million to the increasing output volume. From 2005 to 2006, the output volume in the Rest of the CEE region increased by 18.97%. Recent projects that contributed to this increase in Moscow include the Severnaya Bashnya Office Tower and the Hotel Moskva on Red Square. In December 2006, the new International Sofia Airport was officially put into operation.

In the Rest of Europe region, almost the entire amount of the output volume increase from 2004 to 2005 by EUR 142.0 million was due to acquisitions, including principally the acquisition of the Züblin Group subsidiaries in Scandinavia and the Rest of Europe, which contributed EUR 27.9 million to the increase in output volume, and the acquisition of the Eggstein AG and the Züblin-Strabag AG in Switzerland, which were included in the output volume in 2005 for the first time and contributed EUR 83.4 million to the increase in output volume in Rest of Europe. Due to a long-term strategy of internationalization, output volume in the Rest of Europe region between 2005 and 2006 increased by 30.85%. The Group's projects which contributed to this increase include an underground station in Amsterdam and the Ooit Tongeren theme park and Les Jardins de Waterloo apartment buildings in Belgium.

In the Rest of World region, the total increase in output volume from 2004 to 2005 by EUR 341.9 million was almost entirely due to the acquisition of the Züblin Group and the Dywidag entities. From 2005 to 2006, output volume in the Rest of the world region increased by 19.0% to EUR 415.9 million. Current projects which contributed to this increase include the Montgomeyen Airport in Equatorial Guinea, a sewage treatment plant in Quargla, Algeria, and the Saadiyat Bridge in Abu Dhabi.

Set forth below is a breakdown of the output volume of the Building Construction & Civil Engineering Segment, by geographic region for the six months ended June 30, 2006 and 2007.

	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
Germany	844,718	2.83	868,644
Austria	471,130	10.55	520,848
Hungary	76,196	10.80	84,424
Czech Republic	73,904	8.40	80,110
Rest of CEE	250,759	43.81	360,612
Rest of Europe	191,406	55.63	297,887
Rest of World	180,542	36.03	245,591
Total	**2,088,655**	**17.69**	**2,458,116**

Output volume in the Building Construction & Civil Engineering segment grew by 17.69% in the six months ended June 30, 2007 across all regions. Output volume in Germany continued to grow, reflecting the recovery of the German construction market. However, growth rates in this region were signficiantly lower than in STRABAG's home market Austria and the growth markets in CEE. The largest CEE construction projects the Group is currently involved in include the Lublin Plaza project in Poland, building construction projects of ZIPP BRATISLAVA spol. s.r.o, the Mercedes center in Italy, the Saadiyat Bridge in Abu Dhabi and the Gautami River Crossing in Asia.

Operating result

In the Building Construction & Civil Engineering Segment, EBIT rose from EUR 11.3 million in 2004 by 330.35% to EUR 48.7 million in 2005 and by a further 9.67% to EUR 53.4 million in 2006. The atypically sharp increase in 2005 was due to a comparatively low EBIT in 2004 which was due to significant losses in the building construction field in Germany; in particular, the negative development of two large projects in Munich and Berlin contributed to this negative result. The civil engineering business field, which in 2004 still was relatively small, also suffered slight losses, whereas the building construction field altogether developed positively in all regions where the Group had area-wide coverage.

In 2005, the building construction results clearly improved in Germany, in particular because no significant miscalculated projects impaired STRABAG's results of this year. Nevertheless, the civil engineering activities taken over from Walter Bau in Germany involved starting losses. All other regional markets generally showed positive results both in the building construction and in the civil engineering field.

EBIT in this segment rose from 2005 to 2006 by EUR 4.7 million even though significant losses from a small number of individual projects, mainly in Germany, the Czech Republic and Poland had to be absorbed.

EBIT increased from a negative EUR 12.9 million in the six months ended June 30, 2006 to a negative EUR 6.0 million in the six months ended June 30, 2007, reflecting the inclusion in 2006 figures of the provisions for losses described above.

Road Construction

Revenue

Road Construction revenue increased by 37.7%, from EUR 2,653.6 million in 2004 to EUR 3,655.2 million in 2005, whereas intersegmental revenue was relatively stable, increasing only slightly from EUR 130.7 million in 2004 to EUR 132.9 million in 2005. Acquisitions, particularly those of the Heilit+Woerner and Egolf entities, contributed significantly to the increase. The increase in third-party revenue primarily reflects an increase in revenue in Austria, Hungary and the Rest of CEE.

Road Construction revenue increased by a further 15.36% from EUR 3,655.2 million in 2005 to EUR 4,216.8 million in 2006, while intersegmental revenue in the same period sharply decreased from EUR 132.9 million on 2005 to EUR 27.8 million in 2006. Furthermore, the increase in the segment's revenue in 2006 mainly reflects the acquisitions of Preusse Bauholding GmbH & Co KG and Stratebau GmbH as well as organic growth, which developed in line with output volume as described below.

Road Construction revenue increased by 13.83%, from EUR 1,405.0 million in the six months ended June 30, 2006 to EUR 1,599.3 million in the six months ended June 30, 2007. This increase was primarily due to the first-time consolidation of the revenue of Preusse and Stratebau, contributing approximately EUR 120 million to the Group's revenue in the six months ended June 30, 2007.

Regional development of output volume and revenue

Set forth below is a breakdown of the output volume of the Road Construction Segment by geographic region for the years ended December 31, 2004, 2005 and 2006.

	FIMAG 2004 (TEUR)	% change	FIMAG 2005 (TEUR)	% change	STRABAG SE 2006 (TEUR)
Germany	1,183,107	33.22	1,576,082	16.43	1,835,091
Austria	760,022	3.36	785,592	5.31	827,296
Hungary	379,502	72.10	653,112	-18.24	533,989
Czech Republic	344,863	51.48	522,391	21.44	634,410
Rest of CEE	290,215	69.05	490,600	43.51	704,067
Rest of Europe	10,129	424.86	53,163	-17.59	43,812
Rest of World	96,282	-5.91	90,587	-25.33	67,638
Total	**3,064,120**	**36.14**	**4,171,527**	**11.38**	**4,646,303**

In Germany, output volume grew by 33.2%, from EUR 1,183.1 million in 2004 to EUR 1,576.1 million in 2005. For the most part, this development reflects the acquisition of the Heilit+Woerner entities, which contributed output volume of EUR 286 million. Output volume rose by 16.43%, from EUR 1,576.1 million in 2005 to EUR 1,835.1 million in 2006, primarily reflecting motorway projects involving sections of the A38 and A94 motorways, the construction of new taxiways at Leipzig Airport, Ramstein military base and the Airbus plant in Hamburg as well as a kerosene pipeline from Aalen to Leipheim.

In Austria, output volume, which is already on a high level in accordance with the Group's market share, developed in line with the general development of the construction industry in the country:

Output volume increased from EUR 760.0 million in 2004 by 3.36% to EUR 785.6 million in 2005 and by 5.3% to EUR 827.3 million in 2006. Current projects which contributed to this increase include the complete renewal of sections of the A1 and A2 Motorways, the new A6 Motorway, a connection between the A4 Motorway and the Slovak border at Kittsee as well as major railway construction projects throughout the country.

In Hungary, most of the increase in output volume from 2004 to 2005 by EUR 273.6 million resulted from organic growth, which contributed EUR 230 million to the increase in output volume, mainly due to various large motorway projects. From 2005 to 2006, the segment's output volume in Hungary decreased by 18.2% to EUR 534.0 million as the result of the completion of several of these motorway projects.

In the Czech Republic, both acquisitions and organic growth contributed in a relatively balanced way to the total increase in output volume from 2004 to 2005 by EUR 177.5 million. The acquisition of the Heilit+Woerner participations Dalnicni stavby Praha, a.s. and Viamont DSP a.s. contributed EUR 84.5 million to the increase in output volume, while the organic growth in the Czech Republic was partly due to various major motorway projects. From 2005 to 2006, the segment's output volume increased by 21.4% to EUR 634.4 million, again partly due to major projects such as the circular road in Prague and the D47 motorway.

In the Rest of CEE region, out of the total increase in output volume from 2004 to 2005 by EUR 200.4 million, EUR 97.8 million were attributable to organic growth in Poland especially in connection with the A2 motorway project, EUR 85.4 million increase in output volume were due to the organic growth of the road construction activities in Slovakia, and EUR 18.6 million increase in output volume were due to the acquisition of the Heilit+Woerner in Poland. From 2005 to 2006, the output volume in the remainder of the CEE region increased by 43.5% to EUR 704.1 million owing to the push to extend the Group's region-wide presence. Major projects which contributed to this increase are the construction of the A2 Motorway, the Gorzow bypass and the renewal of Glogowska Street in Poznan in Poland.

In the Rest of Europe region, most of the total increase in output volume in 2005 by EUR 43.0 million was attributable to the acquisition of the Egolf entities, which contributed EUR 36.3 million to the increase in output volume increase from 2004 to 2005. From 2005 to 2006, the output volume in the rest of Europe decreased by EUR 9.4 million.

In the Rest of World region, output volume was highly volatile and declined from EUR 96.3 million in 2004 to EUR 90.6 million in 2005 and to EUR 67.6 million in 2006. The output volume figures include the segment's business in Oman and the more volatile project work in Africa.

Set forth below is a breakdown of the output volume of the Road Construction Segment by geographic region for the six months ended June 30, 2006 and 2007.

	FIMAG June 30, 2006 (TEUR)	% change	STRABAG SE June 30, 2007 (TEUR)
Germany	640,929	0.91	646,734
Austria	288,965	6.12	306,659
Hungary	195,906	-24.62	147,681
Czech Republic	204,192	12.61	229,945
Rest of CEE	226,826	25.46	284,569
Rest of Europe	19,053	6.31	20,255
Rest of World	31,027	28.20	39,775
Total	**1,606,899**	**4.28**	**1,675,618**

The absolute growth of output volume in the first half year 2007 was generally lower than the increase in revenue in the same period, primarily because Preusse and Stratebau was already fully reflected in output volume for the first half of 2006, whereas Preusse was reflected in STRABAG's results only with effect from June 12, 2006 and Stratebau was not reflected for that period at all. The growth of output volume reflects increases in output volume attributable to projects in Austria, the Czech Republic and other markets in CEE with the exception of Hungary, which more than offset a decrease in Hungary due to the finalisation of several infrastructure projects, in particular the M35. Growth rates in the Road Construction Segment are typically slower in the first half of each calendar year than the full year due to the segment's greater exposure to intra-year seasonality than the Building Construction & Civil Engineering Segment.

Operating result

In the Road Construction Segment, EBIT decreased from EUR 106.7 million by 28.93% to EUR 75.8 million in 2005 and almost tripled to EUR 220.4 million in 2006.

While the operative result of 2005 was burdened by significant one-time losses incurred in connection with the acquisition of the Heilit+Woerner entities which finally lead to a decrease of the result, the operative result of 2006 was positively affected by the sale of DEUTAG GmbH & Co KG, which contributed EUR 70.6 million to the operative result. Disregarding this effect in 2006, the operating result would have been EUR 149.8 million.

Therefore, even disregarding the 2006 extraordinary positive effect, the Road Construction Segment demonstrated an overall positive development in the period from 2004 to 2006.

Starting losses which were incurred, as expected, in connection with the enlargement and enhancement of area-wide coverage in particular in the CEE markets, could be absorbed in all three years.

EBIT decreased from a negative EUR 17.8 million in the six months ended June 30, 2006 to a negative EUR 19.9 million in the six months ended June 30, 2007. EBIT levels in the first half of each calendar year tend to be significantly lower than in the full year, reflecting the seasonal patterns in the segment's business. The decline in EBIT during the first half of 2007 reflects the growth in output volume during that period. Growing output volumes tend to exacerbate the impact of seasonality, as STRABG incurs higher fixed costs during the first half of a year with the expectation of recouping its losses with higher revenues in the second half of the year.

Tunnelling & Services

Revenue and output volume

The Tunnelling & Services Segment consists of the tunnelling, the building construction project development and the infrastructure project development business fields. In 2006, almost 60% of the segment's output volume was derived from tunnelling. The project development fields' share of output volume is relatively small. This is because, when one of the project development fields develops a building or infrastructure project, the resulting construction work is performed by the relevant Group construction segment, such that most output generated by the project development fields is reflected in output volume of the construction segments.

Tunnelling & Services revenue increased by 1.18%, from EUR 533.8 million in 2004 to EUR 540.1 million in 2005. Acquisitions did not have a material impact on the change in revenue from 2004 to 2005. Tunnelling & Services revenue increased by 73.15% from EUR 540.1 million in 2005 to EUR 935.2 million in 2006. The increase in the segment's revenue in 2006 mainly reflects the acquisitions of the Züblin Group in 2005, the sale of inventories attributable to projects in Germany and organic growth which developed in line with output volume.

The segment's output volume increased from EUR 499.9 million in 2004 by 24.93% to EUR 624.5 million in 2005 and by a further 11.00% to EUR 693.2 million in 2006. In 2005, the acquisition of the Züblin Group's tunnelling and project development businesses improved the Group's output volume; in 2006, major tunnelling works in Canada contributed to the increase in output volume.

Tunnelling & Services revenue decreased by 11.65%, from EUR 231.7 million in the first six months 2006 to EUR 204.7 million in the six months ended June 30, 2007 in line with the development of output volume.

The segment's output volume decreased by 9.67% from EUR 299,0 million in the first six months of 2006 to EUR 270.1 million in the six months ended June 30, 2007, as several large infrastructure projects were finalized, especially in Switzerland, Austria and Hungary.

The decrease in output volume during the first half of 2007 was partially offset by an increase in output volume resulting from new projects, including the start of construction works for the U4 HafenCity Hamburg tunnel, the start of construction works for the north-south-line in Amsterdam with two tunnels, successful progress in construction works for the Katzenbergtunnel, the Niagara tunnel in Canada and the sale of the Yellow Stone portfolio.

Operating result

In the Tunnelling & Services Segment, EBIT increased from a negative EUR 8.8 million to a positive EUR 37.98 million in 2005 and further increased by 79.30% to EUR 68.10 million in 2006.

In the 2004 financial year, results in the Tunnelling & Services Segment developed inconsistently: In the discontinued business field of the project development business in Austria & Eastern Europe, finished real estate projects had to be impaired by EUR 61.7 million and one-time losses were suffered in connection with the start of operations of project developments. The remaining project development building construction field in Germany sustained losses in 2004 due to administrative and distribution costs that could not be capitalized in connection with the build-up of inventory. On the other hand, one concession project in the infrastructure field was realized successfully and accordingly significantly increased the result. The tunnelling field did not contribute significantly to the 2004 results of the Group.

In the 2005 financial year, results developed more homogeneously: Both the tunnelling and in particular the services business field realized significant EBIT contributions.

In 2006, in particular the sale of a portfolio of real estate projects in Germany strongly influenced EBIT which rose from 2005 to 2006 by EUR 30.1 million.

EBIT, after an positive result in the first half year 2006 relating to infrastructure projects, decreased from EUR 8.6 million in the first six months 2006 to EUR 1.6 million in the six months ended June 30, 2007, reflecting the completion of several construction projects.

Liquidity and capital resources of the STRABAG Group

The STRABAG Group's need for liquidity and financing has up to now predominantly been met from internally generated cash flow from operating activities, through bilateral bank loans and corporate bonds, lines of credit and development-specific construction financings. After the consummation of the Offering, the proceeds of the Offering will also improve the Company's liquidity and debt profile. See "*Use of Proceeds*". Further, the Company has taken out bilateral revolving letter of guarantee facilities and a syndicated letter of guarantee facility for the issuance of letters of guarantee for various purposes (e.g. bid, performance advance payment and warranty guarantees) at the Company's request.

STRABAG SE's management establishes the Group's overall funding policies. The intent of these policies is to ensure STRABAG's ability to meet its obligations by maintaining a strong financial structure. This policy takes into consideration among other things the Group's expected funding needs, financial leverage, matching maturities, equity ratio and the level of credit facilities. These targets are monitored on a regular basis. STRABAG actively manages the level of its working capital to minimize excess liquidity while attempting to maintain adequate resources to support its operations and growth, both organically and through acquisitions.

Cash flows

The following table sets out the Group's consolidated cash flow statements for the financial years ended December 31, 2004, 2005 and 2006 and for the six months ended June 30, 2006 and 2007.

	FIMAG 2004 (TEUR)	FIMAG 2005 (TEUR)	STRABAG SE 2006 (TEUR)	FIMAG June 30, 2006 (TEUR)	STRABAG SE June 30, 2007 (TEUR)
Profit for the period	65,748	94,566	224,004	-31,732	-32,430
Deferred tax	1,489	-4,677	-19,718	-19,895	-32,934
Non-cash profit for initial consolidation and deconsolidation	n/a	n/a	-12,846	0	0
Non-cash dividends paid by associates	3,529	-1,110	-4,876	4,951	-5,385
Impairments/write-ups	210,355	193,859	233,176	95,765	124,302
Changes in long-term provisions	2,007	17,634	25,598	-21,064	-28,583
Gains/losses on disposal of non-current assets	-20,177	-13,962	-87,683	-9,069	-13,556
Cash flow from profits	**262,951**	**286,310**	**357,655**	**18,956**	**11,414**
Change in:					
– Inventories	-40,340	32,502	219,574	33,214	17,448
– Trade receivables, construction contracts and consortia	-64,364	-235,973	-262,797	-100,295	-110,220
– Group receivables and receivables from participation companies	-11,788	26,347	-26,491	-12,422	-4,651
– Other assets	6,355	3,353	22,974	-41,201	29,704
– Trade payables, construction contracts and consortia	-68,852	117,867	45,909	-91,584	-52,382
– Group liabilities and liabilities from participation companies	18,222	-6,998	4,398	-6,943	5,750
– Other liabilities	18,373	20,194	26,673	-17,508	-113,526
– Current provisions	-16,459	24,153	58,456	27,995	-31,876
Cash flow from operating activities	**104,098**	**267,755**	**446,351**	**-189,788**	**-248,339**
Purchase of financial assets	-65,175	-46,296	-57,721	-7,109	-22,282
Purchase of non-current assets	-207,490	-254,688	-347,020	-145,782	-235,205
Gains/losses on disposal of non-current assets	20,177	13,962	87,683	9,069	13,556
Disposals of non-current assets (carrying value)	75,741	58,829	67,850	35,548	102,774
Change in other cash pooling receivables	28,598	23,580	2,871	-6,793	-38,362
Change in scope of consolidation less acquired cash and cash equivalents	-13,061	91,236	-24,821	12,292	-119,398
Cash flow from investing activities	**-161,210**	**-113,377**	**-271,158**	**-102,775**	**-298,917**
Change in bank borrowings	-43,768	90,421	-88,106	87,742	341,661
Change in bonds	50,000	75,000	75,000	75,000	25,000
Change in finance lease liabilities	-7,493	5,272	1,376	649	10,476
Change in other cash pooling payables	113	42,677	-24,746	-26,894	-5,486
Acquisition of minority interest	0	0	-3,201	-3,201	1,630
Contributions	0	25,003	202,064	0	0
Distributions and withdrawals from partnerships	-51,846	-52,114	-310,736	-1,850	-82,422
Cash flow from financing activities	**-52,994**	**186,259**	**-148,349**	**131,446**	**290,859**
Cash flow from operating activities	104,098	267,755	446,351	-189,788	-248,339
Cash flow from investing activities	-161,210	-113,377	-271,158	-102,775	-298,917
Cash flow from financing activities	-52,994	186,259	-148,349	131,446	290,859
Net change in cash and cash equivalents	**-110,106**	**340,637**	**26.844**	**-161,117**	**-256,397**
Cash and cash equivalents at the beginning of the period	318,976	212,399	555,857	555,857	586,265
Change in cash and cash equivalents due to currency translation	3,529	2,821	3,564	-2,717	1,481
Cash and cash equivalents at the end of the period	**212,399**	**555,857**	**586,265**	**392,023**	**331,349**
Interest paid	36,064	51,921	70,298	35,390	42,189
Interest received	28,259	35,680	38,189	16,570	17,710
Taxes paid	31,206	38,773	69,301	18,369	20,085

The cash flow statement is prepared in accordance with IAS 7 using the indirect method. Cash and cash equivalents include cash on hand, bank deposits and non-current securities.

Cash flow from profits

STRABAG's cash flow from profits increased from EUR 262.95 million in 2004 by 8.88% to EUR 286.3 million in 2005 and by another 24.92% to EUR 357.6 million in 2006, mainly reflecting the increase in profit for the period.

Cash flow from profits decreased from EUR 19.0 million in the six months ended June 30, 2006 by 39.79% to EUR 11.4 million in the six months ended June 30, 2007, as increased depreciation and amortization was more than offset by increased deferred taxes and other effects.

Cash flow from operating activities

STRABAG posted positive consolidated cash flows from operating activities in 2004, 2005 and 2006. Strong consolidated cash flows from profits were a key factor in all three years. The significant increase from 2004 to 2005 by EUR 163.7 million was mainly due to changes in working capital. While in 2004 changes in working capital reduced cash flow from operating activities by EUR 158.9 million, this item amounted to only EUR 18.6 million in 2005. In 2006 changes in working capital increased cash flow from operating activities by EUR 88.7 million. This development is mainly due to the significant decrease in inventories in 2006.

Cash flow from operating activities decreased from a negative EUR 189.8 million in the first six months 2006 by 30.85% to a negative EUR 248.3 million in the first six months 2007. This decrease was mainly due to an increase in working capital because of the general growth of the Group.

Cash flow from investing activities

Cash flow from investing activities was significantly influenced by changes in the basis of consolidation in all three financial years. In 2004, cash flow from investing activities decreased by EUR 13.1 million, chiefly as a result of the consolidation of the Mischek entities. In 2005, the acquisition of the Züblin Group, which was endowed with substantial liquid resources, had a positive cash flow effect of EUR 91.2 million. The resultant improvement in cash flow of EUR 104.3 million due to the change in the scope of consolidation in 2005 was partly offset by increased investments in property, plant and equipment and reduced disposals and gains on disposal of property, plant and equipment. In 2005, investments increased by EUR 28.3 million due to the overall growth of the Group, which negatively impacted cash flow from investing activities. Nevertheless, in 2005 cash flow from investing activities increased from negative EUR 161.2 million in 2004 by EUR 47.8 million to negative EUR 113.4 million in 2005 and further decreased by EUR 157.8 million to negative EUR 271.2 million in 2006, partly due to an increase in the purchase of non-current assets by EUR 92.3 million.

Cash flow from investing activities decreased from negative EUR 102.8 million in the first six months 2006 by 190.85% to negative EUR 298.9 million in the first six months 2007, due mainly to changes in the scope of consolidation and higher investment activities. In the first half year 2007 cash flow from investing activities includes a cash outflow due to the acquisition of the Polish NCC group in the amount of approximately EUR 100 million. In order to enable the further growth of the Group, acquisitions of property, plant and equipment rose from EUR 146 million in the first half of 2006 to EUR 235 million in the first half of 2007.

Capital expenditure

The Group's capital expenditure disregarding changes in the scope of consolidation during the financial years ended December 31, 2004, 2005 and 2006 is presented in the following table.

	FIMAG 2004 (TEUR)	FIMAG 2005 (TEUR)	STRABAG SE 2006 (TEUR)
Capital expenditures			
Purchase of property	29,460	23,731	53,644
Purchase of plant and machinery	101,372	138,358	157,006
Purchase of other fixtures and fittings, tools and equipment	58,693	63,476	94,500
Purchase of prepayments made and assets under construction	15,414	26,601	36,352
Purchase of other intangible assets	2,551	2,522	5,518
Subtotal	**207,490**	**254,688**	**347,020**

Investments in progress and planned investments in 2007

STRABAG prepares annual budgets for plant and machinery, tools and equipment. For 2007, STRABAG is planning investments of approximately EUR 350 million for such budgeted items. More than half of it has already been spent. It is the group's investment target to annually acquire five or more asphalt mixing plants, concrete mixing plants and/or quarries and gravel pits. Within the framework of the Group's investment concept, property and acquisitions are approved by STRABAG's management and supervisory boards on a case by case basis. Regionally, almost 30% of this budget can be allocated to Germany and approximately 15% to Austria. Other countries have less than 10% regional budget. STRABAG assumes that the investments planned for 2007 will remain to be financed primarily from existing liquidity including proceeds of the Offering as well as from parts of the proceeds of the bond issued in June, 2007.

Cash flow from financing activities

The cash outflow from financing activities in 2004 was EUR –53.0 million. In 2005, the cash inflow from financing activities amounted to EUR 186.3 million after taking out loans and issuing new bonds. Cash flow from financing activities in 2006 amounted to EUR –148.3 million and was mainly influenced by the dividends paid out in 2006.

In the financial year 2004 cash and cash equivalents decreased from EUR 319 million as of December 31, 2003 by EUR 106.6 million to EUR 212.4 million as of December 31, 2004. In 2005 cash and cash equivalents climbed from EUR 212.4 million as of December 31, 2004 by EUR 343.5 million to EUR 555.9 million as of December 31, 2005. This substantial increase partly resulted from financial liabilities (bank borrowings, bonds and other financial obligations) amounting to EUR 213.4 million incurred in 2005.

Cash flow from financing activities increased from EUR 131.4 million in the first six months 2006 by 121.28% to EUR 290.9 million in the first six months 2007. This significant difference mainly reflects an increase in bank borrowings by EUR 341.7 million.

Contractual obligations and commitments

The following table shows the maturity structure, as of June 30, 2007, of liabilities, contractual obligations and commitments of the STRABAG SE Group.

	Total (in TEUR)	< 1 year (in TEUR)	≥ 1 year (in TEUR)
Financial liabilities			
Bonds	325,000	50,000	275,000
Bank borrowings	897,822	721,012	176,810
Finance lease liabilities	73,772	12,712	61,060
Other liabilities, accruals and deferred income	3,931	0	3,931
Subtotal	**1,300,525**	**783,724**	**516,801**
Trade payables			
Construction contract liabilities	-1,729,940	-1,729,940	0
Advances received	1,992,059	1,992,059	0
Other trade payables	1,622,600	1,601,105	21,495
Liabilities owed to consortia	179,432	179,432	0
Subtotal	**2,064,151**	**2,042,656**	**21,495**
Other Liabilities			
Payables to subsidiaries	48,952	48,787	165
Payables to participations	28,319	28,319	0
Other liabilities, accruals and deferrals	388,209	381,875	6,334
Subtotal	**465,480**	**458,981**	**6,499**
Total liabilities as reflected in the balance sheet	**3,830,156**	**3,285,361**	**544,795**
Contractual obligations not reflected in the balance sheet			
Operating lease obligations	141,742	23,061	118,681
Total contractual obligations and commitments	**3,971,898**	**3,308,422**	**663,476**

Financial instruments

The financial instruments held by the Group comprise both primary and derivative financial instruments. The primary financial instruments consist of financial assets, trade and other receivables, bank deposits, financial liabilities, trade payables and other liabilities. The amounts of the primary financial instruments held are disclosed in the balance sheet.

Derivative instruments are used solely to hedge against foreign currency and interest rate risk. The use of derivative financial instruments in the Group is subject to appropriate authorization and supervision procedures. Derivatives may not be held in the absence of underlying instruments, and speculative trading is prohibited.

Between 2002 and 2007, the Group issued corporate bonds, three tranches of EUR 50 million each and three tranches of EUR 75 million each. The first three tranches of these bonds were issued under a EUR 500 million medium-term note programme. Each tranche has a term of five years, the most recent EUR 75 million bond tranche launched in financial year 2007 had a coupon of 5.75%.

Borrowing via the capital markets is increasingly important for the Group. Given a favorable market situation, the Company plans to issue further bonds under the medium-term note programme. The bond improves the matching of the maturities of the Group's financial assets and liabilities.

Financial liabilities

Financial liabilities include bonds, bank borrowings, finance lease liabilities and other financial liabilities. The carrying values of financial liabilities in the financial years ended December 31, 2004, 2005 and 2006 and the six months ended June 30, 2007 were as follows.

	FIMAG December 31, 2004 (TEUR)	FIMAG December 31, 2005 (TEUR)	STRABAG SE December 31, 2006 (TEUR)	STRABAG SE June 30, 2007 (TEUR)
Bonds	150,000	225,000	300,000	325,000
Bank borrowings	514,529	651,241	552,384	897,822
Finance lease liabilities	38,423	61,920	63,296	73,772
Other liabilities, accruals and deferrals	0	3,703	3,853	3,931
	702,952	**941,864**	**919,533**	**1,300,525**

The increase in bonds in the financial years 2005 and 2006 and in the first six months 2007 resulted from the issuance of three five-year bonds in the amount of EUR 75,000,000 each. The proceeds of the issue of the 2007 bonds were used inter alia for the redemption of the EUR 50 million five-year 6 7/8% bonds due June 18, 2007, issued by Bauholding Strabag AG. The increase in bank borrowings in the six months ended June 30, 2007 primarily reflects the incurrence of short-term liabilities towards banks in anticipation of the receipt of the proceeds from the issuance of 25,000,000 shares to Rasperia effective August 17, 2007.

Equity of the STRABAG Group

The following table presents the equity of the STRABAG SE Group as of December 31, 2004, 2005 and 2006 and the six months ended June 30, 2007.

	FIMAG December 31, 2004 (TEUR)	FIMAG December 31, 2005 (TEUR)	STRABAG SE December 31, 2006 (TEUR)	STRABAG SE June 30, 2007 (TEUR)
Share capital	53,938	53,938	70,000	70,000
Capital reserves	163,800	163,800	448,047	448,047
Retained earnings	237,380	278,785	339,970	240,327
Minority interests	347,138	408,947	177,877	165,652
	802,256	**905,470**	**1,035,894**	**924,026**
Equity ratio (in %)	**21.96**	**17.66**	**18.58**	**16.07**

The minority interests of TEUR 347,138 as of December 31, 2004 and of TEUR 408,947 as of December 31, 2005 related to a 40.06% minority interest in STRABAG SE. Prior to the Merger of FIMAG AG with STRABAG SE on August 5, 2006, FIMAG AG held 59.94% of the shares in STRABAG SE. The remaining 40.06% were held by the Haselsteiner family, the Raiffeisen NÖ-Wien Group and UNIQA Group in the same proportions as these shareholders held shares in FIMAG. Effective upon the Merger, these shareholders received shares of STRABAG SE pro rata to their shareholdings in FIMAG AG. In addition, they compensated STRABAG for the appreciation of their stake with shareholder contributions to the Company. Accordingly these minority interests were eliminated and reflected in retained earnings.

Had the Merger of FIMAG AG and STRABAG SE been effected on January 1, 2004, equity as of December 31, 2004 and December 31, 2005 would have been as follows.

	STRABAG SE December 31, 2004 (TEUR)	% change	STRABAG SE December 31, 2005 (TEUR)
Share capital	68,439	0.00	68,439
Capital reserves	250,608	0.00	250,608
Retained earnings	388,916	13.12	439,955
Minority interests	94,293	55.33	146,468
	802,256	**12.87**	**905,470**

On August 21, 2007, an increase of the Company's share capital from EUR 70 million by EUR 25 million to EUR 95 million by issuing 25 million new no par value ordinary voting bearer shares was registered. This capital increase was resolved in a shareholders' meeting held on April 20, 2007, in connection with Rasperia's acquisition of a 30% interest in the Company (see "*Principal Shareholders-Shareholders' Agreements-Investment of Rasperia*" and "*Description of the Share Capital of the Company and the Articles of Association-Development of the Share Capital since 2004*").

Off-Balance Sheet Transactions

As is customary and necessary in the construction industry, STRABAG is obliged to provide its customers with various types of bank guarantees to secure the contractual obligations arising in its regular construction business. Upon STRABAG's instructions, these guarantees are issued by banks or credit or guarantee insurers. Most commonly used are bid, performance, advance payment and warranty guarantees. A bid guarantee is a form of security assuring that the bidder will not withdraw a bid in case of an award. While advance payment guarantees secure the repayment of advance payments in case of non-performance of the contractual performance obligations, performance guarantees secure the performance of contractually agreed obligations. Warranty guarantees secure the fulfillment of warranty claims. In the event these guarantees are called upon, the relevant banks have a contractual right of recourse against STRABAG. The risk that such guarantees will be utilized and a right of recourse wil arise materializes only if the primary contractual obligations are not or not properly performed.

STRABAG has available a EUR 1.5 billion syndicated guarantee facility and has entered into a series of bilateral guarantee credit agreements. As of June 30, 2007, the total volume of amounts available under the guarantee facility and the bilateral guarantee credit agreements for guarantee drawdowns by the STRABAG Group was approximately EUR 4.0 billion. As of June 30, 2007, the total amount drawn down for guarantees amounted to more than EUR 3 billion. Management believes that the level of fees agreed with the banks for issuing these guarantees meets current market and industry standards.

Furthermore, joint and several liabilities exist with other partners in consortia, which are in essence due to joint obligations to carry out construction projects.

All such guarantees and joint liabilities are not reflected as provisions or liabilities in the balance sheet because the likelihood of an outflow of resources is remote. Aside from such guarantees and joint liabilities STRABAG does not have off-balance sheet transactions.

Quantitative and Qualitative Disclosures about Market Risk

STRABAG is exposed to foreign currency risk and interest rate risk due to the international nature of its operations. In addition, the Group is exposed to the market risk of commodity price changes. The Group has put strict policies and procedures in place to measure, manage and monitor its market risk exposure. These policies do not permit speculative market positions.

STRABAG is subject to foreign exchange risks as a result of its subsidiaries' transactions in currencies other than the Group's operating currency. This risk is limited due to the decentralized nature of the Group's operations. As a consequence, mainly closed currency positions appear in the balance sheet. It is the general policy for subsidiaries to borrow and invest excess cash in the local currency.

STRABAG has a limited transactional foreign currency exposure for acquisitions outside the euro zone. It is the Group's policy to hedge foreign currency exposures according to defined management rules through derivative instruments at the later of when a firm commitment is entered into or known. These derivative instruments are currently limited to forward contracts. STRABAG does not enter into foreign currency exchange contracts other than for hedging purposes.

The financial statements for subsidiaries operating outside the euro zone are converted into euros according to the functional currency concept (IAS 21). For a detailed description of the effect of exchange rate differences and the allocation of currency translation differences between the cut-off date for the balance sheet and the average price of the profit and loss account to equity in the course of the capital consolidation see Notes to the Group's 2006 Consolidated Financial Statements.

STRABAG is exposed to interest rate risk through its debt and cash. Fixed interest liabilities/ obligations mainly result from bonds issued by the Group. The Group's interest rate exposure consists of price risk for fixed-rate liabilities and cash-flow risk for floating rate assets and liabilities. While changes in interest rates impact the market value of fixed-rate liabilities, leaving the associated financial income or expense unchanged, such changes have no impact on the market value of floating-rate assets and liabilities, but directly influence the underlying income or expense flows. Interest rate risks are hedged through interest rate swaps in accordance with defined management rules. For a description of the nominal value and market value of the hedging instruments existing as of December 31, 2006, see Note 22 to the Group's 2006 Consolidated Financial Statements.

STRABAG is subject to limited commodity risk with respect to price changes principally in the raw material markets. The Group attempts to limit its exposure to changes in commodity prices by entering into long-term contracts.

Recent Developments and Outlook

In May 2007, Ed. Züblin AG was awarded the contract to build the project "Opernturm" in Frankfurt. The project comprises the construction of a 170 meter high-rise office building and a two-story shopping arcade in its base. The total investment volume is EUR 230 million.

In June 2007, Züblin Development GmbH was awarded the PPP project "Public Authorities' Center Heidelberg" by the German state of Baden-Württemberg with a total investment volume of EUR 100 million. Züblin Development GmbH undertook to construct a new building for the state's judicial authorities. The existing official building will be replaced by a new office, residential and retail building which also will be constructed and operated by Züblin Development GmbH.

In August 2007, STRABAG's Slovak subsidiary, ZIPP BRATISLAVA spol. s.r.o, in a bidding consortium with the Austrian PORR group, won a tender for the construction of a large part of the EUROVEA International Trade Centre in Bratislava. The project includes apartments, offices, a shopping mall, a multiplex cinema, a five star hotel and a parking garage with a total area of 230,000 square meters. The total investment volume is approximately EUR 300 million; this building construction project is the largest in Slovakia to date.

In September 2007, STRABAG acquired a 70% stake in the Hamburg based construction company Josef Möbius Bau-AG. A minority shareholding was retained by the Möbius family. The company specializes in construction and maintenance of waterways and dikes, heavy earth-moving and road, railway and airport construction. In 2006, Möbius generated revenues in the amount of EUR 150 million and employed around 500 people. Outside of Germany the company is primarily active in Sweden, Poland, Lithuania and the Ukraine. The acquisition is of particular strategic value for STRABAG as it has significantly expanded the Group's competence in the construction and maintenance of waterways and dikes.

STRABAG and BaselCement, a company controlled by Basic Element, have announced that they have agreed in principle to establish an equally owned joint venture combining their worldwide cement assets. STRABAG plans to contribute its cement plant in Hungary and BaselCement intends to contribute its operational plants as well as plants that are under construction in Russia and Kazakhstan. Any difference in the value of the two parties' contributions is proposed to be settled in cash. The new enterprise is intended to focus on the acquisition, construction and operation of cement plants. STRABAG plans to formalize its arrangement with BaselCement in an agreement that is expected to contain further details regarding the scope and operation of the joint venture.

If business in 2007 continues to develop as planned, STRABAG expects to report growth in construction output for the full year 2007, and profit for 2007 (adjusted for the result from the sale of the stake in DEUTAG KG in 2006) is expected to surpass last year's levels.

INDUSTRY OVERVIEW

Overview

The construction industry is cyclical. It is also highly regulated and depends to a significant extent on investments by the public sector. The European construction industry, with more than 10 million people employed, is the EU's largest industrial employer. According to Euroconstruct, the European construction industry is expected to continue to grow, with the infrastructure segment, driven by the maintenance and expansion of road and railway networks, showing the strongest growth rates. In general, growth in the coming years is expected to be higher in Eastern Europe than in Western Europe.

Cyclicality

The construction cycle is primarily driven by general economic conditions. Historically, at the beginning of periods of economic expansion, the construction industry has experienced greater growth than other industries. This is because construction projects, particularly infrastructure projects, are a key growth driver for a country's economy. Conversely, towards the end of an economic growth cycle, the construction industry is typically one of the first industries affected by stagnation or recession.

In recent years, this cyclical trend has been overlaid by the enlargement of the EU, as a result of which the construction industry in the new EU member states has experienced significant growth. This growth has been driven primarily by increasing gross domestic product ("GDP") and personal income government programs aimed at enhancing the inadequate and frequently outdated infrastructure of these member states as well as an increasing use of PPP financing models. A significant portion of the funding for these programs comes from the EU, which has identified a number of transnational axes on the basis of proposals provided by the EU member states with the goal of creating trans-European networks. The main source of funding is the European Regional Development Fund (the "ERDF"), which focuses on, among other things, regional infrastructure investments in CEE. Following the entry of Romania and Bulgaria into the European Union in January 2007, the focus of the EU funded programs shifted to Eastern Europe. Until 2013, total investments of EUR 177 billion are expected to be financed by EU cohesion funds in Eastern Europe, accounting for slightly more than half of the total investment by EU cohesion funds in Western and Eastern Europe. Total investments by EU cohesion funds in Eastern Europe are expected to increase, whereas total investments in Western Europe are expected to decrease. See "*Regional Discussion*" below for an overview of the infrastructure programs to which the ERDF has contributed in the various CEE countries.

The potential impact of cyclical downturns on the construction industry has been reinforced by the adoption of the Basel II accord, which has introduced new standards for measuring the adequacy of a bank's capital with a view to ensuring that bank capital is allocated in a more risk-sensitive manner. Because the Basel II accord links the amount banks may lend to their regulatory capital via a rigid capital ratio requirement, banks will be forced to curb lending to these companies, if the construction industry suffers a downturn and construction companies experience difficulty making payments on their loans.

Industry Fragmentation and Consolidation

In most European countries, the construction industry is highly fragmented, with no individual company accounting for more than a relatively small share of the overall market. This is due mainly to the relatively low barriers to entry in the construction industry and the local geographic scope of large parts of the market. Nevertheless, there are a few construction companies that operate across regions or even in multiple countries. In some cases, particularly Germany, the industry has begun a process of consolidation.

Shortage of Skilled Labor

The construction industry in Europe increasingly faces a shortage of skilled workers. This is due, in part, to a wave of retirements as the baby boom generation moves out of the labor force and construction training systems struggling to provide a sufficient number of workers who have the necessary skill sets. In CEE, particularly in Poland, the problem is amplified by the fact that since the enlargement of the EU, many construction workers have relocated to other countries that offer higher wages, particularly to the United Kingdom and Ireland. In Poland, efforts are under way to liberalize the labor market to let workers from the Ukraine or Belarus work in the Polish construction sector on a temporary basis.

Raw Materials

Over the past several years, worldwide energy prices have risen considerably. This trend has led to a corresponding increase in the energy costs of construction companies. In addition, it has increased construction companies' raw material costs generally because many of the raw materials used in the construction industry, such as steel, cement, bitumen, bricks, plastics and other raw materials, are produced in energy-intensive processes.

Innovative Financing Models

Another major trend in the European construction industry is the increasing importance of financing models that combine public sector funds and private financing. Major infrastructure projects are increasingly financed by public-private partnerships. PPPs span a spectrum of cooperation models that progressively engage the expertise or capital of the private sector for public sector infrastructure projects. At one end, there is straight contracting out as an alternative to traditionally delivered government services. At the other end, there are arrangements where a public sector entity is responsible for administering a project but within a framework that allows for private financing, design, building, operation and possibly temporary ownership of the relevant asset. In a typical scenario, the government assigns responsibility for constructing and operating a piece of infrastructure, such as a highway, to a private company but retains regulatory control and ownership. A particular type of PPP arrangement that has become increasingly popular are BOT arrangements. Under this type of arrangement, a public sector entity grants a concession to a private company, which undertakes to construct, finance and operate a piece of infrastructure, such as a highway, over the period of the concession before finally transferring the facility, at no cost to the government, as a fully operational facility. During the concession period the concessionaire owns and operates the facility and collects revenues in order to repay the financing and other investment costs, maintain and operate the infrastructure and make a profit.

Regional Discussion

Germany

Germany is one of the STRABAG Group's most important markets. According to Ifo, Germany's GDP grew at a rate of 2.30% in 2006. The non-residential building construction sector grew by approximately 2.00%, reaching a construction volume of approximately EUR 50.30 billion. The civil engineering sector grew by 0.40% to reach a construction volume of approximately EUR 31.20 billion.

Prior to 2006, the German construction industry had been on the decline for more than a decade. This lengthy period of recession affected all parts of Germany but was particularly pronounced in the eastern states. Its principal causes were a cyclical reaction to the construction boom experienced by Germany in the mid-1990s and pressure on government budgets, which continue to be burdened by the costs of German unification and the social security system. Another contributing factor was the moderate growth of the German economy during that period and various macroeconomic problems faced by Germany.

Ifo believes that the German construction industry has reached the bottom of the cycle and expects that the growth experienced by the industry in 2006 will continue. However, the budget consolidation process initiated by the government could have negative consequences for the construction industry in the short term, offsetting some or all of this recovery.

The private and semi-private sector, which includes PPP arrangements, accounts for the substantial majority of investments in the German non-residential building construction sector, with the balance relating to investments by the public sector. The share of public sector projects in Germany is expected to decrease further because of the increasing importance of PPP arrangements.

Investments in the civil engineering and road construction sectors are split roughly equally between public authorities and private or semi-private enterprises.

Austria

According to WIFO, Austria's GDP experienced growth at a rate of 3.10% in 2006. The non-residential building construction sector grew by approximately 2.70%, reaching a construction volume of approximately EUR 9.90 billion. The civil engineering sector grew by 5.40% and reached a construction volume of approximately EUR 7 billion. The Austrian civil engineering sector is dominated by transport infrastructure projects, followed by projects in the areas of energy and water works.

In recent years, the civil engineering and road construction sectors have been the main growth drivers of the construction industry in Austria, mainly because of substantial investments by the Austrian Highway Financing Agency ("ASFINAG") in highways and expressways around the country and the ongoing expansion of the railway network. The Austrian government has recently announced that EUR 11 billion will be invested in railway and road infrastructure until 2012 pursuant to the government's infrastructure program.

The growth of the Austrian construction industry in 2006 was primarily driven by general economic growth and demographic changes, particularly high immigration rates. The industry also benefited from the ongoing upgrading of the country's transportation infrastructure. A further contributing factor was strong demand by national and international investors in office space, particularly in and around Vienna. In addition, the government undertook major expansion works of its buildings, particularly in the university sector.

CEE

Czech Republic

In 2006, the Czech Republic had the second largest construction industry of all countries in CEE. According to URS PRAHA, the Czech Republic experienced GDP growth of 5.60% in 2006. The non-residential building construction sector shrunk by 0.30% to a volume of EUR 5.90 billion. By contrast, the civil engineering sector grew by 10.00%, totalling EUR 6.50 billion.

Set forth below is a table showing various recent regional development programs with an infrastructure component implemented in the Czech Republic and the total budget and amount of contributions to these projects provided by the EU for the period from 2004 to 2006:

Program	**Total budget (EUR million)**	**Approximate amount of EU contribution (EUR million)**
"Infrastructure" Operational Program	335	246
"Joint Regional" Operational Program, 2004-2006	599	454
INTERREG IIIA Program Czech Republic – Poland	46	35

Source: European Commission (http://ec.europa.eu/regional_policy/funds/prord/prordn/prdn_en.htm). Each of the programs listed in the table has multiple development purposes and, accordingly, there can be no assurance that the entire budget has been allocated to construction projects.

Hungary

According to BUILDECON, Hungary's GDP grew by 4.00% in 2006. The non-residential building construction sector grew by approximately 5.00%, reaching a construction volume of EUR 3.50 billion. The civil engineering sector grew by 2.00% to reach a construction volume of EUR 3.70 billion.

Set forth below is a table showing various recent regional development programs with an infrastructure component implemented in Hungary and the total budget and amount of contributions to these projects provided by the EU for the period from 2004 to 2006:

Program	**Total budget (EUR million)**	**Approximate amount of EU contribution (EUR million)**
"Regional Development" Operational Programme	476	359
"Economic Competitiveness" Operational Programme	606	429
"Environmental Protection and Infrastructure" Operational Programme	440	327
INTERREG IIIA Programme Hungary – Romania and Hungary – Serbia & Montenegro	47	39
INTERREG III Neighbourhood Programme Hungary – Slovakia – Ukraine	24	32

Source: European Commission (http://ec.europa.eu/regional_policy/funds/prord/prordn/prdn_en.htm). Each of the programs listed in the table has multiple development purposes and, accordingly, there can be no assurance that the entire budget has been allocated to construction projects.

Poland

According to PAB-PCR&F, Poland's GDP grew by 5.20% in 2006. The non-residential building construction sector grew by approximately 7.20%, reaching a construction volume of EUR 10.30 billion. The civil engineering sector grew by 18.70% to reach a construction volume of EUR 7.20 billion.

Set forth below is a table showing various recent regional development programs with an infrastructure component implemented in Poland and the total budget and amount of contributions to these projects provided by the EU for the period from 2004 to 2006:

Program	Total budget (EUR million)	Approximate amount of EU contribution (EUR million)
"Integrated Regional" Operational Programme	8,630	2,970
"Transport" Operational Programme	1,551	1,163
INTERREG III Neighbourhood Programme Poland – Belarus – Ukraine	58	46
INTERREG III Neighbourhood Programme Lithuania – Poland – Kaliningrad	58	46
INTERREG IIIA Programme Czech Republic – Poland	46	35
INTERREG IIIA Programme Poland – Slovakia	27	20

Source: European Commission (http://ec.europa.eu/regional_policy/funds/prord/prordn/prdn_en.htm). Each of the programs listed in the table has multiple development purposes and, accordingly, there can be no assurance that the entire budget has been allocated to construction projects.

Slovakia

According to BUILDECON, Slovakia's GDP grew by 6.60% in 2006. The non-residential building construction sector grew by approximately 4.40%, reaching a construction volume of EUR 1.40 billion. The civil engineering sector grew by 14.90% to reach a construction volume of EUR 1 billion.

Set forth below is a table showing various recent regional development programs with an infrastructure component implemented in Slovakia and the total budget and amount of contributions to these projects provided by the EU for the period from 2004 to 2006:

Program	Total budget (EUR million)	Approximate amount of EU contribution (EUR million)
"Basic Infrastructure" Operational Programme	573	422
INTERREG III Neighbourhood Programme Hungary – Slovakia – Ukraine	32	24
INTERREG IIIA Programme Poland – Slovakia	27	20

Source: European Commission (http://ec.europa.eu/regional_policy/funds/prord/prordn/prdn_en.htm). Each of the programs listed in the table has multiple development purposes and, accordingly, there can be no assurance that the entire budget has been allocated to construction projects.

Russian Federation

The Russian Federation is the largest construction market in CEE. In 2006, the Russian Federation continued the strong economic growth it has enjoyed since the economic crisis of 1998. According to Euroconstruct, real GDP grew by 6.7% in 2006. The construction industry likewise saw strong real growth with a 10.0% increase in construction volume.

The Russian construction industry is fueled by demand for both building construction and infrastructure projects. There is substantial demand for both new construction and renovation of existing structures. However, compared to most European nations, the construction industry in the Russian Federation is still underdeveloped.

Construction in the Russian Federation is primarily focused on urban centers. According to Jones Lang LaSalle, almost 1.2 million square meters of office stock were constructed in Moscow in 2006, an increase of 19.8% compared with 2005. Sochi, selected to host the 2014 Olympic Winter Games is set to receive Rb 200 billion (EUR 5.71 billion on the basis of the exchange rate of 35.021 rouble per euro of September 7, 2007) in federal funding for infrastructure construction and development until then with a further Rb 127.7 billion (EUR 3.65 billion on the basis of the exchange rate of 35.021 rouble per euro of September 7, 2007) to come from non-budgetary sources. A large portion of these funds is expected to be invested in transportation infrastructure.

BUSINESS

Overview

STRABAG is one of the leading providers of construction services in Europe based on Deloitte's market study European Powers of Construction 2006, public filings and the Company's own internal estimates. The Group's main geographic areas of activity are Germany, Austria and CEE. STRABAG's comprehensive service range includes all segments of the construction industry. The Group offers its services under the four main brands STRABAG, Züblin, Dywidag and Heilit+Woerner.

The Group's key strengths are its leading market positions, its strong growth prospects driven by CEE development, its promising business opportunities in traditional markets, its own resource base, its successful acquisition track record, its Central Business Units and its strong management team.

The STRABAG Group operates in three segments:

- *Building Construction & Civil Engineering*: Building construction comprises the construction of commercial and industrial buildings, office and administrative buildings, residential construction, and hotel and leisure complexes. Both large and medium-sized projects, mainly for private clients, form the core of the business activities. In the field of civil engineering STRABAG is involved in the construction of complex traffic structures and power plants, major bridge projects, dams, railways, environmental technology, and specialized groundwork.

- *Road Construction*: Road construction includes asphalt and concrete road construction, as well as all other construction work in the context of road construction, such as earthwork, waste water and pipe construction as well as small and medium-sized civil engineering-related concrete structures. The production of building materials, such as asphalt, concrete and gravel, for supply to the Group and for external sale also forms a part of this segment.

- *Tunnelling & Services*: Tunnels are constructed for both traffic purposes and other uses. The services business field comprises project development worldwide. It includes all integrated services such as development, financing, operation, marketing and utilization. In addition to infrastructure projects (traffic, energy), project developments of offices for commercial purposes, hotels, schools and medical centers also form part of the business spectrum of this segment.

Other than Europe, the Group's main geographical area of operation is the Middle East. In addition, the Group engages in project business all over the world. It currently operates worldwide in more than 500 locations. As of June 30, 2007, the Group had more than 56,800 employees (full time equivalents) worldwide. The STRABAG Group generated a total output volume of EUR 10.385 billion in 2006 and of EUR 4.463 billion in the first half year of 2007 (EUR 4.065 billion in the first half year of 2006).

On August 17, 2007, Rasperia Trading Limited acquired a 30% interest in the Company. Rasperia is a company indirectly owned by Mr. Oleg Deripaska, a Russian entrepreneur owning interests in a variety of industries within and outside the Russian Federation, including the construction industry. The Company's Existing Shareholders have entered into a shareholders agreement with Rasperia. See "*Principal Shareholders—Shareholders' Agreement*" for more information. STRABAG intends to explore opportunities for collaborating with Rasperia or other companies controlled by Mr. Deripaska with a view to further expanding its activities in the Russian Federation.

Key Competitive Strengths

STRABAG believes that its strong positions in key markets, its own resource base, its track record of executing acquisitions and its strong management team make it a leader in the European construction industry. The Group's most significant competitive strengths comprise the following:

Leading Market Positions

STRABAG is one of Europe's leading construction companies. Based on a market study published by Deloitte, public filings and the Company's own internal estimates, management believes that in 2006 the Group was the number one construction company in Germany, Austria and in CEE combined in terms of output volume. More than 80% of STRABAG's output volume was generated in Germany, Austria, Hungary, the Czech Republic, Poland and Slovakia. Based on the aforementioned Deloitte market study, STRABAG held the number one position in Germany, Austria and Hungary, the number two position in Slovakia and the number three position in the Czech Republic in terms of output volume in 2006. Management estimates that following the recent acquisition of NCC Roads Polska Sp.z.o.o. the Group holds the number three position in Poland in terms of output volume. The Group expects that its activities in Croatia, Serbia, Romania and Bulgaria provide a solid platform for further growth. STRABAG also enjoys a good international reputation with projects in the Middle East, Asia, Africa and America.

Strong Growth Prospects Driven by CEE Development and Access to Fast Growing Russian Construction Sector

In the three years ended December 31, 2006, STRABAG achieved substantial output volume growth in each of Hungary, the Czech Republic, Poland and Slovakia. CEE accounted for approximately 29% of STRABAG's total output volume in 2006. More than 80% of STRABAG's output volume was generated in Germany, Austria, Hungary, the Czech Republic, Poland and Slovakia. According to Euroconstruct, the construction industry in CEE is expected to continue to grow, driven primarily by favorable macroeconomic conditions, upgrades to infrastructure funded by the European Union and the increasing use of PPP financing models. A total investment of EUR 177 billion is expected to be financed by EU Cohesion funds in Eastern Europe until 2013. Based on STRABAG's established presence in the region and its successful track record of add-on acquisitions, management believes that STRABAG is well-positioned to continue its increase in market share and to actively participate in further market consolidation. This is true, in particular, of the Russian Federation, where the Company has recently intensified its focus. In addition, management believes that Rasperia's status as a shareholder of the Company positions STRABAG well to collaborate with Rasperia or other companies controlled by Mr. Deripaska with a view to further expanding its activities in the Russian Federation. Since April 2007, STRABAG and Basic Element have participated together in several tenders, including the construction of the 954 m Orlovsky tunnel in St. Petersburg, the Western Highspeed Diameter, the highway between Moscow and St. Petersburg, the highway between Moscow and Krasnodar and a PPP road construction project in Montenegro.

Promising Business Opportunities in Traditional Markets

STRABAG believes that there remain substantial opportunities in its traditional markets, particularly in Germany and in Austria. Recent market data suggest that the construction sector in these markets is gaining momentum after, in the case of Germany, being in decline for more than ten years. Further stimuli are expected from the investment backlog in German and Austrian road and railway construction as well as from the recognized need for investment in the energy sector. The increasing popularity of PPP models for projects such as toll roads, hospitals, prisons and schools, as well as proceeds from toll roads being earmarked for road construction is expected to have a positive impact on the construction industry. In addition, STRABAG has expanded its portfolio into areas such as recycling asphalt, rail track construction, environmental engineering and hydraulic engineering.

Own Extensive Resource Base

STRABAG has proprietary access to around 110 quarries and gravel pits. In addition the Company has an extensive network of asphalt and concrete mixing plants throughout Bavaria, Austria and CEE.

STRABAG believes that these resources provide it with a significant competitive advantage, particularly because permits for new facilities, especially quarries, are rarely granted in regions where such facilities exist already.

STRABAG and BaselCement, a company controlled by Basic Element, have announced that they have agreed in principle to establish an equally owned joint venture combining their worldwide cement assets. For more information, see *"Operating and Financial Review—Recent Developments and Outlook"*.

Superior Execution with Proven Track Record

STRABAG has Central Business Units that ensure the maintenance of high quality standards for operating support functions for the whole group: this includes the Central Accounting Department, the Central Technical Department (*Zentrale Technik*) and full-service plant and equipment management. An efficient customized management information system ensures that the same standards apply in all regions served by STRABAG. Sophisticated processes and clear evaluation criteria for new projects that are embedded in the control systems serve as filters against loss-making projects.

STRABAG has successfully executed over 15 significant acquisitions in the past three years, including the acquisitions of Züblin, Dywidag, Heilit+Woerner, NCC Polska and Mischek. Based on its centralized network of service companies, STRABAG has been able to integrate the newly acquired companies into its organization and group-wide risk management systems within a few months. Management believes that this track record, combined with its scaleable organization, its information and risk management systems and its standardized integration processes position it well to acquire further construction companies and to assume an active role in the expected consolidation of the construction industry, particularly in CEE, Germany and Austria.

Strong Management Team

STRABAG benefits from an experienced senior management team with long-standing work experience in the construction industry. In addition, STRABAG has strong local management teams in the countries in which it is active. These local teams play an important role in STRABAG's decentralized organization, as they allow the Group to adapt to a variety of different local cultures. STRABAG's dual leadership model, comprising a technical and a commercial director with joint responsibility for all construction projects, has been rolled out at all levels throughout the organization to ensure effective control. STRABAG has implemented career development programs and regularly holds employee-management talks.

Business Strategy

STRABAG's principal strategic goal is to achieve sustained long-term growth of its output volume, revenue and profitability by expanding throughout CEE and leveraging its already strong market positions in Germany and Austria, thereby becoming Europe's leading construction company. Accordingly, STRABAG's strategy is to:

Expand Its Market Position in Growth Markets and in New Business Fields

In CEE, in which STRABAG expects significant growth in the coming years, STRABAG seeks to grow through regional expansion and selected acquisitions including the acquisitions, of local resources in order to secure proprietary access to raw materials and supplies. To support this expansion, STRABAG intends to leverage technology and know-how obtained in its traditional markets and to combine local management with experienced personnel from its traditional markets. With the exception of the Russian Federation, STRABAG's focus in this region is on infrastructure projects funded by the European Union. The Group is also active in the Middle East, Africa and Asia with its activities in these regions focused mainly on industrial buildings, plant construction and infrastructure. STRABAG pursues a strategy of building an early presence by following its European customers to these regions. The Group also intends to extend its operations into new business fields, such as environmental technologies, rail track construction and other growing segments, including facility and hospital management and prefabricated houses. STRABAG significantly expanded its competency in these areas through the recent acquisitions of LINDE KCA-Umweltanlagen and the Eichholz Group and is continuously seeking to identify and evaluate additional targets for acquisition.

Intensify Focus on the Russian Federation and Expand Russian Business Activities

A particular focus of the Company's activities in CEE is the Russian Federation, especially the metropolitan areas of Moscow, St. Petersburg and Ekaterinburg, and in the medium term, Sochi, the host city of the Winter Olympic Games in 2014, for which the Russian government has approved an infrastructure program worth EUR 9.4 billion. The Company plans to further expand its activities in the Russian market taking advantage of the fact that it is one of the first Western construction companies to have expanded into this region, its existing market position and its reputation with customers. The Company recently signed letters of intent for various Russian construction projects on the occasion of Mr. Putin's visit to Vienna in May 2007. To support its planned business expansion in the Russian Federation, the Company has begun the process of reallocating some of its existing staff as well as of hiring additional staff. In addition, the Company intends to explore opportunities for collaborating with Rasperia or other companies controlled by Mr. Deripaska, while maintaining a clear separation of activities, and to benefit from his network of contacts and experience with local authorities. For example, STRABAG and Basic Element have participated together in several tenders, including the construction of the 954 m Orlovsky tunnel in St. Petersburg, the West-Speed Diameter, the Saint-Petersburg Highway and a PPP road construction project in Montenegro. The Company is currently evaluating potential areas for collaboration.

Capitalize on Leadership in Germany and Austria

STRABAG intends to take various measures to expand its leading position in its traditional markets Germany and Austria (based on a market study published by Deloitte, public filings and the Company's own internal estimates), while maintaining its selective bidding policy for new projects which emphasize profitability over volume.

In Germany, STRABAG intends to be a driving force in the expected consolidation process by leveraging its market position to participate in the recovery of the construction industry and making value-accretive acquisitions in selected niche markets. In addition, STRABAG intends to further expand its access to raw materials and broaden its product and service portfolio with a view to becoming a full-service provider for industrial companies in highly sophisticated construction projects.

In Austria, STRABAG believes that it has a cost leadership position and is focused on defending that position and expanding in Western Austria as well as into areas of specialty, such as environmental technology, the recycling of road construction material, sewage and waste water technologies, rail tracks and the construction of sport sites.

Strengthen Proprietary Access to Raw Materials

STRABAG intends to expand its network of quarries, gravel pits and asphalt and concrete mixing plants to improve its independence from third party suppliers and from volatility in the price of raw materials and to capture a greater portion of the construction value chain. The Group pursues a strategy of accompanying the regional roll-out of its construction activities with the establishment of its own network of supply sources for raw materials in order to secure convenient access to resources in newly entered markets. In Hungary, STRABAG is currently in the process of constructing its first cement plant, which management believes constitutes a significant step towards self-sufficiency with regard to cement. Any excess raw materials are to be disposed of in the market in order to optimize STRABAG's cost structure.

Grow Public Private Partnerships and Concession Projects

STRABAG expects the number and volume of construction projects funded by financing models that combine public sector funds and private financing in the European construction industry to increase. STRABAG intends to exploit this opportunity both in its traditional markets, Germany and Austria and in the fast-growing markets of CEE, while adhering to stringent project selection criteria and risk management. In its bids for new construction work, STRABAG focuses on infrastructure and large-scale building projects. STRABAG believes that its balance sheet positions it well to participate in large-scale PPP projects and to take significant equity stakes in these projects.

Invest in Value-accretive Acquisitions

STRABAG intends to continue to target selected acquisitions in order to accelerate growth and regional penetration, to complement its existing portfolio and to realize further synergies through economies of scale. STRABAG evaluates potential acquisition candidates based upon the following criteria:

- Close fit with STRABAG's regional focus;
- Proprietary access to raw materials;
- Tangible synergies from transferring know-how, technical competencies and economies of scale;
- Stringent due diligence, management checks and detailed integration plan;
- Financial discipline (price, capital).

Strict Cost, Capital and Risk Discipline

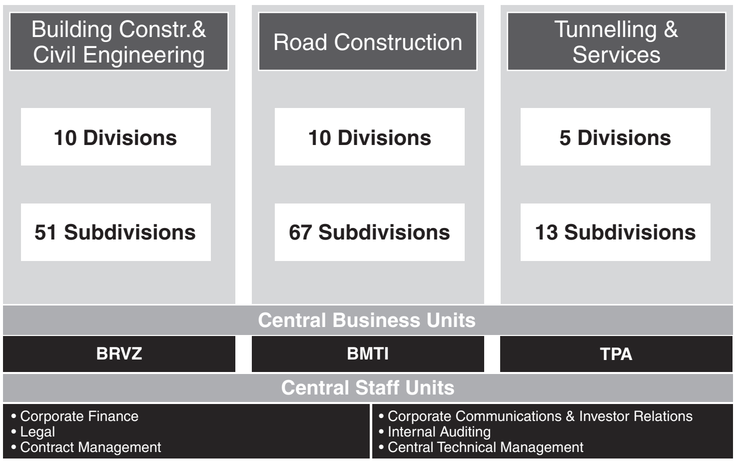
STRABAG intends to pursue a policy of sustained cost-efficiency, disciplined deployment of capital, tight risk management and strict legal, regulatory and environmental compliance in order to achieve profitable growth.

Organization

Overview

STRABAG SE is the parent company of the Group. Its Management Board is responsible for the Group's management including Group strategy and operative objectives. In performing its overall management functions the Management Board is supported by the Central Staff Units (*Stabstellen*). All operating business is undertaken by the Subdivisions (*Direktionen*) which are grouped into Divisions (*Unternehmensbereiche*) and Segments (*Sparten*). The Division Managers (*Unternehmensbereichsleiter*) coordinate and control the Subdivisions of each Division and report directly to the responsible Management Board member. The Central Business Units (*Zentralbereiche*) provide intra-group services in the fields of accounting, treasury, controlling, risk management, human resources, technical development, equipment management, quality management and insurance.

The chart below provides a simplified overview of STRABAG's internal organization.



Central Staff Units

The Central Staff Units are responsible for corporate finance, legal, contract management, corporate communications and investor relations, internal auditing and central technical management. They report directly to the Chairman of the Management Board.

Segments, Divisions and Subdivisions

The Group has a matrix organization structured by business fields and regional markets. The organizational structure is reviewed and adjusted annually depending on the market environment.

The main organizational unit of the Group's business structure is the Segment, which is an organizational and reporting unit. As a rule, each Segment is headed by a team of two Management Board members with one member being responsible for technical and the other member for commercial matters. At present, there are three Segments: Building Construction & Civil Engineering, Road Construction, and Tunnelling & Services. Together they cover all stages of the construction process.

Each Segment is organized in Divisions with separate regional or functional responsibilities. The Division Managers are responsible for the achievement of strategic and operative objectives as well as for the implementation of specific measures determined by the Management Board. They work independently and report to the responsible Management Board member of STRABAG SE.

All operating business is undertaken by the Subdivisions operating one level below the Divisions. They are managed by the Subdivision Managers (*Direktionsleiter*) and coordinated and controlled by the Division Managers, except for those Subdivisions that report directly to the responsible Management Board member of the Company.

In building construction and road construction, regional organizational units work in the respective local markets and are active as self-contained and independent profit centers. Civil engineering and tunnelling projects as well as project developments are managed and executed worldwide by central organizational units.

On all levels a dual management structure has been implemented consisting of both a technical and a commercial director who are equal in rank and jointly responsible. This constitutes an important aspect of internal controls and risk management.

Legally independent "country" companies have been established under STRABAG SE's control that have general responsibility for the Group's business in their region. In addition, specialized "country" companies exist in some countries that are responsible for particular business fields or operations under a specific brand name.

Central Business Units

Central Business Units provide the following intra-group services to the operating units:

- BRVZ (*Bau-, Rechen- und Verwaltungszentrum*): Financial reporting, accounting and tax, treasury, group control including risk management, personnel, insurance, real estate and information technology.

- BMTI (*Baumaschinentechnik International*): Plant and equipment management comprising investment management, intra-group rental and repair management, plant engineering and formwork management.

- TPA (*Technische Prüfanstalt – Gesellschaft für Qualitätssicherung und Innovation*): Technical development policy including the testing of building materials, quality management, quality assurance, technical consulting, research and development as well as management systems (see also "*Business—Construction—Special Equipment and Skills*").

The Central Business Units' strong support allows the Group's operating units to concentrate on their core activities. The Central Business Units are organized centrally for all countries, thus providing an efficient infrastructure that can be deployed almost anywhere at any time, a feature which constitutes the backbone of STRABAG's successful growth strategy. Key advantages of the centralized organization include:

- Centralized investment policy and centralized sourcing generating purchasing power and synergies in procuring;
- Improved capacity utilization and group-wide repair management;
- Intra-group transfer of know-how;
- Standardized cost rates;
- Group-wide training and education of employees;
- Group-wide integrated data networks.

The Central Business Units are organized in regional service companies (*Servicebetriebe*), which work independently from the operating units within their area of responsibility. The Central Business Managers (*Zentralbereichsleiter*) are responsible for the coordination of the regional service companies across the Group. They report directly to the Management Board.

Cooperation between the service companies and the operating units is governed by service agreements.

The STRABAG Group's Segments and Markets

Overview

The Group's primary reporting segments are Building Construction & Civil Engineering, Road Construction and Tunnelling & Services. Building Construction & Civil Engineering and Road Construction are the most significant of these three Segments; in 2006, they contributed 47.17% and 44.74% of the total output volume respectively, while Tunnelling & Services contributed 6.68%.

In 2006, the Group achieved around 70% of its total output volume in Germany, Austria, Hungary, and the Czech Republic. These markets are described separately below. Other important target markets for the STRABAG Group are other countries in CEE – in particular Poland, Slovakia, Slovenia, Croatia, Serbia, Bulgaria, and Romania – and, in addition, Switzerland, Benelux and the Middle East. The Group engages in single projects all over the world. In 2006 94% of the Group's total output volume was generated in Europe.

The Group has a country-wide road construction and building construction presence in Germany, Austria, Hungary, the Czech Republic, Poland, Slovakia, Romania, Croatia and Benelux. In addition, a country-wide organization for road construction has evolved in Oman during many years of continuous business activity. In building construction, the Group also has high market penetration in the metropolitan area of Moscow. In civil engineering and tunnelling, as well as in the international project business, there are no countrywide organizations as contracts are acquired on a case-by-case basis.

Building Construction & Civil Engineering

General

The Building Construction & Civil Engineering Segment contributed EUR 2.458 billion (representing a share of 55.07%) to STRABAG's total output volume in the first half year of 2007 (EUR 2.089

billion in the first half year of 2006), EUR 4.899 billion (representing a share of 47.17%) in 2006, EUR 4.357 billion (representing a share of 46.77%) in 2005, and EUR 2.281 billion (representing a share of 38.24%) in 2004. The relative importance of this Segment has increased significantly as a result of dynamic growth and a targeted acquisition policy.

The Group is well positioned in Austria, Germany and CEE. STRABAG has an innovative and highly diversified product portfolio and a leading technical position in complex civil engineering projects. The Group has turnkey competence for large sized mandates with a special focus on infrastructure, industrial and environmental projects. The acquisitions of the German Züblin and Dywidag groups in 2005 complemented the Group's organic growth and expanded its civil engineering competence.

STRABAG's overall strategic goal for the coming years is to become the leading player for Building Construction & Civil Engineering in CEE. The Group intends to:

- Enhance the Group's activities in turnkey building construction by civil engineering in Austria, Switzerland, Hungary, the Czech Republic, Slovakia and Poland;

- Place a strong focus on large infrastructure projects by using the Group's technical competence as a "door opener" and participating in EU-funded and guaranteed projects in CEE;

- Leverage the Group's market position in its home markets Austria and Germany, while adhering to a selective bidding policy for new projects;

- Seek leading positions in the rest of CEE markets and build up a strong presence in the South Eastern European region, including Romania, Bulgaria, the former Yugoslavia and the Ukraine;

- Develop the key market Russian Federation to include large cities in addition to Moscow and St. Petersburg, such as Ekaterinburg and Sochi where a surge in construction in preparation for the Olympic Winter Games in 2014 is expected by management, as well as to further expand the market position in the Russian Federation;

- Expand its presence in the Middle East and Ireland;

- Follow international key accounts to new markets (e.g. China) and exploit the trend to global production relocation (Russian Federation, Ukraine or Kazakhstan); and

- Accelerate growth in waste management and biogas engineering.

Overview of Products and Services

The following is a summary of the comprehensive product range of the STRABAG Group's Building Construction & Civil Engineering Segment:

Building Construction

- *Commercial and Industrial Construction*: Shopping centers and business parks, office and commercial buildings, hotels and banks, multi-storey car parks, underground garages, cinema complexes, swimming pools and thermal baths, stadiums, airports and railway stations, warehouses and production facilities, industrial facilities, industrial chimneys, petrol stations and industrial flooring.

- *Public Buildings*: Administrative buildings, cultural venues, museums, hospitals, rehabilitation centers, retirement and nursing homes, fire brigade and ambulance facilities, educational institutions such as universities, schools and nursery schools.

- *Housing*: Residential buildings and estates.

- *Production of Prefabricated Building Components*.
- *Refurbishment*.
- *Facade and Steelwork Construction*.

Civil Engineering

- *Bridges*: Road and railway bridges, cantilevering, incremental launching, combined concrete and steel bridges, supporting framework reinforcements, underground routing as well as tunnels constructed using a cut-and-cover method.
- *Power Plants*: Hydroelectric power plants, river power plants, thermal power plants, concrete dams and earthfill dams.
- *Environmental Engineering*: Landfills, landfill operation, waste treatment plants, regeneration of polluted soils and industrial sites, hazardous materials in building construction, water supply installations, as well as waste water collection and treatment.
- *Special Foundation Engineering*: Soil investigations and well exploration, hydro-jetting and anchoring, walls in trench and piles, pipe jacking, bore and injection techniques, deep compaction, diaphragm walls, and pile driving.
- *Special Railway Construction*: Solid track bed system.
- *General Civil Engineering*: Underground traffic routes.

In any of these areas the Group may operate as the master builder, the general contractor in collaboration with subcontractors, or as a subcontractor.

Regional Discussion

- *Germany*: Prior to 2005, the STRABAG Group was already present in the German building construction market with a countrywide presence. In 2005, the Group significantly increased its market share in Germany through the acquisitions of Ed. Züblin AG and DYWIDAG Bau GmbH and management estimates that it now occupies a top position in the market (see "*Business—Material Contracts—Corporate Acquisitions and Divestitures*"). These acquisitions increased STRABAG's regional coverage in building construction and complemented and expanded its know-how and competence in civil engineering providing a basis for further expansion of the Group's civil engineering activities in CEE. The Group's building construction and civil engineering activities in Germany have been concentrated at Ed. Züblin AG in order to create synergies. In January 2007, STRABAG acquired Linde KCA-Umweltanlagen GmbH, a German company with an established market position in the field of environmental technology. In addition to a number of small and medium-sized projects, the Group's current larger projects include a power station in Neurath, a proton therapy center in Essen, the Alcatel office and hotel building in Stuttgart, the new trade fair complex "Neue Messe" in Hamburg and the BMW IT-Center in Munich.
- *Austria*: Since the integration of ILBAU into STRABAG Austria in 2000 (see "*General Information about the Company—Corporate History*"), STRABAG has a top position in terms of output volume in Austria based on a market study published by Deloitte, public filings and the Company's own internal estimates. The Group is particularly strong in Vienna and the surrounding province of Lower Austria where the majority of the Group's Austrian output volume in this Segment are generated. In 2005, STRABAG significantly expanded its activities in residential construction through the acquisition of Mischek Systembau GmbH, a construction company primarily active as a general contractor and project developer in Vienna. Mischek uses its own prefabricated building components, a process known as the

"Mischek System Building Method", which is more cost-effective than other comparable methods. In January 2007, STRABAG acquired Ottokar Klug Ges.m.b.H., a Vienna-based company active in the field of waste management. In 2007, the Group expanded its presence in the province of Tyrol via the acquisition of the construction company Josef Kurz & Co. Current projects include various residential and office buildings in Vienna, hospital buildings in Klagenfurt and Spittal, Carinthia, and a shopping center in Vöcklabruck, Upper Austria.

- *CEE*:

  Hungary: STRABAG is active in the building construction field countrywide. Based on a market study published by Deloitte, public filings and the Company's own internal estimates, management believes that the Group occupies a top market position in terms of output volume. STRABAG is also expanding its activities in civil engineering, e.g. in the construction of subway stations. Current projects include a station of the Metro 4 subway in Budapest, a distribution center, outlets of a German supermarket chain and the Árkád Shopping Center in Györ.

  Czech Republic: In building construction STRABAG has been primarily active in the Prague metropolitan area to date. STRABAG specializes in large-scale projects for Czech as well as foreign private investors. In 2006, STRABAG enhanced its business activities by the takeover of a local company and now has a leading position in terms of output volume (based on a market study published by Deloitte, public filings and the Company's own internal estimates). The Group is currently making efforts to increase its construction work in the public sector. At present, STRABAG's largest project in the Czech Republic is Prague's Palladium Shopping Centre, which comprises a shopping gallery, an office building and an underground car park; the client is a European real estate fund. Other projects include the OCP Geminy Office Building in Prague and two outlets of an Austrian furnishing store.

  Rest of CEE: The Group has leading positions in terms of output volume in Poland and Slovakia (based on a market study published by Deloitte, public filings and the Company's own internal estimates) where it is concentrating on industrial and commercial objects, office buildings and shopping centers. In 2004, the STRABAG Group acquired ZIPP BRATISLAVA spol. s.r.o., which significantly improved the Group's market position in building construction in Slovakia. In Slovakia the Group also operates a major production plant of prefabricated elements. In Poland, Croatia, Romania, and Bulgaria STRABAG is active as a general contractor. Recent projects include Sofia Airport. Management believes that STRABAG is the leading international construction company in Moscow. The Group has recently entered the St. Petersburg market. Current projects in Moscow include the "Starovolinskaya" residential building, the Akademie Housing, the Severnaya Bashnya Office Tower, the Hotel Moskva on Red Square and the Krokus Tower Business-Center.

- *Rest of Europe*: STRABAG is focusing on Benelux and Switzerland. The Group's projects in Benelux include a subway station in Amsterdam and the Ooit Tongeren theme park and Les Jardins de Waterloo apartment buildings in Belgium. STRABAG's service profile in Switzerland ranges from building work to general contractorship; a major Swiss project is the "West Side Bern" multifunctional building complex.

- *Rest of World*: The acquisitions of the Züblin group and DYWIDAG International have contributed to the Group's international reputation as a respected construction partner. STRABAG has a local presence and long-standing market experience in the Middle East (including Oman and Saudi Arabia) and Chile and is active in direct export world wide with projects in Africa, Asia and South America. Current projects include the Montgomeyen Airport in Equatorial Guinea, a sewage treatment plant in Quargla, Algeria, and the Saadiyat Bridge in Abu Dhabi.

Road Construction

General

The Road Construction Segment contributed EUR 1.676 billion (representing a share of 37.54%) to STRABAG's total output volume in the first half year of 2007 (EUR 1.607 billion in the first half year of 2006), EUR 4.646 billion (representing a share of 44.74%) in 2006, EUR 4.172 billion (representing a share of 44.78%) in 2005, and EUR 3.064 billion (representing a share of 51.38%) in 2004.

Based on a market study published by Deloitte, public filings and the Company's own internal estimates, management believes that the Group holds a leading position in Germany, Austria and in the CEE growth markets Hungary, the Czech Republic, Slovakia and Poland in terms of output volume. In the past three years the Group's Road Construction Segment has primarily grown organically and has supplemented organic growth through acquisitions in Germany, including the acquisition of Heilit+Woerner and its respective subsidiaries in the Czech Republic and Poland, as well as of Preusse and Stratebau.

In Road Construction the Group pursues the overall strategic goal of becoming the leading European player in transportation infrastructure. STRABAG intends to:

- Focus on large-scale infrastructure programs relating to roads and railways;
- Further expand the Group's market position in CEE with a focus on increasing market share in Poland, Romania, Serbia and other Balkan Countries and the Ukraine and expand activities in the Russian Federation with a focus on large metropolitan areas, infrastructure projects and preparations for the Olympic Winter Games in Sochi in 2014;
- Strengthen the Group's position via the permanent screening of market opportunities for the take-over of local players;
- Become a full range provider in the railway-segment and enhance the value chain by boosting speciality products and services; and
- Increase independence from raw material suppliers by the acquisition of further raw material facilities.

Overview of Products and Services

The following is a summary of the comprehensive product range of the STRABAG Group's Road Construction Segment:

- *Roads, Earthworks*: Motorways, roads and paths, drilling and jointing technologies, paving and milling works, road rehabilitation and recycling, construction of smaller road and railway bridges in the context of road and railway construction, foot bridges, recycling of building materials, asphaltic concrete for hydraulic structures, automobile test tracks, landfills and surface sealing as well as operating excavation landfills.
- *Production of Building Materials*: STRABAG has established a dense network of concrete and asphalt mixing plants, gravel pits and quarries, predominantly in Bavaria (Germany), Austria, Hungary, the Czech Republic, Slovakia and Poland. The Group is also active in the production of bitumen emulsion and insulating materials as well as in the bitumen trade. The main goal in this field is to supply the Group; to the extent that products are not required for Group supply, they can also be sold to third party customers.
- *Large-Area Design*: Construction of large area facilities under special conditions, such as terminals for heavy transport or runways for airports, reloading and parking facilities.
- *Railway Construction*: Track superstructure, tracks, solid track bed systems, high-speed routes and track maintenance.
- *Pipe- and Waste Water Construction*: Sewer engineering and pipeline rehabilitation as well as pipeline construction.
- *Security and Protective Edifices*: Protective embankments, terrain securing, galleries and guide bars.

- *Sports and Recreational Facilities*: Constructing and renovating outdoor sports facilities, facilities for trend sports, various surfacings for open air sports facilities, indoor coverings, constructing golf and tennis courses, renovating deteriorating sports facilities as well as turnkey construction of multifunction arenas, sports halls and swimming pools.
- *Urban Planning, Landscape Architecture and Development, Paving*.

Regional Discussion

- *Germany*: According to management estimates STRABAG has held a leading position in terms of output volume in road construction in Germany for many years. The integration of the activities of Heilit+Woerner Bau GmbH in 2005 has enhanced the Group's leading market position for large scale projects that involve concrete road construction and has expanded STRABAG's regional coverage. The acquisitions in 2006 of Preusse and of the remaining 50% share in Stratebau, which management estimates is the market leader in asphalt road construction in Bavaria, have further strengthened STRABAG's market position and national market presence. As part of these acquisitions STRABAG also acquired a 49% share in the asphalt producer Bayerische Asphalt-Mischwerke GmbH & Co. Kommanditgesellschaft für Straßenbaustoffe which operates a network of asphalt mixing plants throughout Bavaria. Prior to these acquisitions, STRABAG held a 49% share in the asphalt producer Deutag GmbH & Co KG. STRABAG sold its equity interest in Deutag GmbH & Co KG to gain greater flexibility under cartel law in building up its own network of asphalt mixing plants (see also "*Business—Material Contracts—Corporate Acquisitions and Divestitures*"). In 2006, the Group also entered the railroad construction business through its acquisition of the Eichholz Group an important market player in Germany. In March 2007, STRABAG completed its range of services in railway construction by the acquisition of the Essen-based Fahrleitungsbau GmbH, a company specializing in the construction of overhead lines for local public transport systems. STRABAG is active in a number of major projects in Germany, including motorway projects, such as sections of the A38 and A94, the construction of new taxiways at Leipzig Airport, at Ramstein military base and at the Airbus plant in Hamburg as well as the construction of a kerosene pipeline from Aalen to Leipheim.
- *Austria*: Based on a market study published by Deloitte, public filings and the Company's own internal estimates, management believes that STRABAG occupies a leading position in terms of output volume in the field of road construction. The Group has regional offices all over the country and access to a dense network of asphalt mixing facilities. In addition to regional-based work in the small contract business for provinces and communities, STRABAG executes important projects for the primary road network. The Group's current projects include the complete renewal of sections of the A1 and A2 motorways, the new A6 motorway, a connection between the A4 motorway and the Slovak border at Kittsee, as well as major railway construction projects throughout the country.
- *CEE*:

  Hungary: Based on a market study published by Deloitte, public filings and the Company's own internal estimates, management believes that STRABAG holds a leading position in terms of output volume in the Hungarian road construction sector. The Group has a significant role in the expansion and upgrade of the country's primary road network. Examples include the M5 motorway, which is to be operated under a concession model, as well as the M35, the M7 and the M0 motorways. STRABAG is primarily active in the field of asphalt road construction but also in the construction of concrete roadways. In addition to large roadway projects, STRABAG is also engaged in regional road construction and the construction of secondary road networks.

  Czech Republic: Management estimates that STRABAG is one of the leading providers of road construction services in the country. The Group is currently engaged in the construction of large sections of the country's motorways, highways and roads, including the D47, a motorway connection in the east of the country near the Polish border as well as a ring road in Prague. The Group mainly works on projects relating to the country's primary road network. The major projects are complemented by smaller and medium-sized road construction projects on a regional level. STRABAG has a well-developed network of asphalt mixing plants in the Czech Republic, which supports its leading market position in this business field.

Rest of CEE: In Poland the Group is not only active in smaller and medium-sized road construction projects, with regional offices all over the country but is also one of the market leaders in motorway construction (according to management estimates). Current examples include the A2 and A4 motorways as well as the Gorzow bypass and the renewal of Glogowska Street in Poznan. At the end of 2006, STRABAG acquired the Polish road construction company NCC Poland from its Swedish parent NCC. In acquiring NCC Poland, which also has a number of quarries and asphalt mixing facilities at its disposal, STRABAG significantly expanded its current Polish activities; management estimates that STRABAG holds a leading market position in terms of output volume in road construction in Poland following the acquisition. Based on a market study published by Deloitte, public filings and the Company's own internal estimates, management believes that the Group also holds a leading market position in Slovakia as well as excellent market positions in Romania, Serbia and Croatia. In Croatia STRABAG has recently acquired a 75% share in Cestar d.o.o., currently the biggest road constructor in Eastern Croatia (according to management estimates) with its headquarters in Slavonski Brod.

- *Rest of Europe*: STRABAG is focusing on Switzerland, where it is mainly involved in conventional road construction projects.
- *Rest of World*: STRABAG frequently undertakes technically demanding infrastructure projects on a project-basis in locations all over the world, including the Middle East and Africa. In Oman, the Group is well established on the local market, having done business there for many years; a current major project in Oman is the Guard Dam in Salalah. Recently, the Group also acquired two major road construction projects in Qatar. Selected projects are being carried out in Africa as part of the European development aid program in direct export.

Tunnelling & Services

General

The Tunnelling & Services Segment contributed EUR 270 million (representing a share of 6.05%) to STRABAG's total output volume in the first half year of 2007 (EUR 299 million in the first half year of 2006), EUR 693 million (representing a share of 6.68%) in 2006, EUR 625 million (representing a share of 6.70%) in 2005, and EUR 500 million (representing a share of 8.38%) in 2004.

STRABAG's service range in Tunnelling includes conventional as well as mechanical driving methods. Currently, the Group is working on approximately 50 tunnelling projects. The Group aims to take advantage of its technological expertise and to participate in a greater number of turnkey projects such as underground railways and hydroelectric power plants with a larger portion of tunnels and caverns.

All of the Group's project developments, including all PPP projects, are managed by the Services subsegment. Construction projects are assigned according to the field of specialization. To the extent possible and commercially feasible, the Group endeavors to perform the construction work through its own operating units. The number of PPP projects executed by the Group increased from 5 in 2004 to 12 in 2006 to 13 in the six months ended June 30, 2007. In 2007, STRABAG was awarded prizes for "PPP Project of the Year" and "Health PPP deal of the Year" by the international financial magazine "Euromoney".

In the Services subsegment the Group aims to:

- Expand activities in Project Development – Building Construction in Germany and – via Raiffeisen evolution – in Austria and CEE with a strong focus on the health and public sectors (e.g. medical centres, schools, universities and prisons);

- Increase activities in Project Development – Infrastructure in CEE and expand into the Commonwealth of Independent States (CIS) and into other markets, such as Ireland and East Africa, focusing on large traffic projects;

- Participate in more PPP projects in building construction and infrastructure through organic growth and thus secure the Group's market position in CEE;

- Make selected investments in promising business opportunities (e.g. structural engineering for hospitals, prefabricated houses); and

- Acquire facility management and building technology companies.

Overview of Products and Services

The following is a summary of the comprehensive product range of the STRABAG Group's Tunnelling & Services Segment:

Tunnelling

- *Cyclical and Continuous Tunnel Driving*: Using conventional and mechanical driving methods.

- *Road and Railway Tunnels*.

- *Galleries and Caverns*.

Services

- *Project Development – Building Construction*: Development and production of multi-functional projects (entertainment facilities, hotels, etc.), commercial buildings (offices and shops), hospitals, commercial real estate (industrial parks, operational premises), shopping centers and residential buildings.

- *Project Development – Infrastructure*: Traffic, energy and environmental technology. Currently concession projects are predominantly pursued in traffic route construction.

- *Facility Management*: Operation, maintenance and marketing of real property.

Project developments in building construction in Austria and CEE countries have been bundled into the Raiffeisen evolution project development GmbH, a joint venture company with the Raiffeisen and UNIQA groups (see "*Certain Relationships and Related Party Transactions—Raiffeisen Evolution*").

Regional Discussion

- *Germany*: Current tunnelling projects include the "Nord-Süd-Linie" subway in Cologne as well as the Katzenberg and the Bleßberg Süd railway tunnels. Furthermore, STRABAG is participating in the consortium for the construction of the U4 HafenCity railway tunnel in Hamburg. STRABAG's activities in the field of Project Development – Building Construction, subsequent to the acquisition of Züblin in 2005, were integrated into ZÜBLIN Development GmbH in 2006 in order to create synergy. In 2006, STRABAG sold a major portion of its completed project developments to a third party investor for the purchase price of EUR 220 million in order to obtain additional funds for new investments. Furthermore, in 2007 STRABAG sold a real estate portfolio including the completed project development "Colonius Carré" and ongoing projects in Düsseldorf, Freiburg, Salzgitter, Karlsruhe and Hamburg. The most significant ongoing project development is the construction of a proton therapy center in Essen. German authorities have put out for tender the first "A-Models", PPP concession models for financing the expansion of the country's motorways; STRABAG is bidding as a consortium member.

- *Austria*: At present the largest tunnelling project involves the Perschling railway tunnels, a chain of railway tunnels in the province of Lower Austria. Other important tunnelling projects are the Wienerwald railway tunnel to the west of Vienna and the ARGE H8 Tunnel Jenbach project. In the field of Project Development – Infrastructure, the Group is currently active in the Nordkettenbahn project in Innsbruck, Tyrol, which is a PPP project in regional transport and tourism. As part of the project, STRABAG is building and will operate a funicular railway and modernize the cable cars ascending the Nordkette outside the city of Innsbruck. In Vienna, STRABAG is currently building a multifunctional rest area along the S1 bypass road around the city.

- *CEE*: STRABAG's main tunnelling project in CEE is the metro M4 subway in Budapest. Management believes that in the field of Project Development – Infrastructure the Group has a leading role in CEE. Current projects include the M5 motorway in Hungary, the Zagreb-Macelj motorway in Croatia and the A2 motorway in Poland, all of which are operated under a concession model.

- *Rest of Europe*: According to management estimates STRABAG is one of the leading tunnel builders in Europe, with many years of international experience, and is currently working on a number of large-volume projects in several countries, including the Quadrilatero Tunnel in Italy, the Gotthard Base Tunnel in Switzerland and the Randstadrail subway tunnel in Rotterdam. In the field of Project Development – Infrastructure the Group is engaged in two projects in Ireland, the Fermoy Bypass toll project and the Shannon River car tunnel in Limerick.

- *Rest of World*: The Niagara Falls project in Canada is STRABAG's largest single tunnelling project worldwide; excavation of the 10.4 km tunnel is taking place using the world's largest open hard rock tunnel boring machine. In the field of Project Development – Infrastructure, the Group is operating the Birecik power station in Turkey.

Raw Materials

The most important raw materials used by the STRABAG Group are cement, bitumen, stones, steel, and fuel.

Cement and bitumen, the raw materials for concrete and asphalt, are mainly bought from third party suppliers. The Group strives to keep the impact of price fluctuations to a minimum by entering into long-term supply contracts. Strict environmental regulations restrict the establishment of new cement production plants. STRABAG nevertheless obtained a building permit and has started constructing its first cement plant in the Southern Hungarian town Királyegyháza, which is expected to constitute a significant step towards self-sufficiency in the supply of the Group's road construction operations in Austria, Serbia, Slovenia and Hungary. Through its centralized bitumen sourcing the Group generates high trade volumes and has developed excellent relationships with various bitumen producers, which helps the Group to secure sufficient supply in times of shortage and provides significant cost advantages.

Ready-mix concrete and asphalt mixtures can only be transported over distances of up to 50 km before they solidify and get too hard to work with. Stones are usually only transported over longer distances if transportation by railway or ship is available at reasonable cost. The existence of local supply sources for these products is, therefore, essential for competitive pricing. Over the years and at significant expense, the Group has established a dense network of concrete and asphalt mixing plants, gravel pits, and quarries in Bavaria, Austria, Hungary, the Czech Republic, Slovakia and in Poland. The Group has proprietary access to raw material reserves of over 2 billion tons of stones and gravel in around 110 quarries and gravel pits (including facilities from joint ventures and associates). STRABAG operates over 200 asphalt mixing plants, more than 100 concrete mixing plants (including facilities from joint ventures and associates), which produced a total of 3.2 million cubic meters of concrete and 15.7 million tons of asphalt in 2006. In addition, STRABAG performs significant recycling activities, including the recruiting of road materials and industrial slag at 16 sites in six countries. The Group is currently in a position to cover a substantial portion of its asphalt and stone supply internally. STRABAG believes that its high degree of vertical integration helps to secure the supply of raw materials, acts as a hedge against raw material price fluctuations, improves STRABAG's ability to capture a greater portion of the construction value chain and generates cross-selling potential between its segments. Strict environmental regulations over the establishment of new quarry sites create effective barriers to market entry by new competitors. Excess raw materials are sold to third parties for profit. In countries where the Group cannot cover its own supply with its own production it is, to an extent like all other construction firms, dependent on local suppliers.

Fuel and construction steel are purchased exclusively from third party suppliers. In the past, significant increases in the price of these raw materials occurred; this was the case for construction steel in 2004 and for fuel in 2005 and 2006. In order to minimize the impact of such price increases on its business, the Group typically seeks to agree with its customers that price fluctuations are to be borne by the customer. In addition, the Group maintains reasonable reserves of construction steel at its disposal and seeks to purchase its requirements on an opportunistic basis.

The Group is not dependent on any single supplier or group of affiliated suppliers.

Materials obtained from third party suppliers are bought by central purchase units, except for fuel, which is bought locally. The Group believes that, due to central sourcing, it is in a strong negotiating position in relation to its suppliers.

Brands

As a result of the acquisition of Ed. Züblin AG and of significant portions of the insolvent Walter-Bau group in 2005, the Group acquired three widely recognized brand names: Züblin, Dywidag and Heilit+Woerner. The Group's position in the construction market is now determined by the mutually complementary presence of these three brands, together with the STRABAG brand.

- *STRABAG*: STRABAG is the Group's main brand. Essentially all of the Group's products are offered under this brand, except for building construction and civil engineering activities in Germany, which were transferred to Ed. Züblin AG upon its acquisition. In Switzerland the Group operates under the brand "Egolf".
- *Züblin and Dywidag*: Only building construction and civil engineering activities are marketed under these brands. The main regional focus is Germany and non-European countries. Züblin is also active in Austria and CEE (including Poland, the Czech Republic, Hungary and the Russian Federation).
- *Heilit+Woerner*: The Heilit+Woerner brand is used for road construction with core strengths in large concrete paving projects. Its main markets are Germany, Poland, and the Czech Republic.

In addition to these four main brands, the Group uses various other brand names for particular products or in particular regions.

The Group's branding strategy is to offer its products and services under the brand it considers most attractive to customers in the relevant market. Brands are not linked to a particular legal entity or business unit and can be used by all operating units throughout the Group. In pursuing a dedicated multi-brand strategy the Group is able to tailor sales and marketing activities, address different market segments and the entire value chain while leveraging the historic complementary geographic strengths of its brands.

Customer Acquisition

Customers

While STRABAG derives most of its customers for Building Construction from the private sector, for all other construction activities the majority of contracts originate from public authorities or state-owned companies such as ASFINAG (the Austrian Highway Financing Agency). The most important private customers in road construction are airport operators, railway companies, port authorities, as well as private industry. Private customers in tunnelling include railway companies such as Deutsche Bahn and energy providers.

Financing in the public sector is provided by public authorities, the EU, the European Investment Bank ("EIB"), the World Bank, the EBRD, the German Reconstruction Loan Corporation (*Kreditanstalt für Wiederaufbau – KfW*), and the African Development Bank. In the past few years, a significant number of projects has been carried out in the form of PPPs.

In the field of Project Development – Building Construction, projects are carried out at the Group's own initiative. Customers are investors and lessees. Investors are institutions that regularly invest in property as a capital investment, such as open-ended and closed-end "investment companies", insurance companies, pension funds and, in rare cases, private trusts.

Projects in Project Development – Infrastructure are executed mainly as PPPs. Concessions are awarded by governments or public institutions in the relevant countries. Financing is arranged through STRABAG and usually consists of a smaller portion of equity capital and a larger portion of debt capital from sources such as commercial banks, bond financing, and multilateral institutions (EIB, ERBD, etc.). Sometimes part of the financing also comes from government subsidies.

Building materials are primarily sold intra-group. Third party customers for building materials are mainly private construction companies.

Project Selection

STRABAG's main criteria in selecting new projects are the expected margin, the customer, the technological requirements, the terms of the contract and whether work will be performed on a sole contractor basis, in cooperation with subcontractors, or as part of a consortium. The Group's decision-making process when it comes to selecting or bidding for new projects aims to ensure profitability.

Bidding Process

In the public sector, contracts are for the most part awarded through tenders. In some instances, participation in the bidding process is only permitted following a prequalification procedure, where the bidder's eligibility to carry out the project is examined on the basis of certain parameters such as financial capability, experience, personnel and equipment. Public customers are bound by domestic and – within the EU – European public procurement law. Bidders tendering for a contract in the public sector are subject to longer and more complex tendering procedures than in the private sector and face the risk that competitors will challenge the invitation to tender or the award. Client relationships are of minor relevance due to statutory procurement law requiring predefined and objective award criteria.

In the private sector, contracts are normally awarded by means of restricted invitations to tender and subsequent contract negotiations. Brand recognition and existing client relationships are important. Particularly in Building Construction, there are ongoing business relationships with individual key customers which have developed over years. Follow-on projects can be acquired when, for example, shopping centers are built in several locations based on the same planning concept. STRABAG's customers in this area include renowned retailers, automotive companies and petrochemical companies as well as utility providers.

The Group offers a special service known as the "STRABAG teamconcept" under which it accepts overall responsibility for a project, including planning, realization and building maintenance. The customer deals exclusively with STRABAG; STRABAG undertakes the coordination of architects, engineers, subcontractors and suppliers. The STRABAG teamconcept improves efficiency and quality, promotes timely completion and helps to avoid cost overruns.

Its good market position and relatively large size enables STRABAG to bid for the most complex infrastructure projects.

Award Criteria

In the public sector procurement laws typically require that contracts be awarded to those who submit the best bid, meaning the most economical but not necessarily the cheapest offer. In practice, however, the principal criterion for the award of a contract often turns out to be the lowest price. Qualitative criteria such as references, capacity and financial strength are also applied, in particular during the prequalification phase in which the bidder's eligibility to carry out the project is examined.

In the private sector, non price-related criteria are of greater relevance. These include availability of experts and manpower, previous working relationships, building engineering and device-related competence, capacities, adherence to schedule, client contacts, references, international reputation, availability and flexibility. Sometimes the STRABAG Group is awarded a contract because it proposes a solution tailored to the specific needs of the client, e.g. an innovative technical concept that is more economical than the one requested in the invitation to tender.

Types of Contracts

Depending on the agreement entered into with the customer, services are billed either on a unit-price basis or on a lump-sum basis. Most of the Group's services are provided on a unit-price basis. Lump-sum agreements are mainly used in Building Construction and only occasionally in Civil Engineering, Road Construction and Tunnelling. Lump-sum agreements are often entered into in the context of functional building mandates. A functional building mandate is a contract that does not contain a detailed specification of the building to be constructed, in particular no details about quantity of material or similar metrics; it only identifies the objective of the completed building and the requirements the building must comply with from a technical, economic, design and functional point of view. Typically, lump-sum arrangements are only used for large-scale projects. In practice, contracts often combine unit-pricing and lump-sum billing; an important example of this are guaranteed maximum price contracts.

If unit-price billing is agreed, STRABAG bears the risk of cost overruns only in relation to the relevant units. Any extra costs arising from the fact that a project requires a greater quantity of labor or material than anticipated are borne by the customer. In case of lump-sum billing, STRABAG has to bear all cost overruns, unless the extra costs result from changes in building specifications or other customer requests.

Price increases affecting raw materials, such as construction steel, fuel and labor costs, can only be passed on to customers if this has been previously agreed. In order to minimize the risk of price fluctuations, the Group tries to negotiate that all such fluctuations in price are to be borne by the customer. In this context cost plus fee contracts are a particularly important pricing arrangement under which STRABAG invoices as per cost for construction work performed plus an additional turnover related service charge.

Construction

Cross-segment Cooperation and Subcontractors

Through the cross-segment cooperation of the Group's various operating units STRABAG is in a position to carry out all key construction works on its own. This allows the Group to minimize its use of subcontractors and maximize the added value within the Group.

Subcontractors are typically only appointed where particular construction works cannot be carried out by the Group or can be carried out more profitably by third parties. This applies primarily to interior finishing, e.g. plumbing, electrical installations, tiling and painting. The extent to which subcontractors are employed varies by region and prevailing market conditions. In Germany, for example, more work is outsourced than in Austria. For risks relating to the employment of subcontractors see "*Risk Factors—Risks Relating to the Industry—Calculation and pricing of construction projects, in* *particular lump sum prices and construction projects providing for a functional description of services expose the STRABAG Group to significant risks. Because the margins achieved on most construction projects are relatively low, one or a small number of loss-making construction projects could have a disproportionately large effect on the STRABAG Group's overall results*".

Consortia

The Group's companies also participate in consortia formed for the purpose of implementing construction projects. In Germany, Austria, and Switzerland these are usually organized in the form of special partnerships (so called "*Arbeitsgemeinschaften – ARGEs*"). Externally all partners are jointly and severally liable for the obligations of such ARGEs, although they may internally seek recourse against the defaulting partner. Similarly, in jurisdictions where consortia are organized in different legal forms, the partners regularly assume joint and several liability.

The implementation of projects within the framework of consortia may serve to spread project risks among multiple parties, expand the overall capacity and the range of services that can be offered and help to gain access to local markets. On the other hand, consortia require close coordination among the partners, which may create additional costs and entail the risk of disputes among the partners and liability for the acts of others.

STRABAG participates in consortia only where it believes that doing so is necessary or makes sense from an economic point of view. If possible, STRABAG aims to control the consortium.

As a result of the Group's size, it is increasingly in the position to also manage large and complex civil engineering and construction projects on a sole-contractor basis.

Special Equipment

STRABAG has its own machine park and relies only to a limited extent on leased machinery. This can be an advantage in times of high capacity utilization or when there is a shortage of equipment available for rent. In the Road Construction Segment, the Group has a range of self-constructed, special equipment at its disposal, which it acquired as part of the acquisition of Heilit+Woerner in 2005. This includes mobile concrete mixers as well as special pavers that enable the production of road surfacing with a width of up to 18 meters. In tunnelling, custom-made special machines for tunnel-boring and formwork construction are built in collaboration with equipment manufacturers. The Group believes that its superior technological expertise constitutes a considerable competitive strength.

Competitors

The STRABAG Group primarily competes with several internationally active construction companies such as the French VINCI and BOUYGUES, the German HOCHTIEF and Bilfinger Berger, the Swedish Skanska, and the Spanish Grupo Ferrovial, ACS and FCC. In particular VINCI (through its Eurovia branch), Skanska and BOUYGUES (through its Colas branch) are strong competitors also in CEE. Further competitors of STRABAG include Royal BAM and Heijmans. In addition, STRABAG faces competition from a number of medium-sized firms with strong regional presence or product specialists.

For a description of key competitive factors in the construction industry, see "*Industry Overview*".

Risk Management and Compliance

Large projects are subject to a three step decision model comprising project selection, review by a price committee before a bid is made and approval by the competent board members. To mitigate risks, STRABAG does not have separate tender teams; the team that is responsible for the execution of a project is also in charge of making the bid. A profit-driven compensation system ensures that management decisions are taken from an entrepreneurial perspective with a view to maximizing the Group's profit (see also "*Business—Employees—Profit Sharing and Bonus Programs*"). Standardized reporting systems including information on the profit contribution of each Division provide a basis for tight project controlling; projects generating a loss exceeding a certain threshold on a monthly or an annual basis become subject to ongoing monitoring by the board. In addition to these procedures to ensure profitability and mitigate risks, risk-management processes involve joint responsibility of a technical and a commercial director, skilled local quality managers, centralized contract management and active claim management.

The STRABAG Group historically, has not had a centralized compliance function. In addition, a number of compliance controls applied only to a limited number of countries and business units. In early 2007, the STRABAG Group comissioned an external expert to examine the STRABAG Group's internal compliance controls and formulate recommendations for improvement. Based on its own analysis of its internal compliance controls and the external experts' recommendations, the STRABAG Group has taken the following measures designed to improve the group's compliance:

- The STRABAG Group expanded the mandate of its internal audit department to cover not only the economic viability of the group's construction projects but also its compliance with applicable laws. To that end, the Management Board of the STRABAG Group resolved to increase the staffing of its internal audit department. The Company is currently in the process of hiring additional staff.
- The Management Board of the STRABAG Group adopted a substantially revised ethics code that sets forth a number of guidelines designed to raise awareness about compliance issues among its employees and to deter employees from engaging in corrupt practices. The code (1) contains a plain English explanation of a number of basic conduct principles applicable to all of its employees, (2) stresses the importance of observing applicable laws, including anti-bribery and corruption laws, and recording transactions in a transparent manner, (3) emphasizes that conflicts of interest need to be avoided, (4) stipulates the principle of periodic personnel rotation in areas considered susceptible to corruption, (5) establishes an anonymous complaints procedure and (6) states that violation of the code will lead to appropriate disciplinary sanctions. The STRABAG Group is in the process of translating the revised ethics code into eight languages and communicate it to all of its employees by posting it on its intranet website, mailing a hard copy to each of its employees and including the topic in its e-learning curriculum. Full implementation of the ethics code is currently in progress.
- The STRABAG Group organizes formal training sessions dealing with international anti-corruption laws for members of its management at all levels of the organization.

Research & Development

Central Technical Department

The STRABAG Group has a Central Technical Department (*Zentrale Technik*) responsible for the technical management within the Group. It is organized as a Central Staff Unit reporting directly to the Chairman of the Management Board (see "*Business—Organization—Central Staff Units*").

The Central Technical Department employs over 320 highly qualified engineers in total. Their expertise covers all aspects of building construction, civil engineering and tunnelling and provide on-site support to all of the Group's operational units in planning, design and construction.

The Central Technical Department actively participates in national and international research and development projects. Its engineers are engaged in the development of new and innovative tools, equipment and methods that can be utilized on-site on a permanent basis. This system promotes engineering excellence and the multidisciplinary exchange of know-how, as well as technical collaboration within the Group.

The Central Technical Department also serves as a training center for young engineers who are later transferred as technical experts to the Group's operating units.

TPA

TPA (*Technische Prüfanstalt – Gesellschaft für Qualitätssicherung und Innovation*) is the STRABAG Group's competence centre for quality management including research and development in connection with building materials production, particularly in the context of road construction. It is organized as a Central Business Unit with competencies across the Group (see "*Business—Organization—Central Business Units*").

While in the past TPA focused on the inspection of building materials, today questions about quality prognosis concerning the life span of structures are becoming increasingly important. The inspection and analysis of existing structures is augmented by simulation processes.

In addition to the applicable legal requirements in the countries in which STRABAG is active, various other constraints such as building subsoil, availability of building materials and climatic influences require targeted regional development processes.

Based on the contributions of TPA the production of asphalt mixtures has been expanded by introducing the recycling of asphalt, which is being promoted in all of STRABAG's countries of operation.

One of TPA's most important tasks is to share knowledge and experience across the Group's various countries of operation. In the past years several technological innovations were disseminated and successfully rolled out throughout Europe. Low-temperature asphalt was tested on two road sections in the Czech Republic in order to gain the necessary approval for its use in constructing the D8 motorway in the environmentally sensitive Ore Mountains. In addition to lowering emissions and saving energy, the use of low-temperature asphalt makes it possible to postpone construction works until the cold season in order to minimize the impact on the environment.

Employees

Breakdown of Employees

The table below provides a breakdown of the Group's employees by segment and main geographic region for 2004, 2005, 2006 and the first half year of 2007 (employee numbers are averages of full time equivalent employees for the periods concerned):

	Year						First half year	
	2004		2005		2006		2007	
Employees	blue-collar[1]	white-collar	blue-collar[1]	white-collar	blue-collar[1]	white-collar	blue-collar[1]	white-collar
Breakdown by Segment:								
Road Construction	13,413	5,713	15,269	6,668	17,625	7,422	18,341	7,840
Building Construction & Civil Engineering	5,832	4,186	9,923	7,360	14,099	8,426	15,802	8,600
Tunnelling & Services	836	400	970	489	896	642	879	874
Central Business Units	999	1,908	1,121	2,713	1,218	2,643	1,498	2,974
Total	21,080	12,207	27,283	17,230	33,838	19,133	36,520	20,288
Geographic Breakdown:								
Germany	6,052	3,936	7,703	6,963	8,228	7,079	8,363	7,328
Austria	6,270	2,519	6,821	2,917	6,988	3,123	6,587	3,162
Hungary	2,352	1,497	2,391	1,622	2,403	1,673	2,170	1,648
Czech Republic	2,066	1,156	2,396	1,347	2,504	1,437	2,317	1,502
Rest of CEE	2,993	2,577	4,018	3,237	4,955	4,061	6,165	4,661
Rest of Europe	1,163	371	2,130	689	2,242[2]	549[2]	2,316	667
Rest of World	184	151	1,824	455	6,518[2]	1,211[2]	8,602	1,320
Total	21,080	12,207	27,283	17,230	33,838[2]	19,133[2]	36,520	20,288

(1) STRABAG generally defines blue-collar workers as workers who primarily perform manual labor. Due to differing labor laws the exact definition varies slightly from country to country.

(2) Increase partly due to the inclusion of certain foreign employees who were not covered in previous years.

Labor Relations

Management believes that the Group's relations with its employees and labor unions are good. The Group has not been subject to any material work stoppages in Austria or elsewhere in the past three years nor has it experienced any other significant labor disputes during that period. Most of the companies of the STRABAG Group have works councils or union representatives (for information on employee representation within the SE see "*Management and Corporate Governance—Introduction to the Societas Europaea (SE)*").

Collective bargaining agreements concluded at an industry or a company level apply to approximately 90% of the Group's employees.

The STRABAG Group emphasizes its market appearance as a national company in its countries of operation by employing local management and staff, which promotes customer acceptance and market penetration. In the international projects business only permanent staff are dispatched to fill management positions, local staff are employed and trained on the job to fill blue-collar positions. The Group relies on the employment of its own staff; workers from third party personnel providers are only hired to cover temporary shortages.

Due to weather conditions, certain construction work cannot be performed during wintertime. This applies to the entire Road Construction Segment. In civil engineering and partly also in building construction, activities have to be scaled down, during that season. In Austria a significant number of blue-collar construction workers are laid off at the beginning of January every year as a consequence. Usually, the majority of these employees are re-employed in April when temperatures rise and construction activities resume. The seasonal lay-off and re-employment of construction workers is a generally accepted practice in the Austrian construction business. In Austria, the period of uninterrupted employment with one employer usually determines an employee's entitlement to severance pay and holidays, as well as the notice period necessary to terminate the employment. Under Austrian law, however, construction workers are subject to a special regime under which all periods of employment are added together, irrespective of interruptions or changes of employer. The period of uninterrupted employment with one employer is thus only relevant for the period of notice required to terminate the employment. Pursuant to an agreement with the STRABAG Group's works councils, separate periods of employment are added together to determine the notice period. On that basis, management believes that the seasonal lay-off and re-employment of construction workers does not pose any significant risks under labor law in Austria.

Particularly in Austria, strict legal provisions apply to the employment of foreigners. The Group pays special attention to observing these provisions. To date the Group has never been banned from participating in public tenders due to the illegal employment of foreigners. In order to ensure that the Group's subcontractors also employ foreigners legally, the Group regularly inspects its construction sites and verifies the legal status of the employees. Nevertheless, there can be no assurance that subcontractors will not sometimes violate the law. Under Austrian law, the Group is generally not responsible for the conduct of its subcontractors in such circumstances. However, if the Group hires employees from a third party personnel provider, it becomes subsidiarily liable for any outstanding social security contributions.

The Group is subject to comprehensive regulation under Austrian and EU law, as well as regulation in all local jurisdictions where it operates, regarding the health and safety and employment terms, including minimum wages, of its workers. The Group believes that it is substantially in compliance with all applicable health and safety and employment laws and regulations, as they are currently interpreted. In addition, to the best of its knowledge, there are no current or potential material claims against the Group relating to health and safety and employment laws and regulations.

Pensions and Severance Payments

Prior to their acquisition by the STRABAG Group, the Group's German subsidiaries, Ed. Züblin AG and STRABAG AG, Cologne and their respective subsidiaries maintained defined benefit pension plans for their employees. Ed. Züblin AG and STRABAG AG have not admitted any new participants to their pension plans since 1992 and 1999, respectively. DYWIDAG Bau GmbH and DYWIDAG International GmbH terminated their pension plans by December 31, 2001. The German subsidiaries, however, remain liable for present and future pension obligations undertaken prior to these dates. As of December 31, 2006, a total number of approximately 5,600 retired employees were paid a company pension and approximately a further 4,000 employees, were entitled to a company pension upon retirement of which approximately 2,000 employees are currently employed by the Group and another approximately 2,000 employees have left the Group. In Austria, all but 30 pension entitlements have been settled with a one-time payment, leaving the Group with no pension obligations in the country aside from these. Detailed information concerning pension obligations is provided in the notes to the Consolidated Financial Statements, which are included in this prospectus.

Legal regulations in various countries grant employees the right to a lump-sum severance payment upon retirement or termination of employment. These future obligations are recorded in provisions for severance payments.

Profit Sharing and Bonus Programs

The Group's Division Managers and Subdivision Managers qualify for a share in the annual results of their respective Division or Subdivision. Technical directors and commercial directors receive a share of up to 3% and up to 1.88% of their unit's profits respectively. They are entitled to an additional profit share if their unit's profits exceed a threshold determined annually by the Management Board. Fixed maximum amounts apply to both types of profit share. Currently, approximately 950 Division Managers and Subdivision Managers qualify for this profit sharing scheme.

In addition, a premium system is in place for certain white-collar employees who do not qualify for the profit sharing scheme. The amount of the premium is calculated on the basis of the annual salary, the divisional results, and a premium factor determined by the competent Division Manager. In total, approximately 60% of all white-collar employees qualify for this premium.

Focus on the Recruitment and Training of Skilled Employees

STRABAG pays special attention to the recruitment and training of skilled employees and to employee succession planning through various programs and initiatives:

The Group maintains its own "STRABAG Academy" which provides comprehensive, target-group-oriented training for group employees, including training in the fields of technology, law, business, computing and methodological and social competence.

In order to discover and support suitable young talent and bind it to the group more strongly, STRABAG has introduced a trainee program for young skilled employees and executive staff in all countries where it has operations. The program is intended to promote the international exchange of trainees and takes into account the increasing internationalization of the Group.

To facilitate the search for young commercial and technical talents, STRABAG is cooperating with selected universities and other R&D institutions; current programs include the "Master Class Eastern Europe" which was set up in cooperation with the Vienna University of Economics and Business Administration.

STRABAG strives to ensure communication through continuous mutual feedback and structured employee-management talks. In 2005, STRABAG invested a substantial amount in a management potential analysis of all managers and executives of the Group, which identified a number of potential talents for future senior management positions.

In line with the Group's strategy to transfer capacity from mature markets to growth markets STRABAG maintains expatriate programs that provide incentives for employees willing to relocate.

Fixed Assets

Real Property

The Group's corporate headquarters are located in Vienna, Austria. The table below sets out the Group's material operating real property by site/country, use, size, and ownership situation as of June 30, 2007:

Site	Use	Size in m²	Owned/Leased
Vienna (Austria)	Offices	13,440[1]	Operating lease[2]
Spittal (Austria)	Offices	8,400[1]	Owned
Linz (Austria)	Offices	5,670[1]	Owned
Graz (Austria)	Offices	3,360[1]	Operating lease[2]
Cologne (Germany) Off	Offices	11,900[1]	Owned
Berlin (Germany)[3]	Offices	18,500[1]	Owned
Stuttgart (Germany)	Offices	26,800[1]	Finance lease
Bratislava (Slovakia)	Offices	3,800[1]	Owned
Budapest Szegedi u. (Hungary)	Offices	8,020[1]	Operating lease
Budapest Daroci u. (Hungary)	Offices	4,950[1]	Operating lease
Warzaw (Poland)	Offices	6,480[1]	Operating lease
Trumau (Austria)	Stockyard	115,530[4]	Owned
Miroslaw (Czech Republic)	Formwork Plant	57,000[4]	Owned

(1) Floor space.
(2) Leased from IDAG Immobilienbeteiligung u. -Development GmbH, see "*Certain Relationships and Related Party Transactions—Related Party Transactions—IDAG*".
(3) Subject to encumbrances securing outstanding bank loan obligations in the amount of EUR 8.3 million.
(4) Ground space.

The Group is currently building new country headquarters in Bratislava and Warsaw. In addition to the real property listed in the table above, the Group also owns or leases various other operating properties of lesser economic significance in Austria and abroad, such as offices, stockyards, and plants. Other than those listed above, there are currently no major mortgages or liens on the material operating real property owned by the Group. The management believes that the Group's facilities are adequate for its business, both currently and for the foreseeable future.

The STRABAG Group also owns a number of properties that are not required for operational purposes. This is due to vacancies following office relocations, completion or discontinuation of project developments and real property kept in reserve. Most of this real property is situated in Germany, Austria, and Hungary. The table below sets out the Group's material non-operating real property by site/country, use, size and ownership situation as of June 30, 2007:

Site	Use	Size in m²	Owned/Leased
Unused office space			
Polgarstraße, Vienna (Austria)	Office Building	4,160	Owned
Herbststraße, Vienna (Austria)	Office Building	6,440	Finance lease
Completed project developments			
Sterneckstraße, Salzburg (Austria)	Business Center	9,590	Owned
Business Boulevard, Salzburg (Austria)	Business Center	7,550	Owned
Zentrum Rennweg, Vienna (Austria)	Business Center	16,850	Owned
Fanny-von-Lenhert Straße, Salzburg (Austria)	Business Center	12,050	Owned
Asia Center, Budapest (Hungary)	Business Center	49,000	Owned
Supernova (Slovenia)	Shopping Center	13,585	Finance lease
Others			
Multipoint, Asten (Austria)	Land	91,476	Owned
Wolfenbergstraße, St. Pölten (Austria)	Production hall	28,189	Owned
Mitterstraße, Graz (Austria)	Land	39,679	Owned
Retail Warehouse Oberwart (Austria)	Business Center	12,006	Owned

Properties no longer needed for operational purposes are reported in the financial statements either as investment property according to IAS 40 or as inventories according to IAS 2. Investment properties are reported using the cost model method and are thus valued at cost less accumulated depreciation and impairment. As of June 2007, the carrying value of investment properties amounted to EUR 154 million, which represented 2.67% of the Group's total assets. As of June 30, 2007 the fair value of the investment property essentially corresponded to the carrying value. Furthermore, other properties not required for operational purposes in the amount of EUR 44 million are reported as inventories in the balance sheet as of June 30, 2007.

The STRABAG Group is planning to sell all property not required for operational purposes. Properties that cannot be sold at a satisfactory price are to be leased out. Over the last three years the Group sold investment property for an aggregate amount of more than EUR 100 million.

The gross operating profit (EBITDA) from non-operating real property reported as investment property according to IAS 40 amounted to EUR –325,000 in 2006; the gross operating profit from non-operating real property reported as inventories was slightly positive in 2006.

All real estate owned by the STRABAG Group is recorded on the balance sheet at its historical acquisition cost and is depreciated on a linear basis over a period of 20-50 years. The value is adjusted downwards in accordance with IAS 36 if their fair value is lower than their book value on the relevant balance sheet date (see "*Operating and Financial Review—Critical Accounting Policies*").

Other Fixed Assets

Aside from real property, the Group's material fixed assets consist of technical facilities and construction machinery. The Group also possesses other facilities as well as plant and office equipment. These other fixed assets are predominantly owned by the Group and are not subject to encumbrances.

Intellectual Property

The Group is not dependent on any intellectual property owned by third parties.

The Group's most important registered trademarks or logos are the following: "STRABAG", "Dywidag", "Züblin", "Züblin Umwelttechnik", "Züblin International", "Züblin Spezialtiefbau", "Heilit+Woerner", "Preusse", "Stratebau", "Deutsche Asphalt", "BRVZ", "Asphalt+Beton", "Bitunova", "KAB", "Uniprojekt" and "Mischek".

The Group's principal Internet website domain is www.strabag.com.

Insurance

The Group maintains insurance in such amounts and with such coverage and deductibles as management believes is reasonable and prudent. The Group is insured against claims resulting from general liability, including product liability, environmental liability as well as property damage, which it considers to be its principal risks. The Group also maintains Directors & Officers (D&O) insurance (see "*Management and Corporate Governance—Management Board—Management Compensation*", "*Management and Corporate Governance—Supervisory Board—Supervisory Board Compensation*"; also see "*Risk Factors—Risks Relating to the STRABAG Group's Business Activities—The STRABAG Group's insurance coverage may be inadequate*").

Environmental Matters

The Group is subject to the environmental laws and regulations of the EU as well as of those of the countries and local jurisdictions in which it operates. STRABAG employs adequate and effective systems to safeguard compliance with applicable environmental laws and regulations. The Group regards its responsibility to operate its business in an environmentally friendly way as one of its core values. STRABAG is committed to using energy and natural resources economically and reducing noxious emissions and waste. Preventive measures for environmental protection are part of the Group's tendering, contracting and work planning. The Group has environmental compliance managers (*Umweltbeauftragte*) who are responsible for environmental matters and the coordination of environmental compliance across the Group.

STRABAG operates various quarries, gravel pits, asphalt and concrete mixing plants, plants for polymer bitumen and bitumen emulsion production as well as plants for the production of prefabricated elements (see also "*Business—The STRABAG Group's Segments and Markets—Road Construction—Overview of Products and Services*"). The Group also has garages and workshops for the maintenance of its construction machinery and vehicles. In these facilities, which are located across Germany, Austria, CEE, Switzerland and Benelux, the Group regularly stores oil, fuel, bitumen, and other industrial chemicals. These substances are stored in accordance with applicable environmental laws, which includes the use of double-walled tanks, leak proof floors and oil separators in order to minimize the risk of environmental pollution by dissemination of hazardous substances.

The Group operates a number of landfills throughout Germany, Austria and Hungary. These landfills are solely used for the deposit of soil and construction waste generated by the Group's construction business. Two landfills, both located in Austria, are used for the deposit of higher contaminated construction waste, such as waste from the demolition of industrial facilities and chimneys, track ballast and contaminated soil. While one of them has always been operated by STRABAG, the other one was originally operated by a third party before it was taken over by STRABAG; based on existing records Management believes that the second landfill has always been operated in accordance with applicable laws; however, no assurance can be given that this has always been the case.

The Austrian Ministry of Agriculture and Forestry, Environment and Water Management produced a draft amendment to the Austrian Landfill Regulation (*Deponieverordnung*). The draft amendment aims to implement Council Decision 2003/33/EC on the Acceptance of Waste at Landfills and Council Directive 1999/31/EC on the Landfill of Waste into Austrian law, but in some respects provides for more stringent standards than required under EU law. Based on the current draft, it is possible that significant extra costs could arise under the new legislation. STRABAG expects that it will be able to pass on any such extra costs to its customers.

The Group has obtained ISO 14001 certifications for a number of Group companies and Subdivisions in Austria, Germany, Hungary, the Czech Republic, Slovakia and Romania.

Regulatory Matters

General

The Group is subject to comprehensive regulatory provisions under Austrian and EU law, as well as in all local jurisdictions where it operates, including zoning laws, procurement laws, health and safety laws, anti-money laundering laws, anti-corruption laws and competition laws. The Group believes that it is substantially in compliance with all of these laws and regulations, as they are currently interpreted. Except as disclosed, to the best of its knowledge, there are no current or potential material claims against the Group (see also "*Business—Legal Disputes and Other Proceedings*").

Procurement Law

Germany

German public procurement law is currently spread throughout various statutes at the federal and state level. EU law also has a strong influence. Whereas some legal sources deal with the procedural matters and remedies (*GWB, VgV*), others – contracting rules – set the normative framework for substantive matters (*Verdingungsordnungen*). The VOB/A is the primary legally binding framework for most building contracts with public buyers.

Public buyers have to define the relevant award criteria for an application or bid in the EU contract notice. These criteria can be divided into some that refer to the price or quality of a bid and those that refer to the pre-qualification of a company to fulfil a contract competently and reliably.

Most tenders have to be carried out using the open procedure, but complex building projects may also allow other procedures in accordance with the VOB/A. However, in each of these procedures the capacity of the applicants has to be evaluated not only based on certain required documents, but also on other sources, if the public buyer considers this necessary. Section 8 VOB/A states that participants may be eliminated from the tender process if they fail to provide sufficient evidence proving their capacity (e.g. technical and economic capacity).

If a company fails to provide the required evidence, in addition to the risk of elimination from the particular tender other bidders may challenge the company's bid, if it is successful, by launching an appeal. Also, if the buyer has significant doubts as to the reliability of a bidder, it may impose a temporary ban. Temporary bans are qualified as private declarations of intent by courts and it is very difficult to have them reviewed by a court.

There have been and still are plans to better regulate these temporary bans. So far, however, with the exception of some regulations dealing with illegal employment, these bans do not have to be based on a formal legislative act. On the other hand there are some directives from federal and regional institutions about the procedures applicable to temporary bans, which provide guidelines of when and how a company's involvement in such practices may harm its reliability.

Austria

Substantive matters of Austrian procurement law are governed by the Federal Procurement Act (*Bundesvergabegesetz*). Remedies available to bidders are regulated by the Federal Procurement Act as well as statutes of the Austrian provinces. Because Austrian procurement law is based on EU law, the principles of Austrian procurement law are similar to those in Germany.

The Austrian practice with respect to the imposition of a general ban on a bidder from participating in public tenders, independent of a pending award procedure due to a lack of reliability, differs from German practice. Such general bans have been deemed illegal by Austrian courts in the past because they are not provided for by Austrian procurement law. However, the possibility remains that the contracting authorities still maintain internal guidelines or "blacklists" of providers who are deemed to be unreliable.

Legal Disputes and Other Proceedings

General

In the course of its ordinary business operations, the Group is regularly involved in legal disputes as plaintiff or defendant. In the construction business, legal disputes concerning claims for compensation or damages are frequent and often end in settlement. Management believes that sufficient provisions have been made against the risk of pending or threatened litigation.

In addition, the Group, or consortia in which the Group currently participates or has participated, assert and have asserted claims in a series of cases in and out of court, especially for payment of remuneration. Management believes that by means of valuation reductions and global or individual valuation allowances it has established adequate provisions in its financial statements for claims that might not be enforceable in full. As a rule, the Group does not enter claims for unapproved additional work into its books before an agreement with the customer has been reached or a final judgment has been obtained.

Except as disclosed below, during the past twelve months there have been no pending governmental, legal, or arbitration proceedings to which any Group company has been a party (and no threatened governmental, legal or arbitration proceedings of which the Group is aware) that may have, or in the recent past have had, significant adverse effects on the Group's financial position or profitability.

Shareholder Litigation in Germany

Minority shareholders of the Company's German subsidiaries STRABAG AG, Cologne, and Ed. Züblin AG, Stuttgart, have sued these companies and STRABAG SE in connection with the 2006 and 2007 shareholders' meetings of the two German companies and the transfer of the majority of STRABAG AG's building construction and civil engineering related assets and participations to Ed. Züblin AG and the subsequent transfer in 2006 of certain services from Ed. Züblin AG and STRABAG AG to German STRABAG Group service companies. The Company expects some of the pending lawsuits to continue for several years. Given the absence of relevant precedents of the German Federal Court of Justice (*Bundesgerichtshof*) the Company is unable to predict the likelihood of its prevailing in these cases on the major legal questions raised.

STRABAG AG

In connection with the transfers described above and STRABAG AG's 2006 and 2007 shareholders' meetings, STRABAG AG has been engaged as defendant in several civil proceedings before the Cologne Courts.

In February 2006, a minority shareholder filed with the District Court of Cologne a request for a preliminary injunction prohibiting the transfer of the majority of STRABAG AG's building construction and civil engineering related assets and participations to Ed. Züblin AG. The minority shareholder argued, among other things, that the transfers would cause STRABAG AG to fail to comply with its business objectives as set forth in its articles of association. The motion for a preliminary injunction was moot at that time since the transfer had already been completed. Therefore, the court rejected this request. These proceedings are no longer pending.

In July 2006, the annual shareholders' meeting of STRABAG AG resolved to amend the company's business objectives set forth in its articles of association with the aim to avoid future disputes on some of the issues raised by the plaintiff in the preliminary injunction proceedings. The shareholders' resolution with respect to the amendment of the articles of association as well as other resolutions adopted by the shareholders' meeting, including resolutions relating to the discharge of the management board and the supervisory board and the appointment of the auditors for the 2006 financial year, have since then been challenged by five minority shareholders. The plaintiffs have also requested a court order that the shareholders' meeting be deemed to have approved certain resolutions, including a vote of no confidence in the management board, an instruction to the management board to prepare a merger agreement between STRABAG AG and Ed. Züblin AG and the appointment of a special auditor, as was requested previously by a group of minority shareholders. German stock corporation law provides that the company's shareholders' meeting may, by simple majority, appoint an expert as special auditor (*Sonderprüfer*) to investigate matters relating to the company's management board and supervisory board. At the 2006 annual shareholders' meeting, minority shareholders of STRABAG AG had requested that a special auditor be appointed to investigate the transfers between STRABAG AG and Ed. Züblin AG, the preparation of a domination agreement between STRABAG SE and STRABAG AG, any potential violations of information obligations, insider trading or market manipulation laws by the company's management as well as any potential personal liability of the company's management in connection with the above-described matters. The plaintiffs claimed, *inter alia*, that STRABAG SE forfeited its voting rights regarding its shares in STRABAG AG due to conflicting interests and the violation of shareholder notification obligations. In court hearings on March 23, 2007, the District Court of Cologne indicated to the parties that it is inclined to rule in favor of the plaintiffs. The court expressed the view that STRABAG SE's controlling shareholders had violated their respective shareholding notification obligations in respect of STRABAG AG, as a result of which STRABAG SE forfeited its voting rights regarding its shares in STRABAG AG. Furthermore, the court stated that it is inclined to believe that the transfers between STRABAG AG and Ed. Züblin AG resulted in an unlawful integration of STRABAG AG into the

STRABAG Group. Following this opinion, STRABAG AG filed a motion to replace the judge on grounds of bias, which was denied. The Company currently assumes that if the District Court of Cologne issues a judgment in favor of the plaintiffs, STRABAG AG will appeal such judgment.

As a precautionary matter, STRABAG AG had its shareholders' meeting of June 1, 2007 confirm, by majority vote, all resolutions of its 2006 shareholders' meeting that have been challenged. However, the newly-adopted resolutions as well as other resolutions adopted at the 2007 shareholders' meeting have also been challenged by several minority shareholders, claiming, *inter alia*, a violation of procedural rules and, in particular with respect to resolutions on matters in respect of which there could exist a conflict of interest resulting from the fact that Hans Peter Haselsteiner, and other members of the Company's management board, also serve as members of STRABAG AG's management or supervisory boards, the forfeiture of the Company's voting rights in STRABAG AG. Furthermore, the plaintiffs also requested the court to declare that STRABAG AG's 2007 shareholders' meeting is deemed to have appointed, as had been proposed to the shareholders' meeting by one of the plaintiffs, a special auditor to investigate, *inter alia*, potential violations of obligations of the company's management as well as alleged corrupt practices and bribery relating to STRABAG AG. These proceedings are also pending at the District Court of Cologne. The Company cannot exclude the risk that a plaintiff may prevail in some or all of the matters described above.

In a third complex of proceedings, in November 2006 an action was brought against STRABAG AG requesting a declaratory judgment to the effect that the transfer of (i) the majority of STRABAG AG's building construction and civil engineering related assets and participations and (ii) certain project development, administrative and other services to Ed. Züblin AG or other subsidiaries of the STRABAG Group, as well as the resolutions of the management board and the supervisory board relating to such transfers, had been unlawful and that, therefore, such transfers must be rescinded. The claimant also sought a declaratory judgment stating that the allegedly unlawful measures resulted in an unlawful integration of STRABAG AG into the STRABAG Group in violation of applicable corporate law, and that this integration must also be rescinded. Furthermore, the plaintiff requested that the court state that the management board is obligated to demand that STRABAG SE enter into a domination agreement with STRABAG AG and that STRABAG SE is required to offer adequate compensation to STRABAG AG's minority shareholders. These proceedings are also pending at the District Court of Cologne, the competent judge being the same as in the proceedings relating to the 2006 shareholders' meeting. STRABAG AG's motion to disqualify that judge on grounds of bias has been denied. The Company assumes that, should the District Court of Cologne issue a judgment in favor of the plaintiff, STRABAG AG will appeal such judgment.

Finally, in March 2007, two shareholders of STRABAG AG, one of them being a plaintiff challenging the 2006 shareholder resolutions of STRABAG AG, filed a request with the Local Court of Cologne for the dismissal and replacement of the auditors of STRABAG AG. The plaintiffs claimed that the auditors are biased and should therefore be replaced by auditors to be appointed by the court. The Local Court of Cologne, however, rejected the plaintiffs' request, and the District Court and the Higher Regional Court of Cologne dismissed the plaintiffs' appeals. These proceedings are no longer pending.

Ed. Züblin AG

Ed. Züblin AG has been involved as defendant in several civil proceedings before the courts in Stuttgart relating to the transfers between STRABAG AG and Ed. Züblin AG, and the Company has been engaged as defendant in one of them.

Eberhard Lenz, a former member of the supervisory board of Ed. Züblin AG, initiated three declaratory judgment proceedings against the validity of resolutions of the supervisory board of Ed. Züblin AG relating to the transfers. In one of the three declaratory judgment proceedings the District Court of Stuttgart ruled in favor of the plaintiff on procedural grounds. The supervisory board of Ed. Züblin AG has since re-adopted the relevant resolution. In the two other proceedings, the District Court of Stuttgart ruled in favor of Ed. Züblin AG. In May 2007 the plaintiffs' appeal against these two judgments was dismissed by the Higher Regional Court of Stuttgart which also refused leave to appeal to the German Federal Court of Justice. In both proceedings the plaintiff has filed a motion with the German Federal Supreme Court to grant leave to appeal.

In addition, an entity controlled by the Lenz family filed a motion with the District Court of Stuttgart for a judgment prohibiting the transfers in 2006, alternatively reversing these transfers, barring the Company from exercising unlawful influence on Ed. Züblin AG and prohibiting the Company and its subsidiaries from conducting its business in competition to Ed Züblin AG. *Inter alia*, the plaintiff maintained that the Company, being the majority shareholder, owes a special duty of loyalty to Ed. Züblin AG, pursuant to which the Company is obligated to refrain from competition with Ed. Züblin AG and to abstain from implementing any restructurings that may result in a limitation of Ed. Züblin AG's ability to compete in the road construction business. The District Court of Stuttgart dismissed the plaintiff's motion. The plaintiff appealed the decision. In May 2007, the Higher Regional Court of Stuttgart dismissed the plaintiff's appeal and refused leave to appeal to the German Federal Court of Justice. The plaintiff has filed a motion with the German Federal Court of Justice to grant leave to appeal.

Finally, certain resolutions of the 2006 annual shareholders' meeting of Ed. Züblin AG have been challenged by two minority shareholders, one of them being an entity controlled by the Lenz family. The plaintiffs also requested the court to declare that the shareholders' meeting is deemed to have approved certain resolutions proposed by the minority shareholders in the 2006 annual shareholders' meeting but refused by the majority of the Company. In February 2007 the District Court of Stuttgart ruled in favor of the plaintiffs and voided the resolutions of the 2006 annual shareholders' meeting regarding (i) the discharge of the management board of Ed. Züblin AG and the supervisory board members appointed by the Company for the 2005 financial year, (ii) the election of the members of the supervisory board proposed by the Company, (iii) the appointment of the auditors for the 2006 financial year, (iv) the appointment of a certain person, who had been proposed by the Company, as special auditor with the task to investigate certain matters relating to, *inter alia*, the transfers in 2006, the cancellation of the service agreement of the company's former CEO, the appointment of certain officers of the company and certain other actions that may have given rise to personal liability of the members of the company's management board and supervisory board, and (v) the refusal to appoint the supervisory board members, the special auditor and the special shareholders' representative that were proposed by the minority shareholders in the 2006 annual shareholders' meeting. The District Court of Stuttgart also declared the appointment of the supervisory board members, the special auditor and the special shareholders' representative as suggested by the minority shareholders to be valid. In the 2006 annual shareholders' meeting, the minority shareholders had requested to appoint a certain person as special auditor with the task to investigate certain foreign construction projects of the company and certain transactions in the year 2001 involving the former German construction company Walter Bau AG. They had also requested to appoint a special shareholders' representative in order to assert any potential claims for compensation against the Company and the members of Ed. Züblin AG's management board and supervisory board.

The District Court of Stuttgart based its decision on the view that (i) at the time of the 2006 annual shareholders' meeting of Ed. Züblin AG, the then majority shareholder of the Company, FIMAG AG, was under an obligation under German corporate law to notify Ed. Züblin AG about its indirect interest in Ed. Züblin AG, and (ii) as a mandatory consequence under German corporate law for the violation of such a notification obligation vis-à-vis Ed. Züblin AG, STRABAG Group forfeited its voting rights regarding its Ed. Züblin AG shares. Consequently, the District Court of Stuttgart held that the resolutions adopted with the votes of the Company in the 2006 annual shareholders' meeting of Ed. Züblin AG had not been adopted with the required majority and instead the resolutions proposed by the minority shareholders had been adopted. The Company and Ed. Züblin AG appealed the decision. The appeal is pending at the Higher Regional Court of Stuttgart which has indicated that it intends to suspend the proceedings until the District Court of Stuttgart has rendered judgment in two proceedings relating to actions challenging resolutions of Ed. Züblin AG's 2007 shareholders' meetings. On April 11, 2007, Ed. Züblin AG had certain resolutions on the agenda of the 2006 annual shareholders' meeting confirmed by an extraordinary shareholders' meeting. The extraordinary shareholders' meeting confirmed the resolutions regarding the election of new supervisory board members and the appointment of the auditors for the 2006 financial year. Immediately prior to the extraordinary shareholders' meeting, the Company, as legal successor of FIMAG AG, took the precaution of notifying Ed. Züblin AG about FIMAG AG's shareholding in Ed. Züblin AG before the effectiveness of the merger of FIMAG AG with the Company. However, two minority shareholders who had filed suit to set aside the resolutions of Ed. Züblin AG's 2006 shareholders' meeting also challenged the resolutions of the 2007 extraordinary shareholders' meeting, claiming that procedural rules had been violated as well as that the invitation to the extraordinary shareholders' meeting constituted a misuse of legal rights. Furthermore, the same two minority shareholders have filed suit to set aside the resolutions of the 2007 annual shareholders' meeting of Ed. Züblin AG, which took place on July 5, 2007. Both proceedings are pending at the District Court of Stuttgart.

Arbitration Proceedings with German Subcontractor

Ed. Züblin AG as participant in a construction consortium is involved in arbitration proceedings with a subcontractor in Germany. The subcontractor asserts claims with respect to additional and aggravated construction services rendered in connection with a construction project. Initially, the subcontractor demanded additional payment in an amount of approximately EUR 8.1 million. In December 2006 the subcontractor extended its claim against Ed. Züblin AG and it now claims approximately EUR 15.7 million. Ed. Züblin AG rejected the claim. The arbitration proceedings are still pending.

Liability Claims Against STRABAG Group Entities

STRABAG AG, Cologne, and Ed. Züblin AG have been subject to liability claims by DB Netz AG in connection with the participation in three construction consortia which built noise, wind and view protection walls for the high-speed rail corridors between Frankfurt am Main and Cologne. Independent proceedings to gather evidence were initiated against all three construction consortia and DB Netz AG initiated legal proceedings against two of the three construction consortia at the courts of Frankfurt/Main, Germany, claiming initial amounts of EUR 35 million and EUR 29.5 million, respectively, to repair damaged noise, wind and view protection walls. In July 2007, the consortia, on the one hand, and DB Netz AG, on the other hand, entered into a settlement agreement. Under that agreement, the protection walls shall be repaired by the consortia and an amount of EUR 15 million out of the estimated total reconstruction and repair costs of EUR 61.5 million shall be borne by the consortia. STRABAG AG and Ed. Züblin AG together will be liable for an amount of up to EUR 8.7 million. The settlement agreement is subject to the condition precedent that the Federal Republic of Germany and DB Netz AG conclude a financing agreement with respect to the reconstruction of the damaged wind and view protection walls.

Reliability Review of STRABAG AG under German Procurement Law

Under German law, public contracts may only be awarded to companies considered "reliable". Companies wishing to participate in a tender are required to undergo and pass a pre-qualification procedure with the relevant procurement agency in order to confirm their reliability.

If a company is found to be "unreliable" for whatever reason, for example, because persons affiliated or acting on behalf of the company are suspected or convicted of crimes related to unfair business practices, procurement agencies may disqualify the company from future tenders. Companies considered unreliable may also be subjected to a "temporary procurement ban". A temporary procurement ban may apply to all public building projects of a particular state and, at the discretion of the Federal Ministry of Transport, Building and Urban Affairs (*Bundesministerium für Verkehr, Bau und Wohnungswesen – BMVBW*), may even be extended to cover multiple states or the entire territory of Germany. Only if a company is able to provide sufficient evidence of its continuing reliability through personal, organisational and other measures may it further participate in tenders.

As discussed below under the heading "*Business—Legal Disputes and Other Proceedings—Criminal Investigations in Eastern Germany with Regard to Alleged Corrupt Practices of STRABAG Group Employees*", German public prosecutors are conducting an ongoing investigation into various crimes committed or suspected of having been committed by employees of STRABAG AG in connection with road construction projects in and around Chemnitz, Eastern Germany. Following various media reports regarding this investigation, STRABAG AG has provided the BMVBW as well as several regional procurement agencies with information regarding the pending investigation and the changes in STRABAG AG's corporate structure and control mechanisms it is currently in the process of implementing with a view to preventing future wrong doing. The Company understands that as a result of these measures, the BMVBW currently considers STRABAG AG reliable for purposes of all ongoing public tenders.

Imposition of Fines and Ban from Participation in Public Tenders in Slovakia

The Slovak Antitrust Office imposed fines on STRABAG a.s., Czech Republic, and other companies for the alleged coordination of bids in the public tender for the construction of a highway. The fine was reduced by the Council of the Slovak Antitrust Office based on an appeal by STRABAG a.s. The decision of the Council of the Slovak Antitrust Office is final. STRABAG a.s. has filed a complaint with the respective Slovak court in order to reverse the decision of the Slovak Antitrust Office. The proceedings relating to excluding STRABAG a.s. and the other companies fined by the Slovak Antitrust Office from public tenders in Slovakia have been terminated and the ban originally imposed has been rescinded (however, without a decision on the merits of the case) in a decision which was later suspended due to a protest being filed by the public prosecutor's office. A final decision is still pending. Such ban would not prevent other companies of the STRABAG Group to participate in public tenders in Slovakia. In the future, the STRABAG Group intends from participating in public tenders in Slovakia through companies other than STRABAG a.s.

Proceedings with the Austrian Cartel Courts Relating to the Amstetten Asphalt Mixing Plant

In 2004, the Austrian Federal Cartel Attorney (*Bundeskartellanwalt*) initiated proceedings against a STRABAG Group company and two of its competitors (together with the STRABAG Group the three leading construction companies in Austria) alleging that the joint operation of an asphalt mixing plant in Amstetten, Austria, had unlawfully restricted competition and requesting the discontinuation of the joint operation of the plant and the imposition of a fine. In June 2006, the Austrian Supreme Court (*Oberster Gerichtshof*) acting as Cartel Appellate Court (*Kartellobergericht*) ruled that although the joint operation of the asphalt mixing plant together with certain related measures such as the closure of nearby plants as well as pricing policies did not amount to an intentional restriction of competition, such co-operation nevertheless constituted a cartel within the meaning of Austrian cartel law. The Supreme Court referred the proceedings to the court of first instance with an order to gather additional facts with a view to determining whether an exemption (as invoked by the defendants) applied. The proceedings are still pending as of the date of this prospectus.

Based on external legal advice, management believes that the joint operation of the asphalt mixing plant may be cleared by the competent cartel authorities. The court of first instance may also stop short of prohibiting the co-operation by accepting commitments from the defendants that have the effect of avoiding restrictions of competition.

While a negative decision of the court is not likely to impact the STRABAG Group's asphalt supply due to the relatively small quantities actually obtained from the plant, the ultimate decision may have a strategic impact on joint ownership and co-operation of such plants among several competitors (which occurs frequently in practice in the industry) and require the STRABAG Group to dispose of such plants or to operate such plants either in different structures of co-ownership or on its own in the future.

Imposition of Fines Due to Alleged Coordination of Offers and Division of the Market in Hungary

The Hungarian Competition Authority has conducted several investigations and dawn searches of STRABAG Zrt. and its affiliates in connection with alleged cartels. For example, STRABAG Zrt. was subject to a dawn search in September 2006 in connection with road construction works in Eger, Hungary. The authority has imposed fines on STRABAG Zrt. on several occasions. Under Hungarian law, the fines can amount to a maximum of 10% of the net revenues of the fined entity in the preceding financial year. The highest fine imposed on STRABAG Zrt. in 2002 amounted to approximately EUR 10 million for the alleged conclusion of agreements restricting competition and concerted market behavior in respect of several highway construction works ordered by (state owned) National Motorway Ltd. STRABAG Zrt. has initially paid the fine and (as other construction companies involved) challenged the decision before the courts. Several proceedings before the court of second instance are currently still pending. In light of a recent court decision handed down in August 2007, a fine and a ban from participation in public tenders on STRABAG Zrt. with a duration of up to five years could be imposed. Further, damage claims against STRABAG Zrt. in an amount yet unclear but potentially significant may still be raised and reputational damage may be suffered. However, a ban would not prevent other companies of the STRABAG Group from participating in public tenders in Hungary.

Criminal Investigations in Eastern Germany with Regard to Alleged Corrupt Practices of STRABAG Group Employees

In December 2005, five employees of STRABAG AG along with owners and employees of various subcontractors were arrested as part of an ongoing investigation into various crimes committed by employees of STRABAG AG in connection with road construction projects in and around Chemnitz, Eastern Germany (the Chemnitz investigation). On February 1, 2007, public prosecutors conducted searches of STRABAG AG’s premises in Cologne, during which a large volume of documents and electronic data were confiscated. Prior to the search of STRABAG’s Cologne premises, public prosecutors had searched the premises of STRABAG AG’s branches in Chemnitz, Zwickau and Makranstädt, Eastern Germany, as well as the residences of certain STRABAG AG employees. The Company’s understanding is that these actions were taken in connection with regard to suspicion of embezzlement, bribery, fraud and tax evasion as well as suspicion of violations of insolvency, labor and social security laws in connection with construction contracts awarded to STRABAG AG in Eastern Germany and various other projects. To the Company’s knowledge, the investigations currently are focused on certain current and former employees of STRABAG AG’s Chemnitz branch and the former director for Saxony for STRABAG AG and certain government officials and employees of DEGES GmbH. The Company’s understanding is that:

- certain current and former STRABAG AG employees are suspected of having bribed government officials to award construction contracts to STRABAG AG, to approve bogus payments to settle disputes regarding invoices for the benefit of STRABAG AG and to obtain information regarding offers by competitors in public tenders in which STRABAG participated;

- certain current and former STRABAG AG employees are suspected of having sub-contracted certain construction services to companies in cases in which STRABAG AG was not able to provide such services without incurring losses and required such companies to pay STRABAG AG fees for the provision of workers and machinery by STRABAG AG; and that this practice is suspected to have increased the insolvency risk of such companies which materialized in several cases because, after the provision of the construction services for STRABAG AG, the STRABAG AG employees are suspected of having disputed the payment of such companies and asked such companies to pay the fees for the provision of workers and machinery by STRABAG AG;

- certain current and former STRABAG AG employees are suspected of having established bogus companies that then sent bogus invoices to STRABAG AG for allegedly rendered services in connection with the construction of highways in Eastern Germany; and

- prosecutors suspect that, upon payment of such invoices, parts of the funds were used to fund bribes while other parts were kept by the employees for personal gain.

The Company and STRABAG AG are cooperating with the public prosecutor's investigation and are performing their own internal investigations. In addition, STRABAG AG closed down its Chemnitz branch. In connection with its internal investigation of the alleged corruption scheme, STRABAG AG and the Company are currently in the process of determining the amount of any such bogus payments and the possibility of recovering any amounts paid to bogus companies and/or wrongfully paid to its employees. STRABAG AG and the Company are also investigating the amount of potential damage to and repayment claims by the state and federal governments in connection with the alleged corruption scheme. The STRABAG Group understands that prosecutors currently believe that the total damage suffered by third parties as a result of the crimes described above amounts to approximately EUR 27 million. The STRABAG Group currently does not have information as to how the above amount has been calculated, but has established a provision in the amount of EUR 25 million in its 2006 financial statements to cover potential damages, expenses and losses arising out of or in connection with such crimes. In reaction to such investigations, the Company and STRABAG AG have started to implement certain procedures to prevent corrupt practices in the future. See "*Risk Factors—Risks Relating to the Legal and Regulatory Proceedings and Investigations—Criminal investigations are currently being conducted in Germany with respect to certain road construction projects in Saxony, Eastern Germany, in which the STRABAG Group was involved. As a result of these investigations, prosecutors, procurement agencies and others may take action against the STRABAG Group and its current and former employees that could have a material adverse effect on the reputation, business, results of operations, financial condition and share price of the Company*". Further investigations by the same or other authorities in the same of other jurisdictions are possible. Some governmental authorities have indicated that they may launch additional investigations. As a result of existing or future governmental investigations, or other alleged violations of law by the Company or STRABAG AG or its current or former employees elsewhere, governmental authorities could take action against the Company and STRABAG AG or some of their employees, which may have a material adverse effect on the development of future business opportunities, the financial results, the price of the shares and the reputation of the Company.

In addition to the foregoing, on March 29, 2007, the offices of the Berlin branch of Heilit+Woerner, another German subsidiary of the STRABAG Group, were searched by the local prosecutor, citing suspicions of fraud in connection with a road construction project in Berlin. Based on its current knowledge, the STRABAG Group believes that this search is unrelated to the Chemnitz investigation and the underlying facts are different from those at issue in the Chemnitz investigation.

Other Matters

STRABAG AG operates a waste incineration plant at which it recycles residues provided by itself and various third parties. One of these third parties is MAV GmbH, a company in which STRABAG AG and a joint venture partner each own a 50% interest. In 2007, it was discovered that, from 2002 to 2006 certain residues provided by MAV GmbH for recycling were incorrectly treated as having been provided by STRABAG AG and, accordingly, the proceeds from the sale of the recycled materials were allocated to STRABAG AG, rather than MAV GmbH. The persons responsible for these incidents have left STRABAG AG. STRABAG AG has entered into negotiations with its joint venture partner with a view to reimbursing it for any proceeds collected by STRABAG AG to which MAV GmbH would have been entitled. STRABAG does not expect this matter to have a material adverse effect on its operations or negatively affect its relations with its joint venture partner.

Material Contracts

Corporate Acquisitions and Divestitures

Acquisition of the Building Construction Business of Walter Bau AG

In October 2005, STRABAG AG, Cologne purchased the construction business of insolvent Walter Bau AG from the insolvency receiver. The transaction included the direct and indirect transfer of shareholdings in subsidiaries of Walter Bau AG, such as DYWIDAG Holding GmbH, DYWIDAG

Bau GmbH, DYWIDAG Schlüsselfertig und Ingenieurbau GmbH and Heilit+Woerner-Bau GmbH. In connection with these transactions, share holdings in DYWIDAG International were transferred to STRABAG SE. In addition, certain construction projects, participations in construction consortia (*ARGEs*) and employees were transferred from Walter Bau AG to STRABAG AG.

Acquisition of a Majority Interest in Ed. Züblin AG

In two separate transactions in February and November 2005, the Company purchased a total of 53.6% of the shares of Ed. Züblin AG from the insolvency receiver of Walter Bau AG.

Acquisition of STRABAG AG's Building Construction and Civil Engineering Business by Ed. Züblin AG

In 2005, STRABAG AG, Cologne sold its building construction and civil engineering business to Ed. Züblin AG and certain of its subsidiaries. The transaction included the transfer of employment contracts and other, mainly intangible assets relating to the building construction and civil engineering business, such as distribution channels, know-how or business relationships with constructors, customers and suppliers. In addition to these assets, STRABAG AG, and certain of its subsidiaries also sold to Ed. Züblin AG all equity interests in their wholly owned subsidiaries operating in the building construction and civil engineering business, i.e. DYWIDAG Bau GmbH, Eberhard Pöhner Unternehmen für Hoch- und Tiefbau GmbH, N.V. STRABAG Belgium S.A., Xaver Bachner GmbH, Blees-Kölling-Bau GmbH and Ooms-Ittner-Hof GmbH, and a minority stake of 30% in Stahl- und Verbundbau Gesellschaft für industrielles Bauen m.b.H. In the context of these transactions STRABAG AG undertook to refrain from engaging in competing building construction and civil engineering activities for a period of five years.

In connection with these transfers, Ed. Züblin AG acquired from STRABAG AG 50% of the shares of BMTI Baumaschinentechnik International GmbH (the other 50% of which are held by STRABAG AG), a company operating the machinery of STRABAG AG and Ed. Züblin AG.

Further, Ed. Züblin AG acquired 49.5% of the shares of BRVZ Bau- Rechen- und Verwaltungszentrum GmbH, a company providing invoicing, accounting, IT and other services for STRABAG AG and Ed. Züblin AG, from STRABAG AG and an additional 0.5% of the shares of BRVZ Bau- Rechen- und Verwaltungszentrum GmbH from SBS STRABAG Bau Holding Service GmbH. The other 50% of the shares in the company are held by STRABAG AG.

Ed. Züblin AG and the Company established Züblin Development GmbH, a company operating parts of the former project development business of STRABAG AG and Ed. Züblin AG. The Company directly holds 49%, and Ed. Züblin AG holds 51% of the shares in Züblin Development GmbH.

Sale of STRABAG AG's Interest in Deutag Group and Acquisition of Preusse Group

In 2006, due to antitrust restrictions, STRABAG AG, Cologne, sold its limited partner's interest in Deutag GmbH & Co. KG and its shares in the general partner, Deutag Verwaltung GmbH, to the only remaining shareholder Werhahn & Nauen OHG. As consideration STRABAG AG received various assets including mixing plants, shareholdings in companies operating mixing plants and a cash payment. In the context of this transaction STRABAG AG purchased its shareholdings in Preusse Bauholding GmbH & Co. KG and the general partner, Preusse Bauholding Verwaltungsgesellschaft mbH, from Werhahn & Nauen OHG.

Acquisition of Remaining 50% of Stratebau GmbH

In September 2006, Stratebau GmbH became an indirect wholly-owned subsidiary of STRABAG AG following the acquisition of the outstanding 50% shareholding from Teerbau GmbH by a wholly-owned subsidiary of STRABAG AG.

Acquisition of Majority Interest in Josef Möbius Bau-AG

In September 2007, Ilbau Liegenschaftsverwaltung GmbH, a subsidiary of STRABAG SE, acquired a majority stake in Hamburg-based construction company Josef Möbius Bau-AG from several members of the Möbius family (see also "*Operating and Financial Review—Recent Developments and Outlook*").

Other Material Contracts

Sale of Claims against the Republic of Iraq

In November 2005, STRABAG AG, Cologne sold its claims against the Republic of Iraq in the nominal amount of EUR 91.40 million for a purchase price of EUR 59.50 million to AKA Ausfuhrkredit-Gesellschaft mbH. In November 2005, Ed. Züblin AG sold its claims against the Republic of Iraq in the nominal amount of approximately EUR 26 million to AKA Ausfuhrkredit-Gesellschaft mbH for a purchase price of approximately EUR 17 million. In this connection, HOCHTIEF, as sponsor of a joint venture in which Ed. Züblin AG participated, also sold claims in the nominal amount of EUR 30.30 million for a purchase price of EUR 19.50 million, approximately EUR 4 million of which were allocated to Ed. Züblin AG. Overall, Ed. Züblin AG received a purchase price of EUR 21 million for its claims against the Republic of Iraq.

Sale of Real Estate Portfolio

In July 2006, STRABAG Projektentwicklung GmbH, a wholly owned subsidiary of STRABAG AG, Cologne, and Industrielles Bauen Betreuungsgesellschafts mbH, a wholly owned subsidiary of Ed. Züblin AG, sold a real estate portfolio consisting of 10 real properties, 9 of which were sold by STRABAG Projecktentwicklung GmbH to Icredpartner S.à.r.l & Cie SECS.

MANAGEMENT AND CORPORATE GOVERNANCE

Introduction to the Societas Europaea (SE)

The *Societas Europaea* (SE) is a stock corporation based on European Community law that was introduced by Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (the "SE Regulation"). Pursuant to Article 9 SE Regulation, the Company is governed (a) by the Regulation, (b) where expressly authorized by the Regulation, by the provisions of its Articles of Association (*Satzung*), or (c) to the extent matters are not regulated by the Regulation (i) by the respective national provisions supplementing the SE Regulation (Austrian Act on the Statute of the European Company, the "SE Act"), (ii) by the respective national provisions applying to stock corporations (Austrian Stock Corporation Act (*Aktiengesetz*) (the "Stock Corporation Act")) and (iii) by the provisions of the Company's Articles of Association.

Employee involvement within the SE is regulated by Council Directive (EC) No. 86/2001 of October 8, 2001 supplementing the Statute for a European company with regard to the involvement of employees (the "Employee Involvement Directive"). The Directive has been implemented in the Austrian Labor Constitutional Act (*Arbeitsverfassungsgesetz*). It provides for the execution of an agreement on arrangements for the involvement of the employees within the SE ("Employee Involvement Agreement") to be concluded between a special negotiating body and the Management Board of the Company. The Company has concluded an Employee Involvement Agreement on May 4, 2006.

General

The Company has a two-tier board structure, consisting of a Management Board (*Vorstand*) and a Supervisory Board (*Aufsichtsrat*). The Management Board is responsible for the executive management and represents the Company in relations with third parties. The Supervisory Board is responsible for supervising the management and internal controls of the Company. The members of the Management Board are appointed by the Supervisory Board. The members of the Supervisory Board are elected by the shareholders meeting (Hauptversammlung) or nominated by certain shareholders (see "*Management and Corporate Governance—Supervisory Board—Appointment, Duties and Procedures of the Supervisory Board*"). Under the Company's Employee Involvement Agreement, the works council has a right to delegate one third of the Supervisory Board members. The corporate bodies of the Company are bound by the SE Regulation, applicable Austrian law, the Articles of Association, the rules of procedure for the Management and Supervisory Boards as adopted by the Supervisory Board and are established in compliance with the Austrian Code of Corporate Governance (the "CGC"). The following is a summary of the most important provisions of the legal framework.

The members of the Management Board and Supervisory Board may be contacted at the Company's business address at Triglavstraße 9, A-9500 Villach, Austria.

Management Board

Appointment, Duties and Procedures of the Management Board

The members of the Management Board are appointed by the Supervisory Board for a maximum period of five years; re-election is possible. Pursuant to the Articles of Association of the Company, the Management Board consists of up to eight members. The appointment of the Management Board members terminates after the general shareholders meeting deciding, among other things, upon the discharge of the Management Board for the financial year in which the relevant Management Board member has reached the age of 70. The Supervisory Board may remove a member of the Management Board prior to the expiration of its term for cause, such as gross negligence or deliberate breach of duty.

Unless the Supervisory Board resolves differently upon appointment of a Management Board member, the Company is represented by two members of the Management Board acting jointly.

The Management Board reports to the Supervisory Board at least annually regarding fundamental questions of future business policy and at least once every three months on the progress of business operations and on the Company's and the Group's results against forecast.

The Management Board is not subject to instructions from the shareholders or from the Supervisory Board. Pursuant to the SE Regulation, the SE Act, the Stock Corporation Act, the Articles of Association of the Company and the rules of procedure for the Management Board (*Geschäftsordnung für den Vorstand*), certain management decisions or significant transactions require the prior consent of the Supervisory Board or one of its committees. A failure by the Management Board to obtain such consent does not affect the validity of the transaction, but may render the Management Board liable for damages. The consent of the Supervisory Board is required for material decisions including:

- acquisition and disposal of material participations; acquisition, disposal and closing down of companies and businesses (including by joint ventures), exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;

- acquisition, disposal and encumbrance of real estate exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;

- adoption of the Company's yearly business plan, including its investment plan;

- establishment or closing down of certain lines of business and production methods;

- determination of general principles of the Company's business strategy and policy;

- transactions beyond the ordinary business risk, in particular transactions outside of Austria involving increased risks;

- issuance of bonds or conclusion of loan or credit agreements exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;

- assumption of liabilities of third parties and guarantees in favor of such liabilities, each beyond the ordinary course of business or exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;

- determination of general principles for pension commitments and participations in profit or turnover for executive staff;

- granting share options in the Company to employees and executive staff of any Group company and to Management Board and Supervisory Board members of affiliated companies; and

- conclusion of contracts with Supervisory Board members or companies in which a member of the Supervisory Board has a considerable economic interest relating to the performance of services for the Company or a subsidiary for remuneration.

Members of the Management Board

Currently, the Management Board consists of the following eight members:

Name	Position	Age[1]	Year first appointed[2]	Year current term expires
Hans Peter Haselsteiner	Chairman of the Management Board, CEO	63	1987	2008
Manfred Nußbaumer	Vice-Chairman of the Management Board	66	2006	2007
Fritz Oberlerchner	Vice-Chairman of the Management Board	59	1994	2010
Thomas Birtel	Member	53	2006	2010
Nematollah Farrokhnia	Member	61	1991	2010
Roland Jurecka	Member	62	1999	2010
Wolfgang Merkinger	Member	55	1999	2009
Hannes Truntschnig	Member	51	1995	2010

(1) Age at the date of prospectus.
(2) Some of the Management Board members have not served continuously as Management Board members of the Company since their first appointment.

Hans Peter Haselsteiner

Hans Peter Haselsteiner was born on February 1, 1944. He studied at the Vienna University of Economics and Business Administration (then *Hochschule für Welthandel*). In 1970, he graduated with a doctorate. He started his professional career in an accounting firm. In 1972 Mr. Haselsteiner joined Isola & Lerchbaumer. Since 1972 Mr. Haselsteiner has acted as Chief Executive Officer of various Group companies including ILBAU AG, Bauholding Aktiengesellschaft, A-WAY Holding und Finanz AG and FIMAG Finanz Industrie Management AG. From 1994 to 1998, Mr. Haselsteiner was a member of the Austrian Parliament. Mr. Haselsteiner has been Chairman of the Management Board of the Company since 1987.

Manfred Nußbaumer

Manfred Nußbaumer was born on November 24, 1940. He studied civil engineering at the Technical University of Munich and graduated in 1970. In 1972, he obtained a Master of Science degree in civil engineering from the Massachusetts Institute of Technology (Cambridge, Mass.). From 1972 to 1975, Mr. Nußbaumer was assistant lecturer at the Ruhr-University Bochum. In 1975, he joined Ed. ZÜBLIN AG as division manager for civil engineering (*Tiefbau*). In 1986, he became vice member of the management board and in 1987 full member of the management board. In 1990, he was appointed vice chairman of the management board of Ed. ZÜBLIN AG, in 1997 he became chairman of the management board. Mr. Nußbaumer has been Vice-Chairman of the Management Board of the Company since 2006.

Fritz Oberlerchner

Fritz Oberlerchner was born on June 16, 1948. In 1968 he graduated from the Polytechnic Institute Villach (*Höhere Technische Lehranstalt Villach*) as engineer in building construction (*Hochbau (Ing.)*). He started his professional career as construction engineer in a small construction company. In 1971 he joined STRABAG Group (ASPHALTBAU Ges.m.b.H.). In 1978 he received power of representation (*Prokura*) for Asphalt & Beton Bauges.m.b.H. In 1989 Mr. Oberlerchner became Managing Director of Magyar Aszfalt Kft, Budapest. He has been a Member of Management Board of the Company since 1994. Between 1998 and 2002 he served as Management Board member of STRABAG AG, Cologne. Mr. Oberlerchner has been Vice-Chairman of the Management Board of the Company since 2003.

Thomas Birtel

Thomas Birtel was born on June 3, 1954. He studied economics and business administration at the Ruhr-University Bochum. In 1978 he graduated with a diploma and in 1982 he took the doctorate exam. He started his professional career as site controller with Klöckner & Co in 1983. By 1989 he was promoted to division manager of the accounting and controlling department of Klöckner Industrie-Anlagen GmbH. From 1989 to 1996, he joined the Frigoscandia Group of Sweden and became chairman of the management board for the Central European region. In 1996 he joined STRABAG Group as member of the management board of STRABAG Hoch-& Ingenieurbau AG. In 2002, he became member of the management board of STRABAG AG, responsible for building construction (*Hochbau*), finance, accounting, controlling and risk management as well as procurement. Mr. Birtel has been a Member of the Management Board of the Company since 2006.

Nematollah Farrokhnia

Nematollah Farrokhnia was born on August 8, 1946. He studied civil engineering at the Technical University in Vienna and graduated in 1973. He started his professional career as civil engineer with Zivilingenieurbüro Dr. Schickl in Vienna. In 1977 he joined the STRABAG Group (ILBAU Ges.m.b.H.), where he became managing director in 1988. In 1991 he was appointed member of the management board of Bauholding STRABAG AG. Between 1998 and 2002 he served as management board member of STRABAG AG, Cologne. Mr. Farrokhnia has been a Member of the Management Board of the Company since 2003.

Roland Jurecka

Roland Jurecka was born on November 18, 1944. He studied civil engineering at the Technical Universities in Aachen and Munich and graduated in 1969. He started his professional career in the design department at STRABAG AG in Germany in 1969. Additionally, from 1969 to 1974 he studied law at the University of Cologne and graduated in 1974. From 1981 to 1991, Mr. Jurecka was head of the Austrian branch of STRABAG AG. From 1991 to 1996, Mr. Jurecka was member of the management board of STRABAG AG Austria. From 1996 to 1999, he was member of the management board of STRABAG AG. Consequently, he was member of the management board of BAUHOLDING STRABAG AG and, from 2004 to 2005, member of the management board of A-WAY Holding und Finanz AG. Mr. Jurecka has been a Member of the Management Board of the Company since 2006.

Wolfgang Merkinger

Wolfgang Merkinger was born on July 5, 1952. He studied business administration at the Johannes Kepler University in Linz and obtained his Masters degree in 1976. Mr. Merkinger started his professional career with an accounting firm in 1976. In 1979 he qualified as tax accountant. In 1980 Mr. Merkinger joined STRABAG Group as head of finance and accounting of STRABAG Bau-Gesellschaft m.b.H. – Linz. In 1990, he was appointed finance director responsible for the overall Group. From 1996 to 1998 Mr. Merkinger was member of the management board of STRABAG AG, Austria. Mr. Merkinger has been a Member of the Management Board of the Company since 1999.

Hannes Truntschnig

Hannes Truntschnig was born on July 22, 1956. In 1978, he obtained the master craftsman’s certificate for electro-mechanical engineering. He studied business administration at Karl Franzens University in Graz and obtained his Masters degree in 1981. Mr. Truntschnig joined the STRABAG Group (ILBAU AG) in 1981. Since 1985, Mr. Truntschnig held several management positions within the STRABAG Group, including positions as managing director of Group companies. In 1992 he received power of representation (*Prokura*) for BAUHOLDING STRABAG AG. Mr. Truntschnig has been a Member of the Management Board of the Company since 1995.

Management Compensation

In the financial year 2006, the total remuneration for the members of the Management Board amounted to EUR 5.75 million and in the financial year 2005, the total remuneration for the members of the Management Board amounted to EUR 5.58 million. For the financial year 2007 and subsequent financial years, the remuneration of the members of the Management Board will be determined based on a compensation system that, in addition to a base compensation, provides for additional variable compensation of up to 200% of the base compensation depending on the achievement of certain financial performance figures of the Group. The members of the Management Board are also entitled to a company car and to personal insurance. An accident insurance provides cover for death and invalidity, a private liability insurance covers the legal liability of the board members resulting from personal injury, physical damage and financial loss of third parties. Furthermore legal protection insurance coverage is provided against claims resulting from misdemeanour or offences against criminal law. The members of the Management Board are subject to a non-competition clause for the term of their employment.

Two members of the Management Board provide their services as Management Board members under a contract for services. Each of these contracts is entered into by the Company and a limited liability company (*Gesellschaft mit beschränkter Haftung – GmbH*) partially or fully owned by the respective Management Board member.

Two members of the Management Board are entitled to pensions payable by subsidiaries of the Company. The members of the Management Board which are employed by the Company are entitled to statutory or contractual severance payments upon termination of their employment.

In 2006, no remuneration was paid to former members of the Management Board or their surviving dependants.

The Group has a D&O insurance covering all members of the Management Board and of the Supervisory Board of all Group companies.

Supervisory Board

Appointment, Duties and Procedures of the Supervisory Board

The Supervisory Board consists of up to six members elected by the shareholders' meeting or nominated by certain shareholders, plus the members nominated by the works council. Pursuant to the Articles of Association, the holders of the Registered Shares with numbers 1 (one) and 2 (two) may nominate one Supervisory Board member each (for further information on these shares see "*Description of the Share Capital of the Company and the Articles of Association—Share Capital and Shares*"). Such members of the Supervisory Board may be nominated for an indefinite period of time. The nomination may be revoked at any time by the respective shareholder, or by court decision for cause. If the conditions for a nomination pursuant to the Articles of Association cease to exist, the shareholders meeting may revoke the appointment of a nominated Supervisory Board member.

Pursuant to the Employee Involvement Agreement (see "*Management and Corporate Governance—Introduction to the Societas Europaea (SE)*"), the Company's works council may delegate one member for every two members of the Supervisory Board elected by the shareholders' meeting and nominated by shareholders, and, in the event of an uneven number of elected members and members nominated by shareholders, an additional works council member. Members of the Supervisory Board delegated by the works council can be removed only by the works council itself.

At the date of this prospectus, the Supervisory Board consists of 4 members elected by the shareholders' meeting plus three additional members nominated by the Company's works council. Erwin Hameseder and Gulzhan Moldazhanova have been nominated by Hans Peter Haselsteiner and Rasperia as holders of the Registered Shares with numbers 1 (one) and 2 (two) respectively (see "*Description of the Share Capital of the Company and the Articles of Association*—Share Capital and Shares").

Supervisory Board members are elected with simple majority of the votes cast at a shareholders' meeting for a maximum period until the shareholders' meeting deciding upon the discharge of the Supervisory Board for the fifth financial year following the financial year of election; re-election is possible. The shareholders' meeting may remove any Supervisory Board member it has elected only by qualified majority (75% of the votes cast) at the relevant shareholders' meeting. Any appointment to the Supervisory Board terminates after the shareholders meeting deciding upon the financial year in which the relevant Supervisory Board member has reached the age of 70.

The Supervisory Board is responsible for supervising the management of the Company. Supervision is exercised by review, discussion and approval, as required, of regular reports prepared by the Management Board. In addition, the Supervisory Board may request reports on specific matters relating to the Company or the Group as a whole. Certain material decisions of the Management Board require the prior consent of the Supervisory Board (see "*Management and Corporate Governance—Management Board—Appointment, Duties and Procedures of the Management Board*"). The Supervisory Board represents the Company in transactions with a member of the Management Board and appoints and removes the members of the Management Board.

The Supervisory Board meets at least quarterly. At least five of its members elected by the shareholders' meeting or nominated by the holders of the Registered Shares with numbers 1 (one) and 2 (two) including the Chairman or one of the Vice-Chairmen must be present at a meeting to constitute a quorum. Resolutions of the Supervisory Board are adopted by simple majority of the votes cast unless the rules of procedure for the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*) require a higher majority. In the case of a deadlock, the Chairman casts the decisive vote (Dirimierungsrecht), unless the Supervisory Board resolves differently.

The Supervisory Board elects a Chairman and one or two Vice-Chairmen. Members of the Supervisory Board may resign by written notice to the Chairman or a Vice-Chairman of the Supervisory Board. In the event an elected member resigns before expiry of his term, the next shareholders' meeting may elect a replacement for the remainder of the term. A replacement has to be elected without undue delay by an extraordinary shareholders' meeting if the number of Supervisory Board members falls below three. In the event that the Chairman or a Vice-Chairman resigns, the Supervisory Board immediately has to elect a replacement. The Supervisory Board issues its own rules of procedure.

Members of the Supervisory Board

The current members of the Supervisory Board are:(1)

Name	Position	Age(2)	Year first appointed	Year current term expires
Waldemar Jud	Chairman	63	2006	2010
Erwin Hameseder	Vice-Chairman(3)	51	1998	n.a.
Gerhard Gribkowsky	Member	49	2006	2010
Gulzhan Moldazhanova	Member(4)	41	2007	n.a.
Siegfried Wolf	Member	49	2007	2010
Gottfried Wanitschek	Member	52	1998	2010
Peter Nimmervoll	Member(5)	63	2001	n.a.
Josef Radosztics	Member(5)	51	2000	n.a.
Gerhard Springer	Member(5)	55	1996	n.a.

(1) Christian Konrad was Chairman of the Supervisory Board from March 2003 to November 2006. Herbert Schimetschek was Vice-Chairman of the Supervisory Board from March 2003 to November 2006. Jürgen Kuchenwald was member of the Supervisory Board from March 2003 to August 2007.

(2) Age at the date of prospectus.

(3) Nominated by the holder of the Registered Share with number 1 (one), Hans Peter Haselsteiner.

(4) Nominated by the holder of the Registered Share with number 2 (two), Rasperia.

(5) Works council representative.

Shareholder Representatives

Waldemar Jud

Waldemar Jud was born on November 26, 1943. He studied law and political science at the University of Graz, and spent study terms in the UK, Canada and France (University of Cambridge, Trinity College; Mc Gill University, Montreal; Université de Poitiers). He graduated with a doctorate in law (1966) and in political science (1969) respectively. In 1979, Mr. Jud was appointed associate professor for commercial law at the University of Graz (*außerordentlicher Universitätsprofessor für Handelsrecht*). Since 1984 he has been full professor for commercial law at the University of Graz (*ordentlicher Universitätsprofessor für Handels- und Wertpapierrecht*).

Erwin Hameseder

Erwin Hameseder was born on May 28, 1956. He received a master of laws degree from the University of Vienna. From 1975 to 1987, Mr. Hameseder served as an officer in the Austrian army. In 2002 Mr. Hameseder was appointed as colonel (*Oberst des Intendanzdienstes*) and in 2006 as Brigadier by the Austrian military. In 1987 he joined the legal department of Raiffeisenlandesbank Niederösterreich-Wien AG. From 1988 to 1994, he was responsible for investment management (*Beteiligungsverwaltung*). In 1991, Mr. Hameseder was promoted to head of investment management. Since 1994, he has been member of the management board of Raiffeisen-Holding NÖ-Wien reg.Gen.m.b.H. and since 2001, chairman of the management board. In July 2007, Mr. Hameseder has in addition been appointed chairman of the management board of Raiffeisenlandesbank Niederösterreich-Wien AG.

Gerhard Gribkowsky

Gerhard Gribkowsky was born on April 16, 1958. From 1979 to 1981, he completed a traineeship with Siemens AG in Munich and Berlin. Subsequently, he studied law at the Albert-Ludwigs-University in Freiburg and graduated with a doctorate in 1988. From 1988 until 2002, Mr. Gribkowsky worked with Deutsche Bank AG and Deutsche Bank Kreditbank AG. After completion of a trainee program, he worked as branch manager. Subsequently he was promoted to senior analyst in the credit department and to head of risk management. From 1998 to 2002, Mr. Gribkowsky was member of the management team of Deutsche Bank AG Region Süd and, subsequently, senior credit executive. Since 2003, Mr. Gribkowsky has been member of the management board of Bayerische Landesbank in Munich.

Gulzhan Moldazhanova

Gulzhan Moldazhanova was born on June 11, 1966. She studied physics at the Kazakhstan State University and graduated with an honors degree. She received a doctorate from Moscow State University and also holds an EMBA from the Academy of National Economy and the University of Antwerp (Belgium). Prior to 2000, Ms. Moldazhanova held various senior level positions at Sibirsky Aluminium. From 2000 to 2002, she was sales and marketing director at RUSAL. From 2002 to 2004, Ms. Moldazhanova was director for strategy and corporate development at RUSAL, where she was responsible for implementing development strategy and overseeing investment activity. In 2005, Ms. Moldazhanova was appointed CEO of Basic Element, where she acted before as managing director with responsibility for the aluminum business.

Gottfried Wanitschek

Gottfried Wanitschek was born on May 14, 1955. He studied law at the University of Vienna and at the University of Salzburg and graduated with a doctorate in 1979. From 1979 to 1980 he worked in court *(Gerichtsjahr)*. From 1980 to 1984, he worked at the Austrian Association of Insurance Companies. From 1984 to 1990, Mr. Wanitschek was secretary general of Raiffeisen Versicherung AG and managing director of several investment companies. From 1991 to 1993 he was member of the management board of Leipnik-Lundenburger Invest Beteiligungs AG. From 1993 to 1997, Mr. Wanitschek was managing director of the KURIER group and of selected investment companies of the group. From 1997 to 1999, he was member of the management board of BARC Versicherungs-Holding AG. Since 1999 Mr. Wanitschek has been member of the management board of UNIQA Versicherungen AG.

Siegfried Wolf

Siegfried Wolf was born on October 31, 1957. He started his career with Philips, Vienna, where he trained as a tool and die-maker. He continued his professional training through the stages of master craftsman up to obtaining an engineering degree. From 1981 to 1983 he worked as quality manager and assistant director of quality control at VMW (*Vereinigte Metallwerke Wien*). Mr. Wolf then joined Hirtenberger AG, where he advanced from director for quality control to general manager and vice president. In 1994, he joined Magna Europe. 1995 he became president of Magna Europe. In 1999 he was nominated to the board of directors of Magna International as vice chairman. Mr. Wolf continued his role as vice chairman of Magna International until 2001, when he was appointed president and CEO of Magna Steyr. In February 2002 he resumed additional responsibilities as executive vice chairman of Magna International Inc. until April 2005, when he was appointed Co-CEO.

Employee Representatives

Peter Nimmervoll

Peter Nimmervoll was born on January 16, 1944. In 1968, he joined STRABAG Group and worked in the accounting department. From 1978 to 1998, Mr. Nimmervoll was branch tradesman in Upper Austria (*Niederlassungskaufmann Oberösterreich*). Since 1998 he has been a employee representative (*Betriebsrat*).

Josef Radosztics

Josef Radosztics was born on February 19, 1956. In 1976, he joined STRABAG Group (STUAG) as motorcar mechanic. Since January 1994 he has been a worker's representative (*Arbeiterbetriebsrat*).

Gerhard Springer

Gerhard Springer was born on March 26, 1952. He was educated as head mason (*Polier*) and attended the social academy (*Sozialakademie*). He joined STRABAG Group in 1977. From 1977 to 1983 he was foreman (*Vorarbeiter*), vice-head mason (*Vizepolier*) and employee representative. Since April 1983 he has been a full time employee representative (*freigestellter Betriebsrat*).

Committees of the Supervisory Board

According to the Articles of Association, the Supervisory Board may establish committees that may be granted decision powers. Committees can be established permanently or for specific tasks. Works council delegates may be represented in proportion to their representation on the Supervisory Board (except for meetings of the Executive Committee which deal with the relations of the Company and the members of the Management Board other than the appointment and revocation of Management Board members and the granting of options for shares of the Company).

The Supervisory Board has established an Executive Committee (*Präsidium*), a Presidential and Nomination Committee (*Präsidial- und Nominierungsausschuss*) and an Audit Committee (*Prüfungsausschuss*). The rules of procedure of the Supervisory Board apply to the Supervisory Board Committees, unless the Supervisory Board resolves differently. Any committee must consist of at least 3 members, including the Supervisory Board member nominated by the holder of the Registered Share number 2 (two), if so nominated.

Executive Committee

The Executive Committee is responsible for all matters regarding the relations of the Company and the members of the Management Board other than the appointment and revocation to the Management

Board and the granting of options for shares of the Company. In particular, the Executive Committee is responsible for the Management Board members' compensation and the content of their employment agreements. The Executive Committee is authorized to conclude, modify or terminate employment agreements and to grant additional variable compensation.

The members of the Executive Committee are the Chairman and the Vice-Chairman of the Supervisory Board.

Presidential and Nomination Committee

The Presidential and Nomination Committee is responsible for succession planning for the members of the Management Board. The Supervisory Board may delegate further responsibilities to the Presidential and Nomination Committee permanently or for specific tasks. In particular, it may delegate the consent to certain management measures or significant transactions, as required by the Management Board's rules of procedure (see "*Management and Corporate Governance—Management Board—Appointment, Duties and Procedures of the Management Board*"). The Supervisory Board empowered the Presidential and Nomination Committee to take decisions in case of urgency. The Supervisory Board further empowered the Presidential and Nomination Committee to consent to the transfer of the Company's Registered Shares with numbers 1 (one) and 2 (two) (see "*Description of the Share Capital of the Company and the Articles of Association—Share Capital and Shares*").

The members of the Presidential and Nomination Committee are Waldemar Jud, Erwin Hameseder, Gulzhan Moldazhanova, Peter Nimmervoll and Gerhard Springer.

Audit Committee

The Audit Committee is responsible for the audit and preparation of the approval of the financial statements and consolidated financial statements of the Company, the preparation of a proposal for the distribution of profits and the review of the management report. The Audit Committee also examines the auditor's management letter and the auditor's report on the assessment of the effectiveness of the Company's risk management. Furthermore, the Audit Committee prepares the proposal for the auditor to be elected by the shareholders' meeting. Upon election of the auditor by the shareholders' meeting, the Audit Committee mandates the auditor and agrees on the auditor's compensation.

One member of the Audit Committee must be a person with special knowledge and practical experience in finance and accounting and reporting (*Finanzexperte*). Persons who were members of the Management Board, executives or auditors of the Company or persons having certified the (consolidated) financial statements of the Company within the last three years may not be *Finanzexperte* or Chairman of the Audit Committee.

The members of the Audit Committee are Waldemar Jud, Erwin Hameseder (also as *Finanzexperte*), Gottfried Wanitschek, Gulzhan Moldazhanova, Gerhard Springer and Peter Nimmervoll.

Supervisory Board Compensation

The shareholders' meeting decides on the annual allowance for the members of the Supervisory Board who are elected or nominated by shareholders, as well as on additional remuneration for special duties, if any. On February 27, 2007, the shareholders' meeting decided on an annual allowance of EUR 15,000, EUR 25,000 and EUR 50,000 respectively for the current members, the Vice Chairman and the Chairman of the Supervisory Board for the years 2007-2010. In addition to the annual allowance, members of the Supervisory Board are reimbursed for actual expenses.

Furthermore, according to the Company's Articles of Association the members of the Supervisory Board are protected up to a certain coverage limit by a D&O insurance policy provided by the Company which covers the personal liability of the board members arising from negligent breaches of duty committed within the scope of activity as a corporate body.

In 2005 and 2006, no remuneration was paid to members of the Supervisory Board.

Duty of Loyalty and Care

The members of the Management Board and Supervisory Board owe a duty of loyalty and care to the Company. In carrying out their duties they must exercise the standard of care of a prudent and diligent business person. They are required to take into account a broad range of considerations when making their decisions, including the Company's interests and those of the shareholders, employees, creditors, and the public.

Generally, a shareholder has no direct recourse against the members of the Supervisory Board or the Management Board in the event that they are believed to have breached their duty.

Certain Additional Information about Board Members

Activities Performed Outside the STRABAG Group

The following table sets out the names of all companies and partnerships (excluding subsidiaries of STRABAG SE) of which each of the members of the Supervisory Board and Management Board has been a member of the administrative, management or supervisory boards or partner (as the case may be) at any time in the five years prior to the date of this prospectus:

Name	Name of Company	Function	Current function (yes/no)
Management Board			
Hans Peter Haselsteiner	"Health Care Company" KRANKENHAUS BETRIEBSFÜHRUNGS-AKTIENGESELLSCHAFT	Chairman of the supervisory board	Yes
	CONCORDIA Sozialprojekte P. Georg Sporschill Gemeinnützige Privatstiftung	Chairman of the advisory board	Yes
	Haselsteiner Familien-Privatstiftung	Chairman of the management board	Yes
	BREG Gesellschaft für Bau- und Revitalisierung Gesellschaft m.b.H.	Managing Director	Yes
	"STRABAG Arbeits- und Sozialfonds" Privatstiftung	Vice-chairman of the management board	Yes
	top.equity Unternehmensbeteiligungs AG	Member of the supervisory board	No
	AdvoFin Prozeßfinanzierung AG	Member of the supervisory board	No
	KÄRNTEN PRIVATSTIFTUNG	Member of the supervisory board	No
	Fachhochschule Technikum Kärnten - gemeinnützige Privatstiftung	Chairman of the supervisory board	No
	HSKG Verwaltungs- und Beteiligungs GmbH	Managing director	No
	KIHOG Kärntner Industrieholding Gesellschaft m.b.H.	Managing director	No
	A-WAY Holding und Finanz AG	Chairman of the management board	No
	FIMAG Finanz Industrie Management AG	Chairman of the management board	No
Manfred Nußbaumer	RIB Software AG	Member of the supervisory board	Yes
	DGGT Deutsche Gesellschaft für Geotechnik e.V.	Chairman of the management board	Yes
	Stiftung Werner-von-Siemens-Ring	Member of the foundation board	Yes
	Landesbank Baden-Württemberg	Member of the advisory board	No
	A-WAY Holding und Finanz AG	Member of the supervisory board	No
Fritz Oberlerchner	ANDRITZ AG	Member of the supervisory board	Yes
	Obuda Apartman Kft	Member of the supervisory board	No
	DEUTAG GmbH & Co. KG	Vice-chairman of the advisory board	No
	FIMAG Finanz Industrie Management AG	Vice-Chairman of the management board	No
Thomas Birtel	Build Online (Holdings) Ltd.	Member of the board	No
	Build Online Global Ltd.	Member of the board	Yes
	Industrie-Pensions-Verein e.V.	Member of the board	Yes
	Deutsche Bank AG	Member of the advisory board	Yes
	Gerling Beteiligungs AG	Member of the advisory board	Yes
Nematollah Farrokhnia	FIMAG Finanz Industrie Management AG	Member of the management board	No
	Obuda Apartman Kft	Member of the supervisory board	No
Roland Jurecka	Syrena Immobilien Holding Aktiengesellschaft	Member of the supervisory board	Yes
	Oliphant Management Projekt-entwicklungs GmbH	Managing Director	Yes
	Rhomberg Privatstiftung	Member of the management board	Yes
	NOAG Autobahnerrichtungs AG	Vice-chairman of the supervisory board	Yes

	Autostrada Wielkopolska S.A.	Vice-chairman of the supervisory board	Yes
	AKA Alföld Koncesszios Autopalya Zártköruen Muködo Részvénytársaság	Member of the supervisory board	Yes
	Obuda Apartman Kft.	Member of the supervisory board	No
	Housing & Construction a.s.	Member of the supervisory board	No
	A-WAY LKW-Maut Betriebsgesellschaft m.b.H.	Managing Director	No
	A-WAY Holding und Finanz AG	Member of the management board	No
	FIMAG Finanz Industrie Management AG	Member of the management board	No
	NOAG Autobahnerrichtungs AG	Vice-chairman of the supervisory board	No
Wolfgang Merkinger	WIBAU Holding GmbH	Chairman of the supervisory board	Yes
	WIBAU Kies und Beton GmbH	Chairman of the supervisory board	Yes
	"STRABAG Arbeits- und Sozialfonds" Privatstiftung	Member of the management board	Yes
	Bank Austria Creditanstalt AG	Member of the advisory board	No
	Cemmac a.s.	Member of the supervisory board	Yes
	Mercer Human Resource Consulting GmbH	Member of the advisory board	No
	FIMAG Finanz Industrie Management AG	Member of the management board	No
Hannes Truntschnig	Raiffeisen evolution project development GmbH	Vice-chairman of the advisory board	Yes
	Syrena Immobilien Holding Aktiengesellschaft	Vice-chairman of the supervisory board	Yes
	KSV 1870	Member of the management board	Yes
	"Strabag Arbeits- und Sozialfonds" Privatstiftung:	Member of the management board	Yes
	AKA Alföld Koncesszios Autopalya Zártköruen Muködo Részvénytársaság	Member of the supervisory board	Yes
	Geschäfts- und Bürozentrum Auhof Planungs- und Errichtungsgesellschaft m.b.H.	Managing director	No
	NOAG Autobahnerrichtungs AG	Member of the supervisory board	No
	Obuda Apartman Kft.	Member of the supervisory board	No
	A-WAY Holding und Finanz AG	Member of the management board	No
	A-WAY LKW-Maut Betriebsgesellschaft m.b.H.	Managing director	No
	FIMAG Finanz Industrie Management AG	Member of the management board	No
Supervisory Board			
Waldemar Jud	Univ. Prof. DDr. Waldemar Jud Unternehmensforschungs GmbH	Managing director	Yes
	UCG Unternehmensforschung GmbH	Managing director	Yes
	Print Radio Medienbeteiligungsges.m.b.H. in Liqu.	Liquidator	No
	Ottakringer Brauerei AG	Vice-chairman of the supervisory board	Yes
	DO & CO Restaurants & Catering Aktiengesellschaft	Chairman of the supervisory board	Yes
	dm drogerie markt GmbH	Member of the supervisory board	Yes
	dm drogerie markt Kft	Chairman of the supervisory board	Yes
	dm drogerie markt d.o.o.	Member of the supervisory board	Yes
	HGI Beteiligungs AG	Vice-chairman of the supervisory board	Yes
	ATTILA DOGUDAN PRIVATSTIFTUNG	Member of the management board	Yes
	"PRIVATSTIFTUNG LAUDA"	Member of the management board	No
	Privatstiftung zur Verwaltung von Anteilsrechten	Member of the management board	Yes
	AVA Mineralölhandel AG	Chairman of the supervisory board	No
	Creditanstalt AG	Member of the supervisory board	No
	Rana-Liegenschaftsverwertung AG	Vice-chairman of the supervisory board	No
	Styrian Airways AG	Vice-chairman of the supervisory board	No
Erwin Hameseder	ARS BOHEMIAE – Privatstiftung Rotter	Member of the management board	Yes
	LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft	Member of the management board	Yes
	RAIFFEISEN-REVISIONSVERBAND NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H.	Member of the management board	Yes
	"CLEMENTIA" Holding GmbH	Managing director	Yes
	"DICUNIA" Beteiligungs GmbH	Managing director	No

Haldenhof Liegenschaftsverwaltungs- und – verwertungsges.m.b.H.	Managing director	No
“KORMUS” Holding GmbH	Managing director	No
Marchfelder Zuckerfabriken Gesellschaft m.b.H.	Managing director	Yes
“MARMARIS” Holding GmbH	Managing director	No
MAZ Beteiligungs GmbH	Managing director	Yes
Medial Beteiligungs-Gesellschaft m.b.H.	Managing director	Yes
Medicur – Holding Gesellschaft m.b.H.	Managing director	Yes
Medicur Sendeanlagen GmbH	Managing director	Yes
Printmedien Beteiligungsgesellschaft m.b.H.	Managing director	Yes
RAIFFEISEN-HOLDING NÖ-Wien Beteiligungs GmbH	Managing director	Yes
RH Anteilsverwaltungs GmbH	Managing director	No
St. Wolfgang Beteiligung G.m.b.H.	Managing director	Yes
“TALIS” Holding GmbH	Managing director	Yes
AGRANA Beteiligungs- Aktiengesellschaft	Vice-chairman of the supervisory board	Yes
AGRANA Zucker, Stärke und Frucht Holding AG	Vice-chairman of the supervisory board	Yes
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH	Chairman of the supervisory board	No
Erste n.oe. Brandschaden-Versicherungsaktiengesellschaft	Member of the supervisory board	No
Flughafen Wien Aktiengesellschaft	Member of the supervisory board	Yes
“Health Care Company” KRANKENHAUS BETRIEBSFÜHRUNGS-AKTIENGESELLSCHAFT	Member of the supervisory board	No
Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H.	Vice-chairman of the supervisory board	Yes
NÖM AG	Chairman of the supervisory board	Yes
Raiffeisen Informatik GmbH	Member of the supervisory board	No
Z&S Zucker und Stärke Holding AG	Chairman of the supervisory board	Yes
Südzucker AG	Member of the supervisory board	Yes
VK Mühlen AG	Member of the supervisory board	Yes
KURIER Beteiligungs-Aktiengesellschaft	Chairman of the supervisory board	No
LBG Wirtschaftstreuhand- und Beratungsgesellschaft m.b. H.	Member of the supervisory board	No
“MAREA” Holding GmbH	Chairman of the supervisory board	No
Medicur Sendeanlagen GmbH	Managing director	Yes
Medicur Sendeanlagen GmbH	Chairman of the supervisory board	No
MFAG-Mittelstandsfinanzierungs-Aktiengesellschaft	Vice-chairman of the supervisory board	No
Niederösterreichische Milch Holding GmbH	Chairman of the supervisory board	No
NÖ Kulturwirtschaft GesmbH.	Member of the supervisory board	No
Raiffeisen-Unic-Holding Aktiengesellschaft	Vice-chairman of the supervisory board	No
Tele2UTA Telecommunication GmbH	Member of the supervisory board	No
A-WAY Holding und Finanz AG	Member of the supervisory board	No
FIMAG Finanz Industrie Management AG	Member of the supervisory board	No
AXA Konzern Aktiengesellschaft	Member of the management board	No
“BENEFICIO” Holding GmbH	Managing director	No
BL Syndikat Beteiligungs Gesellschaft m.b.H.	Managing director	No
“BORTA” Holding GmbH	Managing director	No
TERRA NOE” LiegenschaftsverwaltungsgmbH	Managing director	No
“URUBU” Holding GmbH	Managing director	No
VULANIA HOLDING GMBH	Managing director	No
RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG	Chairman of the management board	Yes
Raiffeisen-Landesbanken-Holding GmbH	Managing director	Yes
“CARPETA” Holding GmbH	Managing director	Yes
Österreichische Raiffeisen-Einlagensicherung reg.Gen.m.b.H.	Vice-chairman of the management board	Yes
R-Landesbanken-Beteiligung GmbH	Managing director	Yes
Raiffeisen-Einlagensicherung Niederösterreich-Wien reg.Gen.m.b.H.	Chairman of the management board	Yes
RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H.	Managing director	Yes
NÖM INTERNATIONAL AG	Vice-chairman of the supervisory board	Yes
Raiffeisen Bausparkasse Gesellschaft m.b.H.	Member of the supervisory board	Yes

	Raiffeisen Zentralbank Österreich Aktiengesellschaft	Member of the supervisory board	Yes
	UNIQA Versicherungen AG	Member of the supervisory board	Yes
Gerhard Gribkowsky	BayernLB	Member of the management board	Yes
	MKB Magyar Külkereskedelmi Bank Rt.	Member of the supervisory board	Yes
	DKB Deutsche Kreditbank AG	Member of the supervisory board	Yes
	Unionbank AD	Member of the supervisory board	Yes
	Romexterra Bank S.A.	Member of the supervisory board	Yes
	Delta Topco Ltd.	Member of the supervisory board	Yes
	German Centre (Shanghai) Ltd.	Chairman of the supervisory board	Yes
	BayernInvest AG	Member of the supervisory board	No
	ProSiebenSat1 Media AG	Member of the supervisory board	No
	debis AirFinance	Member of the supervisory board	No
	Formula One Holding Ltd. (Group)	Member of the supervisory board	No
	SLEC Holdings Ltd.	Chairman of the supervisory board	No
Gulzhan Moldazhanova	Company Bazovy Element LLC	CEO and member of the supervisory board	Yes
	Basic Element Limited	Director	Yes
	EN+ Group Limited	Director	Yes
	Altius Development LLC	Member of the board of directors	Yes
	Glavstroy-SPb LLC	Member of the board of directors	Yes
	Glavstroy Corporation LLC	Member of the board of directors	No
	Russian Machines OJSC	Member of the board of directors	No
	LPK Continental Management LLC	Member of the board of directors	No
	Russian Aluminium OJSC	Member of the board of directors	No
	RUSAL – Management company LLC	Deputy of the CEO strategy and coporate development	No
	Russian Aluminium Management OJSC	Director of strategy and corporate development	No
Gottfried Wanitschek	UNIQA Versicherungen AG	Member of the management board	Yes
	UNIQA Praterstraße Projekterrichtungs GmbH	Managing director	Yes
	UNIQA Personenversicherung AG	Member of the supervisory board	Yes
	UNIQA Sachversicherung AG	Member of the supervisory board	Yes
	Raiffeisen Versicherung AG	Member of the supervisory board	Yes
	FINANCE LIFE Lebensversicherung AG	Member of the supervisory board	Yes
	CALL DIRECT Versicherung AG	Member of the supervisory board	Yes
	UNIQA International Versicherungs-Holding GmbH	Member of the supervisory board	Yes
	UNIQA Beteiligungs-Holding GmbH	Chairman of the supervisory board	Yes
	UNIQA Real Estate AG	Chairman of the supervisory board	Yes
	AUSTRIA Hotels Liegenschaftsbesitz AG	Vice-chairman of the supervisory board	Yes
	Raiffeisen Zentralbank Österreich Aktiengesellschaft	Member of the supervisory board	Yes
	LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft	Member of the supervisory board	Yes
	CEE Hotel Development AG	Vice-chairman of the supervisory board	Yes
	KURIER Beteiligungs-Aktiengesellschaft	Vice-chairman of the supervisory board	Yes
	KURIER Zeitungsverlag und Druckerei Gesellschaft m.b.H	Vice-chairman of the supervisory board	Yes
	KURIER Redaktionsgesellschaft m.b.H.	Vice-chairman of the supervisory board	Yes
	Mediaprint Zeitungs- und Zeitschriftenverlag GmbH	Member of the supervisory board	Yes
	EPAMEDIA–EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH	Member of the supervisory board	Yes
	Privatklinik Villach Gesellschaft m.b.H.	Chairman of the supervisory board	Yes
	UNIQA Immobilien-Projekterrichtungs GmbH	Managing director	No
	EB und HYPO - BANK BURGENLAND Aktiengesellschaft	Vice-chairman of the supervisory board	No
	Montafoner Hochjochbahnen Gesellschaft m.b.H	Member of the supervisory board	No
	ÖPAG Pensionskassen Aktiengesellschaft	Member of the supervisory board	No
	Raiffeisen evolution project development GmbH	Member of the advisory board	Yes
	Medicur Sendeanlagen GmbH	Member of the supervisory board	No
	ZEITSCHRIFTEN Verlagsbeteiligungsaktiengesellschaft	Vice-chairman of the supervisory board	No

	"MAREA" Holding GmbH	Member of the supervisory board	No
	A-WAY Holding und Finanz AG	Member of the supervisory board	No
	FIMAG Finanz Industrie Management AG	Member of the supervisory board	No
	UNIQA Finanz-Service GmbH	Chairman of the advisory board	Yes
	UNIQA Alternative Investments GmbH	Chairman of the advisory board	Yes
	UNIQA Immobilien-Service GmbH	Chairman of the advisory board	Yes
	UNIQA Software-Service GmbH	Member of the advisory board	Yes
	Humanomed Krankenhaus Management GmbH	Chairman of the advisory board	Yes
	PKB Privatkliniken Beteiligungs-GmbH	Chairman of the advisory board	Yes
	AUSTRIA Hotels Betriebs GmbH	Vice-chairman of the advisory board	Yes
	ÖPAG Pensionskassen Aktiengesellschaft	Member of the advisory board	Yes
	UNIQA pojišt'ovna, a.s.	Chairman of the supervisory board	Yes
	UNIQA poistovna, a.s.	Member of the supervisory board	Yes
	UNIQA osiguranje	Member of the supervisory board	Yes
	UNIQA Osiguranje d.d.	Member of the supervisory board	Yes
Siegfried Wolf	Magna International Inc.	Co-CEO & member of the board of directors	Yes
	MAGNA STEYR AG	Chairman of the supervisory board	Yes
	MAGNA STEYR Metalforming AG	Chairman of the supervisory board	Yes
	MAGNA Automotive Holding AG	Member of the management board	Yes
	MAGNA International Europe AG	Member of the management board	Yes
	MAGNA International Automotive Holding AG	Member of the management board	Yes
	MAGNA International Austria Holding GmbH	Managing director	Yes
	MAGNA Auteca AG	Chairman of the supervisory board	Yes
	Cosma Engineering Europe AG	Chairman of the supervisory board	Yes
	Österreichische Industrieholding AG	Member of the supervisory board	Yes
	Österreichische Elektrizitäts-wirtschafts-Aktiengesellschaft	Member of the supervisory board	Yes
	Siemens Aktiengesellschaft Österreich	Member of the supervisory board	Yes
	HGI Beteiligungs AG	Member of the supervisory board	Yes
	Fontana Beteiligungs AG	Vice-Chairman of the supervisory board	No
	MI Developments Austria GmbH	Managing director	No
	MAGNA Beteiligungsgesellschaft mbH	Managing director	No
	MAGNA Siebte Beteiligungs AG	Chairman of the supervisory board	No
	MAGNA Automotive Holding AG	Member of the supervisory board	No
	Steyr Powertrain AG	Chairman of the supervisory board	No
	NEVIA Beteiligungs AG	Chairman of the supervisory board	No
	Bank Austria Creditanstalt AG	Member of the advisory board Lower Austria	Yes
	Lead Equities Mittelstands-Finanzierungs AG	Member of the supervisory board	No
Peter Nimmervoll	"STRABAG Arbeits- und Sozialfonds" Privatstiftung	Member of the management board	Yes
	A-WAY Holding und Finanz AG	Member of the supervisory board	No
Josef Radosztics	"STRABAG Arbeits- und Sozialfonds" Privatstiftung	Member of the management board	Yes
	A-WAY Holding und Finanz AG	Member of the supervisory board	No
Gerhard Springer	"STRABAG Arbeits- und Sozialfonds" Privatstiftung	Chairman of the management board	Yes
	BUAK Mitarbeitervorsorgekasse GesmbH	Member of the supervisory board	Yes
	A-WAY Holding und Finanz AG	Member of the supervisory board	No

Conduct of Board Members

Within the five years prior to the date of this prospectus, no member of the Management Board or Supervisory Board:

- was convicted in relation to fraudulent offences;
- was associated with bankruptcies, receiverships or liquidations in his capacity as a director or senior manager; except for Mr. Jud who acted as vice-chairman of the supervisory board of Styrian Airways AG up to its insolvency in 2006 and who acted as liquidator *(Liquidator)* in the winding up of Print Radio Medienbeteiligungsges.m.b.H. in Liqu.;
- was officially and publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or

- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Shares Held by Board Members

As reported to the Company, as at September 30, 2007 members of the Management Board held 2 shares of STRABAG SE in the aggregate. As reported to the Company, as at September 30, 2007 no member of the Supervisory Board held shares in the Company. As reported to the Company, as at September 30, 2007, private trusts where a member of the Management Board is either a founder or beneficiary held 27,936,072 shares in the aggregate (for further information see "*Principal Shareholders*").

Conflicts of Interest

No potential conflict of interest exists in respect of any member of the Management Board or Supervisory Board between his duties to the Company and his private duties and/or other duties. However, one member of the Supervisory Board has been nominated by Rasperia and is the CEO and member of the supervisory board of Basic Element, both of which are not prohibited from pursuing activities in the construction industry under the terms and conditions of the Shareholders Agreement (see "*Principal Shareholders—Shareholders' Agreements*"). There are no family ties between members of the Management Board and the Supervisory Board.

The Company has no outstanding loans to and no guarantees on behalf of any members of the Supervisory Board or Management Board.

Pursuant to the CGC, a sufficient number of members of the Supervisory Board should be independent of the Company and its management (see "*Management and Corporate Governance—Compliance with Corporate Governance Code*"). In accordance with the CGC, the Company has adopted guidelines to evaluate the independence of Supervisory Board members. Pursuant to these guidelines, a member of the Supervisory Board is deemed independent if it does not have any business or personal relations with the Company or its Management Board that constitute a material conflict of interests suited to influence the behaviour of such member. In particular, the Supervisory Board member must not have served as member of the Management Board or executive staff of the Company (or its affiliates) in the past five years, must not have maintained any significant business relations with the Company (including its affiliates) in the past year, must not have acted as auditor of the Company in the past three years and must not be a member of the management board of another company in which a member of the Management Board of the Company is a supervisory board member.

Other Legal Relations with the Company

No legal relationships exist between the members of the Management Board or the Supervisory Board (including Board members who retired in 2006) and the Company or any of its subsidiaries other than their respective appointments as Board members and the relating service agreements.

Stock Option Plan

The Company has not implemented a Stock Option Plan.

Compliance with Corporate Governance Code

The CGC was published by the Austrian Working Group on Corporate Governance, a group of private organizations and individuals in 2002 and has been amended most recently in June 2007.

The CGC primarily applies to Austrian stock market-listed companies that undertake to adhere to its principles. The CGC is based on statutory provisions of Austrian corporate law, securities law and capital markets law ("Legal Requirements", "L-Rules"). In addition, the CGC contains rules considered to be a part of common international practice, such as the principles set out in the OECD Principles of Corporate Governance and the recommendations of the European Commission. Non-compliance with some of these rules must be explained ("Comply or Explain", "C-Rules").

The principal rules and recommendations of the CGC include:

- equal treatment of shareholders under equal circumstances;
- remuneration for the members of the management board should comprise fixed and business performance related components (based on long-term indicators); the individual remuneration for each member of the management board should be reported in the annual financial statements;
- stock option plans for members of the management board should be approved by the shareholders' meeting and be based on objective parameters to be defined in advance; subsequent changes of the parameters should be avoided;
- conflicts of interests of members of the management board and the supervisory board should be disclosed in the annual financial statements;
- a sufficient number – in the opinion of the supervisory board – of members of the supervisory board should be independent of the company and its management and the supervisory board should define the criteria that constitute independence;
- supervisory board committees should be established, in particular an audit committee (for accounting and auditing issues), a remuneration committee (for remuneration and other issues with management board members) and a nomination committee;
- supervisory board members may not assume any functions on the boards of other enterprises that are competitors of the company;
- the number of members of the supervisory board (excluding employees' representatives) should be ten or less; supervisory board members should not sit on the supervisory boards of more than eight other listed companies (chairperson counts twice);
- annual and quarterly financial statements (drawn up according to internationally recognized accounting standards) should be published in a timely manner (within four and two months, respectively) and must be publicly accessible for a period of at least five years;
- communication structures should be established to meet information needs of shareholders in a timely and adequate manner, in particular by using the internet; dates essential for shareholders should be communicated sufficiently in advance; consolidated financial statements and interim reports should be published on the company's website in German and English;
- any director's dealings should be disclosed on the company's website directly or by referring to the website of the FMA;
- prior to appointing independent auditors, the supervisory board should receive a statement disclosing any relationship between the auditors (including related parties) and the company and its management board;
- the independent auditors should make regular assessments of the company's risk management; and
- an annual report regarding compliance with the CGC should be included in the annual financial statements posted on the company's website.

The Company currently complies in full with all "L-Rules" and "C-Rules" of the CGC.

PRINCIPAL SHAREHOLDERS

The following table sets forth the number and the percentages of Shares owned by the Company's shareholders (the "Existing Shareholders") immediately prior to the Offering, and the number and percentage of Shares that those shareholders will own upon completion of the Offering:

	Shares owned prior to the Offering		Shares owned after the Offering, assuming no exercise of the Greenshoe Option		Shares owned after the Offering, assuming full exercise of the Greenshoe Option	
	(shares)	**(percentage)**	**(shares)**	**(percentage)**	**(shares)**	**(percentage)**
Haselsteiner Familien-Privatstiftung[(1)]	27,936,071	29.406	24,736,063	22.285	24,736,063	21.698
ERLESTA Foundation[(2)]	1,881,966	1.981	1,881,966	1.695	1,881,966	1.651
STARROK Foundation[(3)]	1,881,966	1.981	1,881,966	1.695	1,881,966	1.651
Hans Peter Haselsteiner[(4)]	2	0.000	2	0.000	2	0
Total Haselsteiner Group	**31,700,005**	**33.368**	**28,499,997**	**25.676**	**28,499,997**	**25.000**
RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H.[(5)]	4,171,753	4.391	4,171,753	3.758	4,171,753	3.659
BLR-Baubeteiligungs GmbH[(6)]	10,287,137	10.829	7,287,138	6.565	7,287,138	6.392
"Octavia" Holding GmbH[(7)]	2,791,110	2.938	2,791,110	2.515	2,791,110	2.448
Total Raiffeisen NÖ-Wien Group	**17,250,000**	**18.158**	**14,250,001**	**12.838**	**14,250,001**	**12.500**
UNIQA Versicherungen AG[(8)]	422,054	0.444	22,060	0.020	22,060	0.019
UNIQA Beteiligungs-Holding GmbH[(9)]	7,786,178	8.196	5,186,178	4.672	5,186,178	4.549
UNIQA Personenversicherung AG[(10)]	7,446,246	7.838	7,446,246	6.708	7,446,246	6.532
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.[(11)]	1,369,942	1.442	1,369,942	1.234	1,369,942	1.202
UNIQA Sachversicherung AG[(12)]	225,574	0.237	225,574	0.203	225,574	0.198
Total UNIQA Group	**17,249,994**	**18.158**	**14,250,000**	**12.838**	**14,250,000**	**12.500**
Rasperia Trading Limited[(13)]	28,500,001	30.000	28,500,001	25.676	28,500,001	25.000
Other Shareholders/Freefloat[(14)]	300,000	0.316	25,500,001	22.973	28,500,001	25.000
Total	**95,000,000**	**100.000**	**111,000,000**	**100.000**	**114,000,000**	**100.000**

(1) The business address of Haselsteiner Familien-Privatstiftung is Ortenburgerstrasse 27, A-9800 Spittal an der Drau, Austria. Mr. Hans Peter Haselsteiner, who has been Chairman of the Company's Management Board since 1987, is currently chairman of the management board of Haselsteiner Familien-Privatstiftung.

(2) The business address of ERLESTA Foundation is Meierhofstraße 2, FL-9490 Vaduz, Liechtenstein.

(3) The business address of STARROK Foundation is Meierhofstraße 2, FL-9490 Vaduz, Liechtenstein.

(4) The business address of Hans Peter Haselsteiner is Süduferweg 87, A-9871 Seeboden, Austria. He has been Chairman of the Company's Management Board since 1987.

(5) The business address of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. is Friedrich-Wilhelm-Raiffeisen-Platz 1, A-1020 Vienna, Austria. Mr. Erwin Hameseder, who has been a member of the Company's Supervisory Board since 1998, is currently a member of the management board of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H.

(6) The business address of BLR-Baubeteiligungs GmbH is Friedrich-Wilhelm-Raiffeisen-Platz 1, A-1020 Vienna, Austria.

(7) The business address of "Octavia" Holding GmbH is Friedrich-Wilhelm-Raiffeisen-Platz 1, A-1020 Vienna, Austria.

(8) The business address of UNIQA Versicherungen AG is Untere Donaustrasse 21, A-1029 Vienna, Austria. Mr. Gottfried Wanitschek, who has been a member of the Company's Supervisory Board since 1998, is currently a member of the management board of UNIQA Versicherungen AG.

(9) The business address of UNIQA Beteiligungs-Holding GmbH is Untere Donaustrasse 21, A-1029 Vienna, Austria. Mr. Gottfried Wanitschek, who has been a member of the Company's Supervisory Board since 1998, is currently the chairman of the supervisory board of UNIQA Beteiligungs-Holding GmbH.

(10) The business address of UNIQA Personenversicherung AG is Untere Donaustrasse 21, A-1029 Vienna, Austria. Mr. Gottfried Wanitschek, who has been a member of the Company's Supervisory Board since 1998, is currently a member of the supervisory board of UNIQA Personenversicherung AG.

(11) The business address of UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H. is Untere Donaustrasse 21, A-1029 Vienna, Austria. UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H. is a wholly owned subsidiary of UNIQA Beteiligungs-Holding GmbH.

(12) The business address of UNIQA Sachversicherung AG is Untere Donaustrasse 21, A-1029 Vienna, Austria. Mr. Gottfried Wanitschek, who has been a member of the Company's Supervisory Board since 1998, is currently a member of the supervisory board of UNIQA Sachversicherung AG.

(13) The business address of Rasperia Trading Limited is P.C.4105, Limassol, Cyprus, Renatou Kartesiou, 4, Agios Athanasios.

(14) Not related to any other shareholder listed above or to any other person holding a Management or Supervisory Board position in STRABAG SE.

Currently, Hans Peter Haselsteiner and his wife Ulrike Haselsteiner are members of the management board of the Haselsteiner Familien-Privatstiftung ("HFPS"). The beneficiaries of HFPS have to be nominated by the management board of HFPS. Certain members of the Haselsteiner family are eligible to be nominees. The Austrian Act on Private Foundations *(Privatstiftungsgesetz)* does not allow for members of the management board, their spouses and certain close relatives to be beneficiaries of a foundation. Therefore, members of the Haselsteiner family are currently potential beneficiaries of HFPS and can be nominated as beneficiaries of HFPS only after the resignation of both Hans Peter Haselsteiner and Ulrike Haselsteiner from the management board.

HFPS has an usufructuary right against consideration *(entgeltliches Fruchtgenußrecht)* with regard to the Shares held by ERLESTA Foundation and STARROK Foundation until the end of 2013.

RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. is the parent company of the Raiffeisen NÖ-Wien Group. BLR-Baubeteiligungs GmbH and "Octavia" Holding GmbH are direct or indirect subsidiaries of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H.

UNIQA Versicherungen AG is the parent company of UNIQA Group. UNIQA Personenversicherung AG, UNIQA Sachversicherung AG, UNIQA Beteiligungs-Holding GmbH and UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H. are direct or indirect subsidiaries of UNIQA Versicherungen AG.

The Company's principal shareholders do not have different voting rights from each other or other shareholders.

Shareholders' Agreements

Investment of Rasperia

On April 23, 2007, the members of the Haselsteiner Group, the Raiffeisen NÖ-Wien Group, the UNIQA Group (the "Existing Shareholders") and Rasperia, a company indirectly controlled by Mr. Oleg Deripaska, who also controls Basic Element, a conglomerate with industrial participations, *inter alia*, in infrastructure and building and construction (the Existing Shareholders and Rasperia together the "Syndicate Partners") concluded a subscription agreement ("Subscription Agreement") and a shareholders' agreement ("Shareholders' Agreement"). The Shareholders' Agreement was amended on August 17, 2007 and on September 25, 2007. Pursuant to the Subscription Agreement and various share purchase agreements, Rasperia acquired a 30% interest in the Company. Rasperia acquired the shares in the capital increase at a price of EUR 42 per share. Overall, the weighted average price per share paid by Rasperia was EUR 44.73 per share. Under the Shareholders Agreement, Rasperia received the special rights discussed below.

The Shareholders' Agreement and the Subscription Agreement became effective on August 17, 2007.

In light of Rasperia's investment in the Company, the STRABAG Group intends to explore opportunities for collaborating with Rasperia or other companies controlled by Mr. Deripaska with a view to further expanding its activities in the Russian Federation. However, there is currently no binding agreement between the STRABAG Group and Mr. Deripaska or any of the companies controlled by him with respect to any such collaboration, nor does the Shareholders' Agreement contain firm commitments on the part of Rasperia to collaborate with the STRABAG Group with respect to the identification and exploitation of specific business opportunities in the Russian market.

Subscription Agreement

Under the Subscription Agreement, the Haselsteiner Group, the Raiffeisen NÖ-Wien Group, the UNIQA Group (the Raiffeisen NÖ-Wien Group and the UNIQA Group jointly the "Raiffeisen Group"), the Company and Rasperia agreed on the terms and conditions of the acquisition of shares by

Rasperia by way of (i) an ordinary capital increase of the Company in the nominal amount of EUR 25,000,000 to EUR 95,000,000 subscribed for by Rasperia for a total cash contribution of EUR 1,050,000,000 and (ii) the acquisition of 3,500,000 shares from Existing Shareholders under separate share purchase agreements.

The Subscription Agreement provides for representations and warranties of the Existing Shareholders and the Company. Further, the Existing Shareholders and the Company are subject to a comprehensive indemnification obligation for the benefit of Rasperia applicable in case of breaches of representations and warranties under the Subscription Agreement or other violations of the Subscription Agreement and ancillary agreements.

Shareholders' Agreement

The Shareholders' Agreement provides for nomination rights with respect to members of the Supervisory Board, the coordination of voting of the Shareholders' shares and for transfer restrictions and other rights with respect to the shares, all as discussed below.

The Syndicate Partners have agreed on several core undertakings, including (i) a limitation of cash funding of the Company by Rasperia to Rasperia's initial investment, (ii) good faith negotiations on potential contributions in kind or other combinations of assets of Basic Element with those of the Company, (iii) a prohibition of measures which could result in a future dilution of Rasperia to below 25% plus one share, (iv) the joint development of the Russian Federation and the former Soviet Union as core markets of the Company and, upon request of a Syndicate Partner, investments of the Company in these markets and the provision of certain services by the Company to Rasperia or its nominees at arm's length terms and conditions, as agreed by the Syndicate Partners, (v) a commitment of Hans Peter Haselsteiner to serve as CEO of the Company until at least April 23, 2010 and (vi) a prohibition of measures or transactions of Syndicate Partners which could trigger a mandatory takeover offer pursuant to the Austrian Takeover Act (including an indemnification for damages resulting from a breach).

The Syndicate Partners have agreed that the funds received from the capital increase in connection with Rasperia's investment in the Company shall be used by the Company as requested by one Syndicate Partner and subject to agreement by the Syndicate Partners, *inter alia*, for the purposes of the acquisition of technological know how, assets and employees in the Group's three segments, Road Construction, Building Construction and Civil Engineering and Tunnelling; the acquisition of other businesses and assets with primary regional focus on the Russian Federation, FSU, CEE, but also Austria and Germany and the discharge of indebtedness, thereby improving the Group's equity ratio, among other things, for planned increased participation in PPP financing models.

More specifically, the Company intends to use the proceeds from Rasperia's investment in the Company for similar purposes as those described in "*Use of Proceeds*".

As to future dividend policy, the Syndicate Partners have agreed to distribute to the shareholders of STRABAG SE annually an amount corresponding to at least 30% of the Group's annual consolidated profit attributable to the equity holders of the parent.

Syndicated Shares

The Syndicate Partners have agreed that, immediately after the Offering, the minimum participation in the share capital of the Company will be 25% plus one share for Rasperia and (after redelivery of the Additional Shares made available to the Joint Bookrunners by means of a securities loan) 50% minus two shares for the HPH Group and the Raiffeisen Group combined and that at any time thereafter, the minimum participation for each of the HPH Group, the Raiffeisen Group and Rasperia shall be 17%.

The rights and obligations of the Syndicate Partners under the Shareholders' Agreement extend to all shares held by the Syndicate Partners at the closing date under the Shareholders' Agreement (August 17, 2007) except those shares which subsequently cease to be syndicated as a result of a permitted transfer (as described below), subject, however, to the aforementioned minimum holding of 17% (“Syndicated Shares”). Shares acquired by any Syndicated Partner after August 17, 2007 (through acquisitions from other Syndicate Partners or open market purchases) are not considered Syndicated Shares for purposes of the Shareholders’ Agreement.

Governance Structure, Unanimous Voting

The Syndicate Partners have agreed that the Supervisory Board shall consist of six members two of which shall be nominated by each of the HPH Group, the Raiffeisen Group and Rasperia. These nomination rights include the rights of delegation vested in the Registered Shares with numbers one (1) and two (2) which are held by the HPH Group and Rasperia, respectively. If a minority representative is elected pursuant to section 87 para 1 Stock Corporation Act or pursuant Rule 54 CGC, the Raiffeisen Group will be entitled to nominate only one member of the Supervisory Board instead of two.

The Syndicate Partners have agreed on the establishment of a syndicate meeting consisting of three members representing the HPH Group, the Raiffeisen Group and Rasperia, respectively (“Syndicate Meeting”). Resolutions of the Syndicate Meeting are required on matters to be resolved by the Supervisory Board relating to amendments of the rules of procedure for the Management Board or the Supervisory Board and on all matters to be resolved by the shareholders’ meetings of the Company (“Relevant Meetings”) and may only be passed unanimously, and the Syndicate Partners have agreed to vote their respective Syndicated Shares accordingly. The Syndicate Meeting shall convene prior to Relevant Meetings. The Syndicate Partners shall procure that resolutions in Relevant Meetings will be adopted in accordance with the resolutions of the Syndicate Meeting. If a resolution cannot be passed by unanimous vote in a Syndicate Meeting, the respective item must be removed from the agenda of a the respective Relevant Meeting, except for the approval of the annual financial statements and the appropriation of any profits on which the Syndicate Partners are free to vote as they please.

Public Offerings of Shares

The Shareholders’ Agreement provides for a framework for the Offering and subsequent secondary offerings of shares (“SPO”).

From 2009 onwards, each member of the HPH Group, the Raiffeisen Group or Rasperia may request an SPO. If a member of the HPH Group or of the Raiffeisen Group requests an SPO, Rasperia is entitled to acquire the shareholding envisaged to be offered in such SPO at a price based on the previous stock market price. Any shares so acquired by Rasperia will cease to be Syndicated Shares. Provided that this pre-emption right is not exercised by Rasperia, the respective Syndicate Partner is free to proceed with the SPO, provided it does not include any primary shares.

Transfer Restrictions

The Shareholders’ Agreement provides for certain transfer restrictions which, for the purposes of this sub-section, include restrictions on the transfer of equity securities other than shares of the Company.

Permitted Transfers and Right of First Refusal

Transfers of shares to affiliates, direct family members, trusts for the benefit of a shareholder or its direct family members, transfers among the Existing Shareholders and, with respect to Rasperia, transfers to any entity ultimately beneficially owned by Oleg Deripaska are permissible.

Transfers to a competitor of shares representing a holding in the Company in excess of 8% in the aggregate are not permitted. Competitors are persons or entities operating or controlling other entities deriving a majority of their respective revenue from services currently offered or potentially to be offered by the Company under its purpose of enterprise except activities in the construction and building materials sector by Basic Element or other entities ultimately and beneficially owned by Oleg Deripaska.

In the event a Syndicate Partner intends to sell shares to other Syndicate Partners or third party purchasers, other Syndicate Partners not intending to transfer their respective shares at the same time have a right of first refusal in proportion to their respective shareholdings. In case of transfers of shares by an Existing Shareholder, the shares must first be offered to the other Existing Shareholders. If none of the Existing Shareholders exercises its right of first refusal, the shares are to be offered to Rasperia. A call option applies in the event of a change of control in or the initiation of insolvency proceedings with respect to a Syndicate Partner.

Lock-up

Without limitation to transfers of shares in this Offering and to any additional lock-up obligations (see "*Plan of Distribution—Lock-up Agreements*" for further details), the Syndicate Partners have agreed not to transfer any of their respective shares on or prior to December 31, 2008 except in a permitted transfer, as described above.

Termination

The Shareholders' Agreement has been entered into for an initial term until December 31, 2017, allowing for extensions for consecutive five-year periods unless otherwise notified by any Syndicated Party. The Shareholders' Agreement may be terminated earlier upon (i) the liquidation of the Company, (ii) the unanimous consent of the Syndicate Partners to terminate the Shareholders' Agreement, or (iii) all Syndicate Partners ceasing to be shareholders of the Company. In the event of termination, the holders of the Registered Shares with numbers one (1) and two (2) will no longer be entitled to exercise their nomination rights and the Syndicate Partners have agreed to implement the termination of these nomination rights.

Related Financing Agreements

In connection with the acquisition of its interest in the Company, Rasperia entered into financing agreements with Deutsche Bank AG which provide, among other things, for a pledge of the shares in the Company held by Rasperia to Deutsche Bank AG (the "Share Pledge Agreement"). Under the Share Pledge Agreement, Rasperia retains the voting rights with respect to its shares in the Company, subject, however, to a number of restrictions, including (with certain exceptions) prohibitions to agree to or to permit capital increases or decreases by the Company, the creation of any obligations convertible into shares, changes to the constitutional documents of the Company and certain restructurings. Deutsche Bank AG has the right on or before November 16, 2007 to demand amendments to the financing agreements. If Rasperia does not agree to any such amendments by such date, Deutsche Bank AG may require Rasperia to repay the amount outstanding under the agreements in full. Under the Share Pledge Agreement, in an event of default Deutsche Bank AG is entitled to have Rasperia's shares in the Company sold by private sale or public auction without judgment or any other legal court action and in the latter case, Deutsche Bank AG may also acquire Rasperia's shares in the Company itself. Depending on the number of Shares sold and the entity acquiring these Shares, a change of control in the syndicate formed by Rasperia, the Haselsteiner Group, the Raiffeisen NÖ-Wien Group and the UNIQA Group and, ultimately, in the Company may occur. As a result, certain of the Existing Shareholders and, potentially, other shareholders acquiring all or a portion of the Shares currently held by Rasperia could be required to make a mandatory takeover offer pursuant to the Austrian Takeover Act.

Controlling Interests

Management believes that the Group's corporate governance structure, together with the provisions of Austrian corporate law, provides sufficient safeguards against the abuse of controlling interests by shareholders.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Shares held by Management Board Members in the Company and other Companies of the Group

For information on shares held by the members of the Management Board in the Company see "*Management and Corporate Governance—Certain Additional Information about Board Members—Shares held by Board Members*".

Activities of Members of the Management Board in Companies other than the Company

For information on activities of the members of the Management Board in companies other than the Company see "*Management and Corporate Governance—Certain Additional Information about Board Members—Activities performed outside the STRABAG Group*".

Related Party Transactions

IDAG

IDAG Immobilienbeteiligung u. -Development GmbH ("IDAG") is a real property development company in which two private trusts, ATLAS Immobilien & Development Privatstiftung ("ATLAS") and ARION Immobilien Development Privatstiftung ("ARION"), via a subsidiary each hold 50% of the shares and participation rights. The Raiffeisen NÖ-Wien Group, the UNIQA Group as well as members of the Haselsteiner family are the beneficiaries of ATLAS and ARION.

The STRABAG Group performs facility management services for IDAG and its project companies. Furthermore, STRABAG performs certain accounting services for IDAG. In total, the STRABAG Group generated turnover with IDAG of around EUR 6 million in 2006 (EUR 6 million in 2005). All business activities between the Group and IDAG, current and during the last three financial years, are and were performed within the framework of arm's-length business relations.

The Group leases its headquarters in Vienna as well as its office buildings in Graz from IDAG. The rental costs for these two buildings amounted to EUR 6.086 million in the financial year 2006 (EUR 6.067 million in 2005). As of December 31, 2006 rent deposits amounting to EUR 14 million were accounted for.

Until year end 2006 the STRABAG Group performed certain financial services for IDAG. As of December 31, 2006 the STRABAG Group also had receivables amounting to around EUR 77 million outstanding from a related party of IDAG. These receivables were repaid in full prior to the Offering.

Real Estate Joint Venture with Deutsche Bank AG

On April 3, 2007 STRABAG and Deutsche Bank AG announced the creation of a joint venture aimed at the development and financing of a wide range of real estate and infrastructure projects, mainly in the form of public private partnerships, in the Commonwealth of Independent States, particularly the Russian Federation. STRABAG will be in charge of the construction and development activities of the joint venture, while Deutsche Bank will be primarily responsible for arranging the financing.

Rasperia's Financing Arrangements with Deutsche Bank AG

In connection with the acquisition of its interest in the Company, Rasperia entered into financing agreements with Deutsche Bank AG which provide, among other things, for a pledge of the shares in the Company held by Rasperia to Deutsche Bank AG (for further details see "*Principal Shareholders—Shareholders' Agreements—Related Financing Agreements*").

Raiffeisen Evolution

Raiffeisen evolution project development GmbH (“Raiffeisen Evolution”) is a joint project development company of the STRABAG Group, “URUBU” Holding GmbH (Raiffeisen NÖ-Wien Group), R.B.T. Beteiligungsgesellschaft m.b.H. (Raiffeisen Zentralbank Österreich AG) and UNIQA Beteiligungs-Holding GmbH (UNIQA Group). STRABAG holds 20% of the share capital of Raiffeisen Evolution.

Raiffeisen Evolution bundles project developments in building construction activities of its shareholders outside Germany, in particular in Austria and CEE. The STRABAG Group is assigned construction work on an arm’s-length basis through Raiffeisen Evolution.

Equity capital for project developments costs is funded by the shareholders of Raiffeisen Evolution in proportion to their shareholdings.

Other Related Party Transactions

Certain arm’s-length business relations of minor economic significance exist with the Haselsteiner family.

Raiffeisen Centrobank AG, Raiffeisen NÖ-Wien Group and the UNIQA Group, have provided and provide various banking or insurance services to the STRABAG Group in the ordinary course and on an arm’s length basis, and maintain business relationships with the Group in their capacity as credit institutions or insurers for which they have received and may continue to receive customary fees and expenses. Raiffeisen Centrobank AG is associated with Raiffeisen NÖ-Wien Group and with the UNIQA Group via Raiffeisen Zentralbank Österreich AG: Raiffeisen Zentralbank Österreich AG indirectly holds a 100% shareholding in Raiffeisen Centrobank AG and a 25.76% shareholding in UNIQA Versicherungen AG. Raiffeisen NÖ-Wien Group holds a 31.34% shareholding in Raiffeisen Zentralbank Österreich AG.

Similarly, Deutsche Bank AG and its affiliates have provided and provide various banking services to the STRABAG Group in the ordinary course and on an arm’s length basis, and maintain business relationships with the Group in their capacity as credit institutions for which they have received and may continue to receive customary fees and expenses.

GENERAL INFORMATION ABOUT THE COMPANY

Legal and Commercial Name, Registered Seat, Financial Year, Duration

STRABAG SE is a *Societas Europaea* (SE) formed under Austrian law for an indefinite period and with its registered seat in Villach and its business address at Triglavstraße 9, A-9500 Villach, Austria. The Company was founded as Sobau Beteiligungsgesellschaft m.b.H. on September 4, 1984 and transformed into (now) STRABAG SE on October 12, 2004. The Company may be reached at its Vienna office at Donau-City-Straße 9, A-1220 Vienna (+43 (1) 22 4 22 – 1170) or on its website under www.strabag.com. The information on the Company's website is not incorporated by reference into this prospectus. The Company's as well as the Group's commercial name is STRABAG. The Company is registered with the commercial register under FN 88983h. The Company's financial year is identical with the calendar year.

Corporate History

STRABAG SE developed as a result of among others the merger of the old established and internationally active construction groups ILBAU, STRABAG und STUAG.

Milestones in the Group's corporate history are

		ILBAU		STRABAG
1800-1849	1835	Foundation of the family craftsman's business Anton Lerchbaumer, Austria		
1850-1899			1895	Foundation of the Straßenwalzenbetrieb formerly H. Reifenrath Gesellschaft mit beschränkter Haftung, Germany
1900-1949			1930	Introduction of the STRABAG company name
			1949	Listing of STRABAG AG, Cologne on the Stock Exchange
1950-1999	1954	Foundation of ISOLA & LERCHBAUMER (named ILBAU) and construction of the administrative building in Spittal/Drau		
			1965	Foundation of STRABAG Austria in Linz
	1975	Foundation of ILBAU GesmbH & Co KG, Vienna		
			1986	Change of STRABAG Austria into a stock corporation and initial listing on the Vienna Stock Exchange
	1987	Foundation of BAU HOLDING AG as the holding of ILBAU and initial listing on the Vienna Stock Exchange		

1998 BIBAG Bauindustrie Beteiligungs Aktiengesellschaft as majority owner of BAU HOLDING AG takes over the majority in STRABAG AG, Cologne. BAU HOLDING AG—with the main operative company in the Group, ILBAU—and STRABAG AG, Cologne become sister companies.

1999 Complete takeover of STUAG by STRABAG Austria. Financial settlement of free float of STRABAG Austria and delisting from the Vienna Stock Exchange.

2000 The BAUHOLDING STRABAG Group unifies its market presence. The Group appears throughout Europe under the uniform core brand "STRABAG". The brands ILBAU und STUAG are discontinued. In Austria ILBAU and STUAG are merged into the new STRABAG AG. Merger projects follow in the remaining European markets.

2003 Spin-off of the free float of BAUHOLDING STRABAG AG and delisting from the Vienna Stock Exchange.

2004 The legal form of BAUHOLDING STRABAG AG changes to Societas Europaea (SE), a company structure based on European law, and the firm's name is changed to BAUHOLDING STRABAG SE.

2005 The Group takes over significant parts of the insolvent WALTER-BAU Group. The acquisition includes DYWIDAG International GmbH and the newly founded DYWIDAG Holding GmbH. This company combines DYWIDAG SF- und Ing. Bau GmbH, DYWIDAG Bau GmbH and Walter Heilit Verkehrswegebau GmbH, which changes into Heilit+Woerner Bau GmbH, and is directly managed by the German group company, STRABAG AG in Cologne. Takeover of a majority shareholding in Ed. ZÜBLIN AG, Stuttgart by Bauholding Strabag SE.

2006 BAUHOLDING STRABAG SE changes its name to STRABAG SE. After the merger of FIMAG Finanz Industrie Management AG and A-WAY Holding und Finanz AG into STRABAG SE, the Company becomes the new parent company of the STRABAG Group.

2007 Rasperia acquires an interest of 30% in the Company.

Corporate Purpose

The Company's business objectives as stated in Section 2 of its Articles of Association include:

- planning, execution and management of constructions of all sorts, in particular road construction, structural engineering, underground engineering, civil engineering and project development;

- operation of cement works (*Zement- und Lieferbetonwerke*), quarries, sand- and gravel-pits;

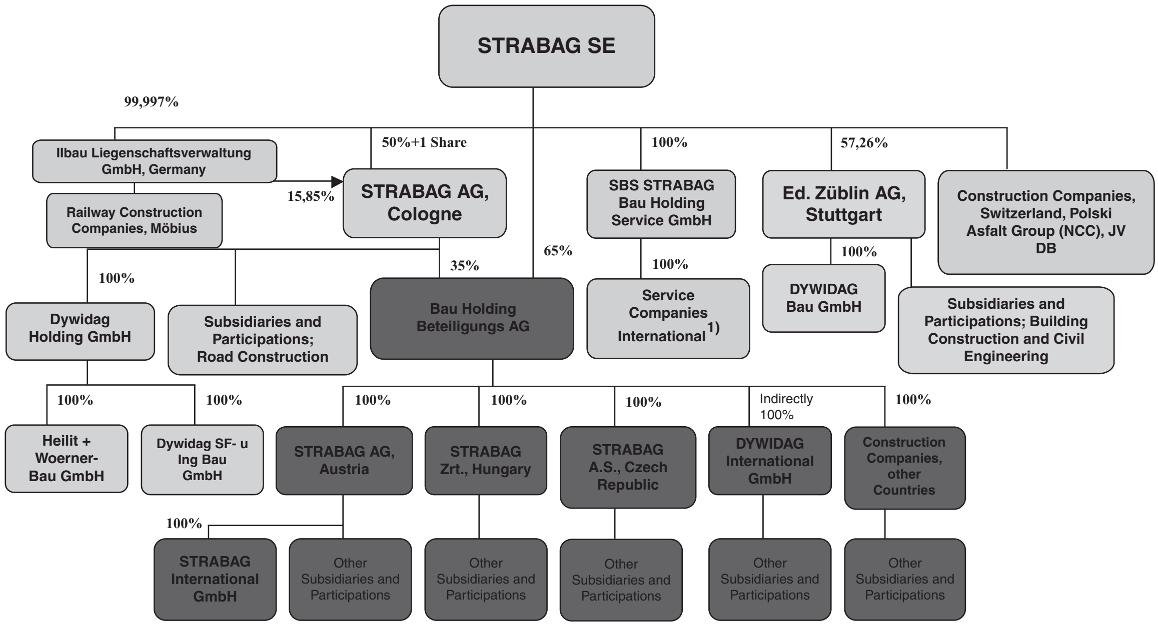
- exploitation of real estate and similar land rights;

- related activities including holding functions for the Group.

The Company may carry out any business transactions which serve the purpose of the Company.

Group Structure

STRABAG SE is the parent company of the Group and has direct and indirect interests in the following subsidiaries:



(1) Except for BRVZ, Cologne and BMTI, Cologne which are held in equal shares by STRABAG AG, Cologne and Ed. Züblin AG.

Significant Subsidiaries

The Company considers the following companies to be its significant subsidiaries:

Name of Company	Country of Incorporation	Registered Seat	Percentage of ownership and voting power
STRABAG AG	Germany	Cologne	65.85(1)
Ed. Züblin AG	Germany	Stuttgart	57.26
Bau Holding Beteiligungs AG	Austria	Spittal a d Drau	88.05(1)
STRABAG AG	Austria	Spittal a d Drau	88.05(1)
STRABAG Zrt.	Hungary	Budapest	88.05(1)
STRABAG a.s.	Czech Republic	Prague	88.05(1)

(1) Combined (indirect) shareholding.

Auditors

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (which is the legal successor of the audit and assurance unit of KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft which unit has been demerged into KPMG Austria GmbH by way of universal succession) and T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH, all Kudlichstraße 41-43, A-4020 Linz, Austria, certified public auditors and members of the Austrian Chamber of Chartered Accountants (*Kammer der Wirtschaftstreuhänder*), have acknowledged the inclusion on pages F-67, F-116 and F-161 of their unqualified audit certificates in relation to the Consolidated Financial Statements of the Group for the years ended December 31, 2004, 2005 and 2006. Apart from the Consolidated Financial Statements, no information in this prospectus has been audited by the auditors.

Notices

Pursuant to the Company's Articles of Association, notices must be made by publication in the Official Gazette.

Paying Agent and Depository

The depository bank (*Verwahrstelle*) is Oesterreichische Kontrollbank Aktiengesellschaft, Am Hof 4, A-1010 Vienna, Austria.

Paying agent and depository (*Zahl- und Hinterlegungsstelle*) is Raiffeisen Centrobank AG, Tegetthoffstraße 1, A-1015 Vienna, Austria. The depository may also be the Company, an Austrian notary public, the head office of a domestic credit institution or any other credit institution (whether domestic or abroad) specified in the notice announcing the shareholders' meeting.

Market Maker

Raiffeisen Centrobank AG will act as Market Maker for the Shares, except for the Registered Shares, in accordance with the rules of the Vienna Stock Exchange without contractual arrangement with the Company.

DESCRIPTION OF THE SHARE CAPITAL OF THE COMPANY AND THE ARTICLES OF ASSOCIATION

The following is a summary of the material terms of the Company's Shares, as set out in the Articles of Association and certain relevant provisions of the SE Regulation, the SE Act and the Stock Corporation Act. This description is only a summary and does not include all the information contained in the Articles of Association. The Company encourages a review of the full Articles of Association, which are available for inspection at the Company's principal offices or on the internet (www.strabag.com). The information on the Company's website is not incorporated by reference into this prospectus.

The Articles of Association were last amended at the shareholders' meeting held on August 17, 2007.

Share Capital and Shares

Prior to the Offering, the Company's issued and fully paid-in share capital amounts to EUR 95,000,000 divided into 94,999,997 no par value ordinary voting bearer shares (*Inhaberaktien*), and 3 no par value ordinary voting Registered Shares (*Namensaktien*). Each share represents a calculated notional amount of EUR 1.00 of the share capital.

Following completion of the Offering and assuming that all New Shares are issued, the Company's issued and fully paid-in share capital will amount to EUR 111,000,000, divided into 110,999,997 no par value ordinary voting bearer shares (*Inhaberaktien*) and 3 Registered Shares (*Namensaktien*), each representing a calculated notional amount of EUR 1.00 of the share capital.

The holders of the Registered Shares with numbers 1 (one) and 2 (two) (which are currently Hans Peter Haselsteiner and Rasperia) are entitled to nominate one Supervisory Board member each (for further information on this nomination right see "*Management and Corporate Governance—Supervisory Board—Appointment, Duties and Procedures of the Supervisory Board*"). No nomination rights or other special rights are attached to the Registered Share with number 3 (three).

All shares of the Company including the New Shares are issued under Austrian law. The Company's bearer shares are freely tradable. The Company is not aware of any limitations that limit the rights of non-Austrians to own the Company's bearer shares or to exercise voting rights in accordance with the procedures described below.

Any transfer of the Company's Registered Shares must be entered into the shareholders register which is kept by the Company. According to the Company's Articles of Association, the transfer or pledge of the Registered Shares with numbers 1 (one) and 2 (two) require the consent of Supervisory Board. No consent requirement applies to the transfer or pledge of the Registered Share with number 3 (three). The Supervisory Board has empowered its Presidential and Nomination Committee to decide on such consent.

Development of the Share Capital since 2004

As of January 2004 the Company's share capital amounted to EUR 68,439,064 divided into 8,554,883 no par value ordinary voting bearer shares, each representing a calculated notional amount of EUR 8.00 of the share capital.

In the course of the mergers of FIMAG Finanz Industrie Management AG and A-WAY Holding und Finanz AG with the Company effective August 5 and August 8, 2006 respectively and resolved on July 3, 2006, the Company raised its share capital through conversion of unrestricted reserves or retained earnings into share capital (*Kapitalberichtigung*) from EUR 68,439,064 by EUR 1,560,936 to EUR 70,000,000 and changed the denomination of the shares into 70,000,000 no par value shares each representing a calculated notional amount of EUR 1.00. The capital increase and the new denomination of the Company's shares were registered with the commercial register on August 4, 2006.

On April 20, 2007 the shareholders' meeting resolved to increase the share capital from EUR 70,000,000 by EUR 25,000,000 to EUR 95,000,000, by issuing 25,000,000 new no par value ordinary voting bearer shares against cash contribution (ordinary capital increase). The subscription rights of the existing shareholders were excluded and simultaneously waived by the existing shareholders. All of the new shares were subscribed for by Rasperia.

The completion of the ordinary capital increase was filed with the commercial register on August 17, 2007. After the registration of the ordinary capital increase, which took place on August 21, 2007, the Company's share capital amounted to EUR 95,000,000 divided into 94,999,997 no par value ordinary voting bearer shares (*Inhaberaktien*) and three Registered Shares (*Namensaktien*).

Authorized Capital and Capital Increase in Connection with the Offering

On September 25, 2007 and October 2, 2007 the shareholders' meeting resolved to authorize the Management Board, subject to the consent of the Supervisory Board, to increase the share capital from EUR 95,000,000 by up to EUR 19,000,000 to up to EUR 114,000,000 in one or several tranches, by issuing up to 19,000,000 new no par value ordinary voting bearer shares against contributions in cash or in kind, with or without exclusion of subscription rights, until September 28, 2012. The subscription rights of the existing shareholders were excluded, on the basis that the new shares will be subscribed for by credit institutions and offered to the public in the course of a listing of the shares (*Börseeinführung*), and on the basis that the new shares will be issued to cover a "Greenshoe" option (*Mehrzuteilungsoption*) granted to such credit institutions.

The New Shares will be issued based on the authorized capital pursuant to a resolution of the Management Board with the approval of the Supervisory Board, dated October 4, 2007, to increase the Company's share capital by up to EUR 16,000,000 to up to EUR 111,000,000 by issuing up to 16,000,000 no par value ordinary voting bearer shares. By the same resolution it was also resolved to increase the Company's share capital by an additional up to EUR 3,000,000 by issuing up to 3,000,000 no par value ordinary voting bearer shares if and to the extent required to deliver Option Shares to the Joint Bookrunners upon exercise of the Greenshoe Option (see "*The Offering—Stabilization and Greenshoe Option*" for details of the Greenshoe Option granted to the Joint Bookrunners). The New Shares and the Option Shares will carry dividend rights from and including the financial years beginning January 1, 2007. The Presidential and Nomination Committee of the Supervisory Board has been authorized to adopt all further resolutions required in the context of the capital increase and the issuance of the New Shares and the Option Shares on behalf of the Supervisory Board.

The Offer Price and the exact volume of the capital increase will be determined by a separate resolution to be adopted by the Management Board with the approval of the Presidential and Nomination Committee of the Supervisory Board which is expected to be passed on or about October 18, 2007. The capital increase with respect to the New Shares is expected to be registered with the commercial register on October 19, 2007.

The actual number of Option Shares to be issued, if any, will be determined by one or more separate resolutions to be adopted by the Management Board with the approval of the Presidential and Nomination Committee of the Supervisory Board upon exercise of the Greenshoe Option.

Conditional Capital

The Company does not have conditional capital.

Conversion and Option Rights

There are currently no options or rights of conversion in respect of the Company's shares.

Form and Certification of the Shares

The Articles of Association of the Company exclude the statutory right of shareholders to request individual share certificates. If share certificates (*Aktienurkunden*) or dividend coupons

(*Gewinnanteilsscheine*) or renewal coupons (*Erneuerungsscheine*) or interim certificates (*Zwischenscheine*) are nevertheless issued, their form and content are to be determined by the Management Board. To the extend permitted by law, the shares may also be represented by global certificates.

The existing bearer shares and the New Shares are freely transferable without the prior approval of the Management Board or the Supervisory Board. Of the Company's 95,000,000 existing shares, 82,799,999 shares including the Registered Shares are represented in interim certificates (*Zwischenscheine*). Any transfer of Registered Shares must be entered into the shareholder's register, which is kept by the Company.

The Offer Shares will be represented by modifiable global share certificates deposited with the clearing system of OeKB, Am Hof 4, A-1011 Vienna, Austria. Title to these shares will therefore be transferred in accordance with the rules of that clearing system (see "*The Vienna Stock Exchange—Trading and Settlement*").

General Provisions regarding a Change of the Share Capital

The SE-Regulation refers to Austrian law regarding changes of the share capital. Austrian law permits a stock corporation to increase its share capital in any of the following ways:

- through a shareholders' resolution on the issuance of new shares against contributions in kind or in cash (ordinary capital increase/*ordentliche Kapitalerhöhung*);
- through a shareholders' resolution authorizing the management board, subject to approval of the supervisory board, to issue new shares up to a specified amount (not exceeding 50% of the issued share capital) within a specified period, which may not exceed five years (authorized capital/*genehmigtes Kapital*);
- through a shareholders' resolution on the issuance of new shares up to a specified amount for specific purposes, such as for employee stock options (not exceeding 10% of the issued share capital), for conversion rights granted to holders of convertible bonds or for use as consideration in a merger (not exceeding 50% of the issued share capital) (conditional capital/*bedingtes Kapital*);
- through a shareholders' resolution authorizing the management board to effect a conditional capital increase with the approval of the supervisory board in order to grant stock options to employees, executives and members of the management board up to a certain nominal amount (not exceeding 10% of the issued share capital) (authorized conditional capital/*genehmigtes bedingtes Kapital*);
- through a shareholders' resolution authorizing the conversion of unrestricted reserves or retained earnings into share capital, with or without the issuance of new shares (*Kapitalberichtigung*).

Pursuant to applicable law and to the Articles of Association, an ordinary capital increase effectively requires approval by a majority of three quarters (75%) of the votes cast. The same majority requirement applies to shareholder resolutions on the exclusion of subscription rights of existing shareholders and on shareholder resolutions approving authorized capital, conditional capital or authorized conditional capital.

Authorization to Acquire Treasury Stock

The SE Regulation refers to Austrian law regarding capital maintenance and changes of share capital. This includes the authorization to acquire treasury stock. Pursuant to the Stock Corporation Act the Company may purchase its own shares only in the following limited circumstances:

- upon approval of the shareholders' meeting, for a period not exceeding 18 months and limited to a total of 10% of the share capital, if the shares are listed on a regulated market (such as the Official Market of the Vienna Stock Exchange), or if the shares are intended to be offered to the Company's employees or employees of certain affiliated companies; the resolution must determine a minimum and a maximum consideration), provided that the Company keeps sufficient reserves;

- where the shares are acquired without payment of consideration or where the Company is acting as agent on a commission basis;
- to prevent substantial, immediately threatened damage to the Company (subject to the limitation of 10% of the overall share capital), provided that the Company keeps sufficient reserves;
- by way of a universal legal succession (i.e., succession by merger);
- for the purpose of indemnifying minority shareholders, provided that the Company keeps sufficient reserves; or
- as part of a redemption of shares in accordance with the rules for capital decreases approved by the shareholders' meeting.

To date, the Company has not acquired any of its own shares.

General Provisions regarding Subscription Rights

Under Austrian law, shareholders generally have subscription rights *(Bezugsrechte)* allowing them to subscribe for any new shares (including securities convertible into shares, securities with warrants to purchase shares, securities with profit participation or participation certificates) to maintain their existing share in the share capital. Such subscription rights are in proportion to the number of shares held by the shareholder. Shareholders may waive their subscription rights and may transfer their subscription rights.

The shareholders' subscription rights may be excluded by a shareholders' resolution with a majority of 75% of the votes cast. A shareholders' resolution resolving upon an authorized capital may exclude the subscription rights or authorize the Management Board to exclude the subscription rights with a majority of 75% of the votes cast at the shareholders' meeting. The decision of the Management Board to issue the shares from authorized capital and to exclude the shareholders' subscription rights requires the consent of the Supervisory Board.

Subscription rights are not deemed to be excluded when new shares are subscribed for by a credit institution in order to offer the new shares to the existing shareholders.

Pursuant to the Stock Corporation Act, the period to exercise subscription rights may not last less than two weeks. The Management Board must publish a notice of the issue price and the commencement and duration of the exercise period in the Official Gazette.

Shareholders' Meeting

Convention of the Shareholders' Meeting

The shareholders' meeting is convened by the Management Board or the Supervisory Board. Pursuant to Article 54 SE-Regulation and Article 20 of the Company's Articles of Association, the general shareholders' meeting of the Company must be held within the first six months after the end of each financial year. The shareholders' meetings take place at the registered seat of the Company in Villach, Austria, at any of the Company's domestic branch offices or in any of the provincial capitals of Austria. According to the Articles of Association, the holders of shares or interim certificates are required to deposit their shares (or interim certificates, as the case may be) with a depository *(Hinterlegungsstelle)*, and to keep such shares deposited until conclusion of the shareholders' meeting.

The depository may be the Company, an Austrian notary public, the head office of a domestic credit institution or any other credit institution (whether domestic or abroad) specified in the notice announcing the shareholders' meeting. Shares or interim certificates will also be deemed to be properly deposited when kept in a blocked securities account at another bank with the approval of and on behalf of a depository as mentioned above. Shareholders are required to deposit their shares allowing at least three business days between the date of deposit and the date of the shareholders' meeting.

The Company must publish a notice of the shareholders' meeting so as to allow shareholders not less than fourteen days for depositing their shares or interim certificates, not counting the day of publication (the "Deposit Period"). According to the Company's Articles of Association at least three weeks must pass between the day of the last publication of the invitation notice and the day of the shareholders' meeting.

The depository has to inform the Company of any shares deposited with it no later than one day after expiry of the Deposit Period and issue a certificate to the depositing shareholder entitling the shareholder to participate in the shareholders' meeting. Shareholders may appoint proxies to represent them at shareholders' meetings. Registered owners of interim certificates are entitled to participate in the shareholders' meeting without depositing the certificates if they announce their intention to participate by written notice no later than three business days prior to the shareholders' meeting.

Voting Rights and Majority Requirements

Each share entitles its holder to one vote at the shareholders' meeting. There is no minimum attendance quorum in the shareholders' meeting. Resolutions of the shareholders' meeting are passed with simple majority of the votes cast, unless statutory law or the Articles of Association require a higher majority. In this case, resolutions of the shareholders' meeting are passed with a majority of three quarters (75%) of the votes cast, unless mandatory law requires a higher majority.

Pursuant to applicable law, also the following measures require a majority of at least 75% of the votes cast:

- change of the business objectives;
- increase of share capital with a simultaneous exclusion of subscription rights;
- creation of authorized capital or conditional capital;
- decrease of share capital;
- exclusion of subscription rights for convertible bonds, participating bonds and participation rights;
- dissolution of the Company or continuation of the dissolved company;
- transformation of the Company into a stock corporation (AG);
- transformation of the Company into a limited liability company (GmbH);
- approval of a merger or a spin-off (proportionate to shareholdings);
- transfer of all assets of the Company; and
- approval of profit pools or agreements on the operation of the business.

A majority of 90% of the entire share capital is required for an upstream merger pursuant to the Transformation Act (*Umwandlungsgesetz*), with certain exceptions, for a spin-off disproportionate to shareholdings pursuant to the Spin-Off Act (*Spaltungsgesetz*) or for a squeeze-out pursuant to the

Austrian Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetz*) (see "*Regulation of Austrian Securities Markets—Squeeze-out of Minority Shareholders*").

A shareholder or a group of shareholders holding at least 20% of the share capital may object to settlements or waivers of liability claims of the Company against members of the Management Board or the Supervisory Board.

Pursuant to applicable law and the Company's Articles of Association a shareholder or a group of shareholders holding at least 10% of the share capital may in particular:

- require special audits of activities with respect to the management of the Company, if these activities took place within the previous two years;
- veto the appointment of a special auditor and request a court to appoint another special auditor;
- request an adjournment of the shareholders' meeting if the annual financial statements are found to be incorrect by the shareholders who require such adjournment;
- request a court to recall a member of the Supervisory Board for cause;
- request the assertion of damage claims by the Company against members of the Management Board or the Supervisory Board if the claim is not obviously unfounded;
- request that a shareholders' meeting be convened or, if the Management Board and the Supervisory Board do not comply with such request within a maximum period of two months, request a court to convene a shareholders' meeting or, upon court approval, convene a shareholders' meeting themselves;
- request that a topic be put on the agenda of the shareholders' meeting.

A shareholder or a group of shareholders holding at least 5% of the share capital may in particular:

- request the assertion of damage claims of the Company against members of the Management Board or the Supervisory Board, if a special report reveals facts which may entitle to such damage claims;
- request court appointment of another auditor of the financial statements for cause; and
- appeal a shareholders' resolution, if such resolution provides for amortization, accumulated depreciation, reserves and accruals exceeding the limit set by law or the Articles of Association.

Change or Impairment of Shareholder's Rights

The Stock Corporation Act contains provisions that protect the rights of individual shareholders. As a general rule, shareholders must be treated equally under equal circumstances, unless the concerned shareholders agree otherwise. Furthermore, measures affecting shareholders' rights generally require a shareholders' resolution. The rights of holders of the shares as a group can be changed by amendment of the Articles of Association.

The Articles of Association do not allow changes to, or restrictions on, shareholders' rights under less stringent conditions than those provided for by law. However, pursuant to Articles 55 and 56 SE Regulation, the Articles of Association provide for a shareholding of at least 10% to request that a shareholders' meeting be convened or that a topic be put on the agenda (see "*Description of the Share Capital of the Company and the Articles of Association—Shareholders' Meeting—Voting Rights and Majority Requirements*"). The chairman of the shareholders' meeting is empowered to limit the right of shareholders to speak and ask questions appropriately and to take measures which are required to secure the progress of the shareholders' meeting.

Neither Austrian law nor the Articles of Association restrict the right of non-resident or foreign holders of the shares to hold or vote the shares.

General Provisions regarding Profit Appropriation and Dividend Payments

The New Shares carry full dividend rights for the financial year starting January 1, 2007 and including the following financial years.

Each shareholder is entitled to receive an annual dividend, if and to the extent that the distribution of dividends is resolved by the shareholders' meeting. Based on the proposal of the Management Board and the report by the Supervisory Board, the shareholders' meeting resolves whether dividends will be paid for any financial year and on the amount and timing of any such dividend payments. Unless the shareholders' meeting resolves otherwise, dividends that are approved by the shareholders' meeting will be distributed via the paying agent to the shareholders on a pro rata basis, according to the number of shares they own. Dividends are payable within 30 days from the resolution of the shareholders' meeting unless the shareholders' meeting resolves otherwise. Dividends that have not been collected by shareholders within three years are deemed forfeited and become part of the Company's unrestricted reserve (*freie Rücklage*; for further details see "*Dividend Policy*").

Dissolution

The dissolution of the Company requires a majority of at least 75% of the share capital present or represented at the shareholders' meeting. If the Company is dissolved, any assets remaining after repayment of the outstanding debts and supplementary capital will be distributed pro rata to the shareholders.

REGULATION OF AUSTRIAN SECURITIES MARKETS

Notification and Disclosure of Shareholdings

The following provisions of the Stock Exchange Act on the disclosure of major shareholdings and directors' dealings apply in relation to issuers having their registered office in Austria and listed on the Official Market (*Amtlicher Handel*) or Semi-Official Market (*Geregelter Freiverkehr*) of an Austrian stock exchange:

Any person (irrespective of whether domestic or foreign) whose voting interest in such an issuer reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90% through acquisition or sale of shares must give written notification to the issuer, the stock exchange and the FMA. Such notification must be made no later than two trading days after noting or having the possibility to note that the relevant thresholds have been reached, exceeded or are no longer met. The same applies among other things in relation to shares that are subject to option and trust arrangements and to banks that exercise voting rights on behalf of their depositaries by virtue of special voting proxies. The Company is required to publish any such event within two trading days of being notified thereof. The Company is also obliged to publish any changes of the share capital and voting right thresholds as described above at the end of the calendar month of the respective change. Publications need to be made through an EU-wide electronic information dissemination system.

Persons who undertake managerial responsibilities and, where applicable, persons closely associated with them, must publish without delay and notify the FMA within five working days of the existence of any transactions conducted on their own account relating to shares of the issuer, or to derivatives or other financial instruments linked to them (so-called directors' dealings). Such notification requirement does not apply if the aggregated value of such person's transactions does not reach EUR 5,000 per calendar year.

In addition to the above notification and disclosure obligations under the Stock Exchange Act, under certain circumstances, the acquisition of shares or other methods of obtaining control of a company within the meaning of the Austrian Cartel Act (*Kartellgesetz*) may be subject to the Austrian Cartel Court's approval.

Insider Trading & Ad-hoc Information

Austrian law prohibits the abuse of insider information committed in Austria or by Austrian citizens abroad with regards to financial instruments admitted to trading on a regulated market in Austria. Austrian law further prohibits the abuse of insider information committed in Austria with regard to financial instruments admitted to trading on a regulated market in another EU member state. Insider information is defined as detailed information not known to the public which, directly or indirectly, concerns one or more issuers of financial instruments, or one or more financial instruments, and which would, if it were publicly known, substantially influence the quoted value of such financial instruments or of derivatives linked to them, because a reasonable investor would likely use such information as the basis for his investment decision.

An insider is any person who has access to insider information either due to his position as a member of the administrative, managing or supervisory body of an issuer or due to his profession, occupation, responsibilities or shareholding (so called "*Primärinsider*"). Any person who gains access to insider information by way of a criminal offence is also an insider.

Any insider who uses insider information with the intent to gain a pecuniary advantage for himself or a third party by buying or selling financial instruments or by offering or recommending such instruments to third parties, or who provides access to such information to third parties without being required to do so, is subject to a criminal penalty of up to three years' imprisonment. If the financial advantage achieved exceeds EUR 50,000, the penalty is between six months' and five years' imprisonment. If this criminal offence is performed by a person who is not an insider, but has insider information which has been made available to him by an insider (so called "*Sekundärinsider*"), he is subject to a criminal penalty of up to one year's imprisonment. If the financial advantage achieved exceeds EUR 50,000, the penalty is up to three years' imprisonment.

Pursuant to the Stock Exchange Act, every issuer is obliged to inform its employees and other persons providing services to the issuer about the prohibition on the abuse of insider information; to issue internal directives for the communication of information within the company; and to monitor compliance. Furthermore, issuers are obliged to take organizational measures to prevent the abuse of insider information or its disclosure to third parties. The Issuers' Compliance Regulation (*Emittenten-Compliance-Verordnung*) regulates the measures to be taken by issuers in further detail (e.g., blocking periods). In addition, it requires each issuer whose securities are admitted to listing on the Official Market or the Semi-Official Market to issue a compliance directive (*Compliance-Richtlinie*). These compliance directives must be submitted to the FMA.

Issuers are required to establish a register of those persons working for them who have access to insider information, whether on a regular or occasional basis. Issuers are also required to regularly update this register and transmit it to the FMA whenever requested.

Furthermore, the Stock Exchange Act requires companies admitted to the Official or Semi-Official Market of the Vienna Stock Exchange to disclose to the public without delay any insider information that directly concerns them (so-called ad hoc information). Material changes to published insider information have to be published and identified as such.

Market Manipulation

Market manipulation refers to transactions or trade orders which give, or are likely to give, false or misleading signals as to the supply of, demand for, or price of, financial instruments, or which secure, by a person, or persons acting in collaboration, the price of one or several financial instruments at an abnormal or artificial level, unless the person who entered into the transactions or issued the trade orders has legitimate reasons for doing so and these transactions or trade orders conform to accepted market practices on the regulated market concerned. Market manipulation also means transactions or trade orders which employ fictitious devices or any other form of deception or contrivance. Finally, market manipulation includes dissemination of information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to financial instruments, including the dissemination of rumors and false or misleading news, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading. Market manipulation is subject to an administrative fine of up to EUR 50,000, which may be imposed by the FMA. Additionally, any pecuniary advantage obtained from any such transaction or trade order is to be declared forfeit by the FMA.

Takeover Act

The Austrian Takeover Act (*Übernahmegesetz)* (the "Takeover Act") applies to public offers for the acquisition of shares of stock corporations (including *Societas Europaeae* (SE)) registered in Austria, which shares are admitted to the Official or Semi-Official market of the Vienna Stock Exchange. The primary purpose of the Takeover Act is to ensure that all shareholders of a company being acquired are treated equally.

The Takeover Act provides that any public offer for the shares of an Austrian company listed on an exchange in Austria has to be submitted to the Takeover Commission (*Übernahmekommission*) prior to its publication and has to be prepared and published in accordance with the requirements of the Takeover Act. Anybody (or parties acting in concert) who acquires a controlling interest in an Austrian company listed on an exchange in Austria has to disclose that fact to the Takeover Commission without undue delay and make an offer to all other shareholders to purchase their shares in such company within 20 stock exchange trading days ("mandatory offer").

An interest is only controlling if more than 30% of the voting stock of a company is obtained. Acquisitions of voting rights not exceeding 30% will in no case trigger a mandatory offer ("safe harbor"). In the event of a holding of between 26% and 30%, the voting rights exceeding a participation of 26% are suspended unless such suspension is explicitly lifted by the Takeover Commission. The Takeover Commission, upon application, may impose conditions on the offeror instead of the suspension of voting rights.

In the event of a "passive" acquisition of control, there is no requirement to launch a mandatory offer if the acquirer of a controlling interest could not reasonably expect the acquisition of control at the time of acquiring the participation. Otherwise, the same provisions as outlined above apply (e.g., suspension of voting rights).

The minimum price to be offered in a mandatory offer or a voluntary offer aimed at the acquisition of a controlling interest must be the higher of (i) the highest price paid by the offeror during the last 12 months preceding the publication of the offer, and (ii) the average share price during the six months immediately preceding the publication of the offer.

The Takeover Act requires that the offeror prepares offer documents to be examined by an independent expert, either a qualified auditor or bank, before these offer documents are filed with the Takeover Commission and the target company. The management of the target company must issue a statement on the offer which is also subject to mandatory examination by an independent expert. Any higher offers or competing offers must follow the same rules. From the time of the publication of an offeror's intention to submit a public offer, the management board and the supervisory board of the target company generally may not undertake measures to jeopardize the offer. The offeror and the parties acting in concert must refrain from selling any shares in the target company and from purchasing target shares for a higher consideration than offered in the offer. The violation of any legal provision may result in the suspension of voting rights and fines imposed by the Takeover Commission.

The Takeover Commission supervises compliance with the Takeover Act and is authorized to fine any party who violates the Takeover Act. The Takeover Commission may institute proceedings ex officio and is not subject to supervision by any other regulatory authority.

Squeeze-out of Minority Shareholders

Pursuant to the Austrian Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetz*), a majority shareholder holding no less than 90% of the entire (voting and non-voting) share capital of a corporation under Austrian law (including *Societas Europaeae* (SE)) may squeeze-out the remaining shareholders at an equitable price. The squeeze-out right is general and is not limited to a preceding takeover offer. The minority shareholders are not entitled to block the squeeze-out but have the right of separate judicial review of the fairness of the compensation paid for their minority stake. Where a squeeze-out follows a takeover offer, the consideration offered in the takeover bid is presumed to be fair where, through the acceptance of the offer, the offeror has acquired shares representing no less than 90% of the share capital entitled to vote of the target company.

THE VIENNA STOCK EXCHANGE

Organization and Market Segments

The Vienna Stock Exchange is operated by an independent, privately owned stock corporation, the Wiener Börse AG, based on a license under the Stock Exchange Act issued by the Federal Ministry of Finance. Members of the Vienna Stock Exchange include banks, foreign investment firms and other firms trading in securities, derivatives and money market instruments, registered either within or outside of the European Economic Area. The supervisory authority is the FMA. The FMA monitors trading on the Vienna Stock Exchange with regard to, among other things, compliance with rules and regulations regarding insider trading activity, fairness in trading, and other market related matters.

As of September 30, 2007 shares and certificates of a total of 110 companies were listed on the Official and Semi-Official Markets, the two most important markets of the Vienna Stock Exchange. The majority of these companies were incorporated in Austria as of such date. As of September 30, 2007 the market capitalization of all domestic companies listed on the Official and Semi-Official Markets of the Vienna Stock Exchange amounted to EUR 153 billion (Source: Vienna Stock Exchange).

According to the Stock Exchange Act, for listing purposes the Austrian securities market consists of three statutory markets: the first tier market (the "Official Market"), the second tier market (the "Semi-Official Market") and the third tier market (the "Unregulated Third Market"). The Official Market and the Semi-Official Market have been registered as "regulated markets" pursuant to the Investment Services Directive. In December 2004, the U.S. Securities Exchange Commission granted the Vienna Stock Exchange the status of a "Designated Offshore Securities Market" in accordance with the Securities Act. Effective as of November 1, 2007 Directive 2004/39/EC relating to markets in financial instruments (MiFiD) will be implemented into Austrian law. Upon the implementation the Unregulated Third Market will cease to exist in its current form and will be transformed into a multilateral trading facility.

By meeting the statutory criteria, securities are admitted to listing on the Vienna Stock Exchange and are divided in various trading segments. To be traded in a specific segment, certain non-statutory criteria must be met by the issuer of the securities, in addition to the statutory listing criteria. The equity market is divided into the segments "prime market", "mid market" and "standard market".

The prime market, where the Shares will be traded, represents the highest ranking market segment of the Vienna Stock Exchange and is comprised of shares that are admitted to listing on the Official Market or Semi-Official Market and meet the most stringent listing criteria.

Out of the currently listed 58 companies on the prime market, only 20 companies are included in the Austrian Traded Index ("ATX") (Source: Vienna Stock Exchange). The ATX consists of the most actively traded (most liquid) and the most highly capitalized stocks in the prime market. It was designed to be broadly representative of the overall performance of all stock listed on the Vienna Stock Exchange, and is used as an underlying reference for futures, options and structured notes. The ATX is calculated, disseminated and licensed by the Vienna Stock Exchange on a real-time basis. Management expects to have the shares included in the ATX on November 19, 2007. The "ATX Prime" index contains all shares and certificates presently traded in the prime market segment. New stocks are included in the ATX Prime at the latest after the close of trading of the next last trading day in an ATX product. Management expects to have the shares included in the ATX Prime.

The mid market segment comprises shares that are admitted to listing on the Official Market, Semi-Official Market or Unregulated Third Market and that do not meet all listing criteria required for trading in the prime market, but meet certain non-statutory listing criteria in addition to those set out in the Stock Exchange Act. The standard market segment contains all securities admitted to listing on the Official Market or Semi-Official Market that meet neither the criteria for the prime market nor for the mid market. It is divided in two subsegments: standard market continuous and standard market auction.

Shares listed on the prime market or the standard market continuous are traded continuously, whereas securities listed on the mid market or the standard market auction are traded only once a day. To provide additional liquidity, stocks traded in the prime market and the standard market continuous segment must be serviced by a specialist trader, which has agreed to enter firm quotes into XETRA, the electronic trading system used by the Vienna Stock Exchange on a permanent basis. In both segments, additional liquidity providers other than the designated specialists are permitted to act as market makers in securities already serviced by at least one specialist. The market makers' commitments must meet certain minimum requirements set up by the Vienna Stock Exchange.

General information as well as a range of services, such as quotations and ad hoc information about the companies listed on the Vienna Stock Exchange is provided by the Vienna Stock Exchange via the internet (www.wienerborse.at). Information contained on the website of the Vienna Stock Exchange is not included by reference into this prospectus.

Trading and Settlement

Officially listed securities are traded both on and outside of the Vienna Stock Exchange. Nearly half of all trades are over-the-counter ("OTC"). Shares and other equity securities listed on the Vienna Stock Exchange are quoted in euro per share.

The electronic trading system used by the Vienna Stock Exchange is XETRA (Exchange Electronic Trading), the same trading system used by the Frankfurt Stock Exchange. The settlement system uses automated netting procedures and daily mark to market evaluation of collateral requirements to further reduce transfer costs.

Trading can be suspended by the Vienna Stock Exchange if orderly stock exchange trading is temporarily endangered or if its suspension is necessary in order to protect the public interest. The electronic system provides for automatic volatility interruptions and market order interruptions during auctions and for automatic volatility interruptions during continuous trading.

The settlement of transactions concluded on the stock exchange takes place outside the stock exchange. Exchange transactions (spot and forward markets) are settled through CCP Austria Abwicklungsstelle für Börsegeschäfte GmbH. These transactions are carried out T+3 on a delivery versus payment (DvP) basis, with OeKB acting on behalf of CCP Austria Abwicklungsstelle für Börsegeschäfte GmbH as the central custodian and settlement bank. In case of non-delivery, the transaction will be performed T+14 by a settlement in cash, with the defaulting counter-party having to pay a penalty to the purchaser(s). Settlement terms of OTC transactions depend on party agreement.

TAXATION IN THE REPUBLIC OF AUSTRIA

General

The following selected aspects of taxation in Austria are of a general nature and do not purport to be an exhaustive account of the tax considerations relevant to the acquisition, ownership and disposal of the Shares. The following summary is based on the tax legislation in force in Austria at the date of this prospectus, and is subject to any changes in Austrian law and practice occurring after that date, which changes may have retroactive effect.

This summary focuses on the tax treatment of dividends, in particular on withholding tax, and capital gains which may be derived from the Shares by individuals with a domicile or their habitual abode in Austria and legal entities with their corporate seat or their place of management in Austria ("residents") as well as by individuals who do not have a domicile nor their habitual abode in Austria and legal entities who do not have their corporate seat nor their place of management in Austria ("non-residents"). Some of the potential inheritance and gifts tax consequences of the transfer of Shares are also described.

It is not possible to describe all relevant tax considerations, particularly as tax consequences largely depend on the circumstances of the individual purchasers of shares. It is therefore strongly recommended that any potential investor consult its own tax adviser in order to determine the particular consequences of its purchase, ownership or disposal of the Shares.

Taxation of Dividends

Dividends paid by an Austrian Societas Europaea (SE) to its shareholders are subject to a withholding tax (*Kapitalertragsteuer—KESt*), at a rate of 25%. This tax is withheld by the company paying the dividend. The company, or the bank paying out the dividend on the company's behalf, is required to give the shareholder a certificate showing the gross dividend, the tax withheld, the date of payment and the period in respect of which the dividend is payable, and also the tax office to which the tax withheld was remitted.

For Austrian resident individuals, the dividend withholding tax fully covers all income tax on such dividend income (*Endbesteuerung*), which means that no further income tax is levied on the dividend income and the dividends do not have to be included in the shareholder's income tax return. If the shareholder's personal income tax rate is lower than the 25% withholding tax rate, the withholding tax will, upon application, be credited against the shareholder's income tax liability, and the overpayment will be refunded to the shareholder. In this case the applicable tax rate for dividend income is half the average tax rate payable on the shareholder's total income. Expenses, including interest expenses, relating to the dividends are not deductible.

For Austrian resident legal entities (*Körperschaften*), Austrian dividend income is exempt from corporate income tax, and the dividend withholding tax is credited against the corporate income tax liability of the recipient or refunded. No withholding tax has to be deducted by the distributing company where the recipient company directly holds at least 25% of the share capital of the distributing company. In general, expenses incurred in connection with the acquisition of shares are not tax deductible. An exemption applies for interest expenses.

For non-residents dividends distributed by an Austrian company are also subject to 25% withholding tax. However, double taxation treaties ("tax treaties") may provide for a reduction of Austrian tax on dividends. Austria has entered into tax treaties with approximately 80 countries. Most of the Austrian tax treaties basically follow the OECD Model Convention and provide for a reduction of Austrian tax on dividends to 15% and for a further reduction in case of qualified participations. The tax treaty with Germany provides for a reduction of Austrian withholding tax to 15% and, in case of a direct shareholding of at least 10% by a company (other than a partnership), to 5%. The tax treaty with the United Kingdom also provides for a reduction of Austrian withholding tax to 15% and, in case of a (direct or indirect) control of at least 25% of the voting power by a company, to 5%. The tax treaty with the United States provides for a reduction of Austrian withholding tax to 15% and, in case of a direct ownership of at least 10% of the voting stock by a company (other than a partnership), to 5%.

A non-resident shareholder who is entitled to a reduced rate under an applicable tax treaty may apply for refund of the difference between the 25% withholding tax and the lower rate provided for by the tax treaty. In order to obtain such a refund, an eligible non-resident shareholder will generally have to provide a certificate of residence issued by the tax authorities of the shareholder's country of residence. Claims for refund of Austrian dividend withholding tax may be filed with the tax office of the Austrian city of Eisenstadt by using forms ZS RD 1 and ZS RD 1A (German) or ZS RE 1 and ZS RE 1A (English). The application forms may be obtained from the website operated by the Austrian Ministry of Finance (www.bmf.gv.at/service/formulare/steuern) (information on the website of the Austrian Ministry of Finance is not incorporated by reference into this prospectus). Tax treaty relief from Austrian withholding tax may also be granted by the distributing company at source provided that the requirements of the Austrian relief at source rules *(DBA-Entlastungsverordnung)* are met. However, the Company is under no obligation to grant tax treaty relief at source.

Dividends paid to a company qualifying under the EU Parent Subsidiary Directive (Council Directive (EEC) No. 435/90 of July 23, 1990 as amended) ("EU company") are exempt from withholding tax if the EU company has held directly at least 10% of the share capital for an uninterrupted period of at least one year and meets certain additional criteria. Dividends which are attributable to an Austrian permanent establishment of an EU company are exempt from corporate income tax. The 25% withholding tax is credited against the Austrian corporate income tax liability of the EU company or refunded to it.

Taxation of Capital Gains

For Austrian resident individuals capital gains from the sale or other disposal of Shares are taxable if

- the disposal of the Shares takes place within one year of acquisition (speculative transaction);
- the transaction is not speculative, but the shareholder held at any time within five years preceding the sale directly or indirectly at least 1% of the Company's capital;
- the Company is liquidated; or
- the Shares qualify as business assets.

If the Shares are sold within one year of the acquisition the standard progressive income tax rates apply. If the Shares are sold thereafter and the respective capital gain is taxable, the applicable income tax rate amounts to half the average income tax rate payable on the shareholder's total income irrespective of whether the Shares have been held as private assets or as business assets. Capital gains from speculative transactions are not taxable if the total of such gains does not exceed EUR 440 per year.

For Austrian resident companies capital gains realized on the disposal of Shares are subject to corporate income tax at the standard rate of 25%.

If, with regard to a shareholder who had within the last five years a shareholding of at least 1% in the Company's capital, Austria loses its taxation rights to other countries (e.g., by a transfer of residence of such shareholder outside of Austria), a capital gain is recognized amounting to the difference between the acquisition cost and the fair market value of the Shares. Taxation of such capital gain shall be deferred, however, upon request, if the shareholder moves to an EU member state or to an eligible EEA member state. The deferred tax shall be levied upon actual disposal of the Shares as well as upon transfer of the shareholder's residence for tax purposes to a state other than an EU member state or an eligible EEA member state. The deferred tax can only be levied within ten years after the shareholder moved his residence outside of Austria.

For non residents, capital gains on the sale of Shares are taxable in Austria if the Shares are attributable to an Austrian permanent establishment or if the selling shareholder held at any time within five years preceding the sale directly or indirectly at least 1% of the Company's capital. However, many of Austria's tax treaties, including the tax treaty with Germany, the United Kingdom and the Unites States, provide, in general, for exemption of capital gains provided that the Shares are not attributable to an Austrian permanent establishment.

Inheritance and Gift Tax

Inheritance and gift tax is levied on the transfer of assets by inheritance, gifts inter vivos and special purpose donations as defined in the Austrian Inheritance and Gift Tax Act (*Erbschafts- und Schenkungssteuergesetz*). Such transfers are taxable in Austria if either the transferor or the transferee is resident in Austria. The tax rates range from 2% to 60% and depend on the value of the transferred assets as well as upon the personal relationship between the transferor and the transferee. There are certain exemptions which partly also depend on the personal relationship between the transferor and the transferee. Relief from double taxation may be available under a tax treaty covering inheritance and gift tax or, under certain conditions, by way of unilateral relief.

A transfer of Shares is exempt from inheritance tax if the person liable for inheritance tax can prove that at the time the liability arose the deceased person's shareholding was below 1% of the registered share capital of the Company. This exemption is restricted to inheritance tax and does not apply to gifts and special purpose donations.

In recent decisions the Austrian Constitutional Court (*Verfassungsgerichtshof*) has repealed the inheritance as well as the gift tax. The repeal will come into effect as of July 31, 2008 unless the Austrian legislator amends the inheritance and gift tax by that date.

PLAN OF DISTRIBUTION

Deutsche Bank AG, Raiffeisen Centrobank AG and Goldman Sachs International are acting as Joint Bookrunners of the Offering and as representatives of the other syndicate banks whose names are listed in the table below.

Subject to the terms and conditions set out in the Underwriting Agreement, the Company will agree to issue and sell to the Managers, and the Managers will severally agree to purchase at the subscription price, up to such number of New Shares as is set out opposite their respective names in the table below. The subscription price will be EUR 1.00. The difference between the Offer Price, less the agreed commissions, and the subscription price will be paid by the Managers to the Company upon closing of the Offering.

Additionally, the Selling Shareholders will agree to sell and the Managers will severally agree to purchase up to 9,200,001 Existing Shares at the Offer Price, less the agreed commissions, subject to the terms and conditions set out in the Underwriting Agreement.

Managers	Maximum Number of New Shares	Maximum Number of Existing Shares	%
Deutsche Bank AG	4,320,000	2,484,001	27.0
Raiffeisen Centrobank AG	3,920,000	2,254,000	24.5
Goldman Sachs International	3,920,000	2,254,000	24.5
Erste Bank der oesterreichischen Sparkassen AG	1,600,000	920,000	10.0
Dresdner Bank Aktiengesellschaft	800,000	460,000	5.0
Landesbank Baden-Württemberg	640,000	368,000	4.0
Raiffeisenlandesbank Niederösterreich-Wien AG	480,000	276,000	3.0
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	160,000	92,000	1.0
Raiffeisen-Landesbank Steiermark AG	160,000	92,000	1.0

To cover over-allotments, the Company will grant the Joint Bookrunners an option, exercisable within 30 calendar days following the commencement of trading of the Shares on the Vienna Stock Exchange, to subscribe for and purchase up to 3,000,000 Option Shares to be issued by the Company from its authorized capital at the subscription price (EUR 1.00). The difference between the Offer Price, less the agreed commissions, and the subscription price will be paid by the Managers to the Company upon the closing date for the Greenshoe Shares (see "*The Offering—Stabilization and Greenshoe Option*" for details of the Greenshoe Option).

The Underwriting Agreement will provide that the obligations of the Managers are subject to certain conditions such as the registration of the New Shares in the commercial register, the absence of any material adverse change in the Company's business and of certain *force majeure* events as well as other customary conditions.

Contracts of sale with individual investors only take effect once the Offer Shares have been allotted by the Managers.

Commissions

The Managers will offer the Offer Shares at the Offer Price. The Company and the Selling Shareholders will pay to the Managers an underwriting commission of 1.50% of the aggregate gross proceeds from the New Shares and the Existing Shares actually sold multiplied by the Offer Price. In addition, the Company may pay to the Joint Bookrunners a discretionary fee of up to 1.10% of the aggregate gross proceeds from the New Shares and the Existing Shares within 30 days of the commencement of trading in the Shares on the Vienna Stock Exchange. The Company will pay to the

Managers an underwriting commission based on the aggregate gross proceeds from any Option Shares in respect of which the Greenshoe Option is exercised multiplied by the Offer Price in an amount to be agreed. In addition, the Company may, within 30 days of the commencement of trading in the Shares on the Vienna Stock Exchange, pay to the Joint Bookrunners a discretionary fee based on the aggregate gross proceeds from any Option Shares in respect of which the Greenshoe Option is exercised in an amount to be agreed.

Indemnification, Termination

Under the terms of the Underwriting Agreement, the Company will agree to indemnify and hold harmless the Managers against certain liabilities arising in connection with the Offering.

The Underwriting Agreement will further provide that the Joint Bookrunners may terminate the Underwriting Agreement and therefore their obligation to acquire the Offer Shares on or prior to the closing of the Offering in certain circumstances (e.g., *force majeure* or a material adverse change in the Company's business). Since the closing of the Offering will take place after the commencement of trading in the Offer Shares on the Vienna Stock Exchange, a termination of the Underwriting Agreement may result in the cancellation of any trades in the Offer Shares effected prior to such termination. In case an investor has sold Offer Shares to a third party prior to delivery and is unable to meet its obligations to deliver Offer Shares to the third party due to the termination of the Underwriting Agreement, all resulting claims will be resolved exclusively according to the terms of the contractual relationship between the investor and such third party. In case of short sales of the Shares by investors, the selling investor bears the risk of being unable to fulfill his/her obligation to deliver.

In case the Underwriting Agreement is terminated after the capital increase undertaken in connection with the Offering has been registered or at a time when the registration of the capital increase cannot be prevented, the New Shares may nevertheless be delivered.

Other Relationships

Certain of the Managers and their affiliates have provided or provide various investment banking, commercial banking, financial advisory and/or similar services to the Company in the ordinary course, and maintain normal business relationships with the Company in their capacity as credit institutions or as lenders under credit facilities for which they have received and may continue to receive customary fees and expenses. Prior to the Offering Raiffeisen NÖ-Wien Group and the UNIQA Group, collectively hold a 36.32% shareholding in the Company (see "*Principal Shareholders*"). Raiffeisen Centrobank AG is associated with Raiffeisen NÖ-Wien Group and with the UNIQA Group via Raiffeisen Zentralbank Österreich AG: Raiffeisen Zentralbank Österreich AG indirectly holds a 100% shareholding in Raiffeisen Centrobank AG and a 25.76% shareholding in UNIQA Versicherungen AG. Raiffeisen NÖ-Wien Group holds a 31.38% shareholding in Raiffeisen Zentralbank Österreich AG.

Lock-up Agreements

The Company and the Existing Shareholders will undertake vis-à-vis the Managers in the Underwriting Agreement or otherwise, for a period of six months following commencement of trading in the Shares, not to effect certain measures which could have an effect on the market for the Shares, without the prior written consent of the Joint Bookrunners. These undertakings affect the sale or issuance of shares in the Company or any related securities, subject to certain exceptions. The exceptions cover transfers of Shares effected among the Existing Shareholders or between Existing Shareholders and their respective affiliates as well as shares to be sold by the Company in connection with an acquisition of other businesses and assets, in each case if the acquirer of such shares has agreed with the Joint Bookrunners to comply with the lock-up agreement with respect to such shares. The issuance of Option Shares by the Company upon exercise of the Greenshoe Option is also exempt from the lock-up (see "*The Offering—Stabilization and Greenshoe Option*" for details of the Greenshoe Option). No other restrictions or arrangements to enforce the lock-up are contemplated.

SELLING AND TRANSFER RESTRICTIONS

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Manager will represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of the Offer Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Offer Shares to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than EUR 43,000,000 and (iii) an annual net turn-over of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Offer Shares to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe the Offer Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Council Directive (EC) No. 71/2003 of November 4, 2003 and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Manager will represent, warrant and agree that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

United States

Each purchaser of the Offer Shares will be deemed to have represented and agreed as follows (terms used herein that are defined in Regulation S ("Regulation S") under the Securities Act are used herein as defined therein):

(1) You are purchasing the Offer Shares in an offshore transaction, as such term is defined by Rule 902 under the Securities Act, in accordance with Regulation S.

(2) You understand that the Offer Shares have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except (A) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, and (B) in accordance with all applicable securities laws of the states of the United States.

Australia

This prospectus is not a prospectus that has been lodged or is required to be lodged with the Australian Securities and Investments Commission. Offers of Offer Shares will only be made to persons to whom excluded offers or excluded invitations may be made in accordance with the Corporations Act.

Canada

The Offer Shares have not been and will not be qualified by prospectus for sale to the public in Canada under applicable Canadian securities laws and, accordingly, any offer or sale of the Offer Shares in Canada will be made pursuant to an exemption from the applicable prospectus filing requirements, and otherwise in compliance with applicable Canadian laws. This document is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the securities described herein in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offense.

Japan

The Offer Shares have not been and will not be registered under the Securities and Exchange law of Japan (Law No. 25 of 1948, as amended). The Offer Shares are not being offered and sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for offering or sale, directly or indirectly, in Japan or to, or for the account of, any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

STATEMENT PURSUANT TO COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004 AND PURSUANT TO SECTION 8 PARA 1 CAPITAL MARKETS ACT

STRABAG SE, with its corporate seat in Villach, Austria, is responsible for this prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

STRABAG SE

as issuer (als Emittent)

Villach, October 5, 2007

Hans Peter Haselsteiner	Manfred Nußbaumer
Fritz Oberlerchner	Thomas Birtel
Nematollah Farrokhnia	Roland Jurecka
Wolfgang Merkinger	Hannes Truntschnig

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

INDEX TO FINANCIAL STATEMENTS

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

Unaudited Condensed Consolidated Interim IFRS Financial Statements
for the Six Months Ended June 30, 2007
(STRABAG SE)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2007

CONSOLIDATED INCOME STATEMENT 1 JANUARY - 30 JUNE 2007

	1.1.-30.6.2007 T€	1.1.-30.6.2006 T€
Revenue	4,046,735	3,412,292
Changes in inventories	-54,913	5,415
Own work capitalized	25,015	6,687
Other operating income	102,884	110,421
Raw materials, consumables and services used	-2,857,958	-2,440,403
Employee benefits expense	-914,438	-785,169
Depreciation and amortization expense	-124,079	-100,451
Other operating expenses	-262,378	-228,586
Earnings before financial result and tax	**-39,132**	**-19,794**
Share of profit or loss of associates	9,852	-4,285
Net investment income	7,655	4,290
Other financial result	-27,828	-24,058
Financial result	**-10,321**	**-24,053**
Profit before tax	**-49,453**	**-43,847**
Income tax expense	17,023	12,115
Profit for the period	**-32,430**	**-31,732**
Attributable to: Minority interest	-15,434	-23,273
Attributable to: Equity holders of the parent	-16,996	-8,459
Earnings per share (in €) [1)]	– 0.24	– 1.25

1) The earnings per share shown for Q1-2/2006 are not comparable to Q1-2/2007 due to the change of the head of group from FIMAG Finanz Industrie Management AG to STRABAG SE.

INTERIM CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2007

Assets

	30.6.2007 T€	31.12.2006 T€
Non-current assets		
Intangible assets	172,869	79,612
Property, plant and equipment	1,291,928	1,130,089
Investment property	153,758	155,208
Investments in associates	104,908	75,494
Other financial assets	224,769	318,290
Trade receivables	45,371	30,573
Other receivables and other assets	27,638	20,182
Deferred taxes	118,219	92,871
	2,139,460	**1,902,319**
Current assets		
Inventories	458,114	456,365
Trade receivables	2,434,916	2,315,342
Other receivables and other assets	386,418	315,535
Cash and cash equivalents	331,349	586,265
	3,610,797	**3,673,507**
	5,750,257	**5,575,826**

Equity and Liabilities

	30.6.2007 T€	31.12.2006 T€
Group equity		
Share capital	70,000	70,000
Capital reserves	448,047	448,047
Retained earnings	240,327	339,970
Minority interests	165,652	177,877
	924,026	**1,035,894**
Non-current liabilities		
Provisions	609,941	630,303
Financial liabilities	516,801	484,536
Trade payables	21,495	13,392
Other liabilities	6,499	9,015
Deferred taxes	0	6,056
	1,154,736	**1,143,302**
Current liabilities		
Provisions	386,134	401,650
Financial liabilities	783,724	434,997
Trade payables	2,042,656	2,047,589
Other liabilities	458,981	512,394
	3,671,495	**3,396,630**
	5,750,257	**5,575,826**

INTERIM CONSOLIDATED CASH-FLOW STATEMENT
1 JANUARY - 30 JUNE 2007

	1.1.-30.6.2007 T€	1.1.-30.6.2006 T€
Profit for the period	-32,430	-31,732
Deferred taxes	-32,934	-19,895
Non-cash effective results from associates	-5,385	4,951
Depreciations / write ups	124,302	95,765
Changes in long term provisions	-28,583	-21,064
Gains/losses on disposal of non-current assets	-13,556	-9,069
Cash-flow from profits	**11,414**	**18,956**
Change in items:		
– Inventories	17,448	33,214
– Trade receivables, construction contracts and consortia	-110,220	-100,295
– Receivables from subsidiaries and receivables from participation companies	-4,651	-12,422
– Other assets	29,704	-41,201
– Trade payables, construction contracts and consortia	-52,382	-91,584
– Liabilities from subsidiaries and liabilities from participation companies	5,750	-6,943
– Other liabilities	-113,526	-17,508
– Current provisions	-31,876	27,995
Cash-flow from operating activities	**-248,339**	**-189,788**
Purchase of financial assets	-22,282	-7,109
Purchase of property, plant, equipment and intangible assets	-235,205	-145,782
Gains/losses on disposal of non-current assets	13,556	9,069
Disposals of non-current assets (carrying value)	102,774	35,548
Change in other cash pooling receivables	-38,362	-6,793
Change in scope of consolidation	-119,398	12,292
Cash-flow from investing activities	**-298,917**	**-102,775**
Change in bank borrowings	341,661	87,742
Change in bonds	25,000	75,000
Change in liabilities from finance leases	10,476	649
Change in other cash pooling liabilities	-5,486	-26,894
Acquisition of minority interest	1,630	-3,201
Distribution and withdrawals from partnership	-82,422	-1,850
Cash-flow from financing activities	**290,859**	**131,446**
Cash-flow from operating activities	-248,339	-189,788
Cash-flow from investing activities	-298,917	-102,775
Cash-flow from financing activities	290,859	131,446
Net change in cash and cash equivalents	**-256,397**	**-161,117**
Cash and cash equivalents at the beginning of the year	586,265	555,857
Change in cash and cash equivalents due to currency translation	1,481	-2,717
Cash and cash equivalents at the end of the period	**331,349**	**392,023**
Interest paid	42,189	35,390
Interest received	17,710	16,570
Taxes paid	20,085	18,369

INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital T€	Capital Reserves T€	Retained Earnings T€	Minority Interests T€	Total T€
Balance at 1.1.2006	**53,938**	**163,800**	**278,785**	**408,947**	**905,470**
Differences arising from currency translation	0	0	-6,144	-10,780	-16,924
Profit for the period	0	0	-8,459	-23,273	-31,732
Change in hedging reserves	0	0	-2,827	-1,933	-4,760
Change in minority interest resulting from capital consolidation	0	0	0	-3,201	-3,201
Distribution of dividends	0	0	0	-1,850	-1,850
Balance at 30.06.2006	**53,938**	**163,800**	**261,355**	**367,910**	**847,003**
Balance at 1.1.2007	**70,000**	**448,047**	**339,970**	**177,877**	**1,035,894**
Differences arising from currency translation	0	0	-5,209	-1,164	-6,373
Profit for the period	0	0	-16,996	-15,434	-32,430
Change in hedging reserves	0	0	-584	-132	-716
Deferred taxes on neutral change in equity	0	0	146	33	179
Change in minority interest resulting from capital consolidation	0	0	0	9,894	9,894
Distribution of dividends	0	0	-77,000	-5,422	-82,422
Balance at 30.06.2007	**70,000**	**448,047**	**240,327**	**165,652**	**924,026**

STATEMENT OF RECOGNIZED INCOME AND EXPENSE

	1.1.-30.6.2007 T€	1.1.-30.6.2006 T€
Differences arising from currency translation	-6,373	-16,924
Change in hedging reserves	-716	-4,760
Deferred taxes on changes recognized directly in equity	179	0
Net income recognized directly in equity	**-6,910**	**-21,684**
Profit for the period	-32,430	-31,732
Total of recognized income and expense for the period	**-39,340**	**-53,416**
Attributable to: Minority interest	-16,697	-35,986
Attributable to: Equity holders of the parent	-22,643	-17,430

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2007 OF STRABAG SE

Basic Principles

The consolidated interim financial statements of STRABAG SE, based in Villach, Austria, with reporting date 30 June 2007 was drawn up under application of IAS 34 in accordance with the International Financial Reporting Standards (IFRS) – issued by the International Accounting Standards Board (IASB) in London and recognized by the European Union – including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date. Applied were exclusively those IASB standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union.

In accordance with IAS 34, the consolidated interim financial statements do not contain all the information and details required of annual financial statements. The interim statements should therefore be read in conjunction with the annual financial statements of STRABAG SE, Villach, with reporting date 31 December 2006.

The consolidated financial statements of the group as of and for the year ended 31st December 2006 are available at www.strabag.com.

Comparison Figures

With the merger agreement of 3 July 2006, the former corporate holding company FIMAG Finanz Industrie Management AG was merged as transferring company into STRABAG SE within the context of universal succession.

STRABAG SE thus became the new group parent company.

The Q1-2/2006 figures presented in the income statement represent those of the FIMAG Finanz Industrie Management AG consolidated interim financial statements with reporting date 30 June 2006.

With exception of the composition of the profit for the period concerning minority interest and earnings per share, the financial figures can be directly compared to the previous year's figures.

Accounting and Valuation methods

All accounting and valuation, as well as all notes and details, are fundamentally based on the same accounting principles and valuation methods underlying the consolidated annual financial statements with reporting date 31 December 2006.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2006.

Estimates

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

Scope of Consolidation

The consolidated interim financial statements as of 30 June 2007 include STRABAG SE as well as all major domestic and foreign subsidiaries where STRABAG SE either directly or indirectly holds a majority of the voting rights. Major associated companies are reported in the balance sheet using the equity method.

The number of consolidated companies changed in the Q1-2/2007 accounting year as follows:

	consolidation	equity method
Situation on 31.12.2006	241	12
First-time inclusions in year under report	11	2
Mergers in year under report	– 1	0
Exclusions in year under report	– 1	0
Situation on 30.06.2007	**250**	**14**

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

Company	Currency	Nominal Capital	Stake %	Date of Acquisition/ Foundation
Consolidation:				
„Crnagoraput“ AD, Podgorica	T€	13,435	50.99	01.01.2007 1)
Asfalt Slaski sp. z o.o., Gliwice	TPLN	600	51.00	13.04.2007
BBS Baustoffbetriebe Sachsen GmbH, Hartmannsdorf	T€	15,339	100.00	18.06.2007
Diabaswerk Saalfelden Gesellschaft mbH, Saalfelden	T€	363	100.00	02.05.2007
Fahrleitungsbau GmbH, Essen	T€	1,550	100.00	16.04.2007
Leszczynskie-Przedsiebiorstwo Robot Drogowo-Mostowych sp. z o.o., Leszno	TPLN	9,365	57.29	13.04.2007
WMB Drogbud sp. z o.o., Czestochowa	TPLN	10,638	51.00	13.04.2007
Polski Asfalt sp. z o.o., Wroclaw	TPLN	60,000	100.00	13.04.2007
Polski Asfalt Szczecin sp. z o.o., Stargard Szczecinski	TPLN	7,120	100.00	13.04.2007
Polskie Kruszywa sp. z o.o., Wroclaw	TPLN	920	100.00	13.04.2007
Strabag Umweltanlagen GmbH, Dresden	T€	26	100.00	01.01.2007
at equity method				
AKA Alföld Koncesszios Autopalya Zrt., Budapest	THUF	24,000,000	25.12	01.01.2007 1)
Directroute (Limerick) Construction Limited, Fermoy	T€	0	40.00	01.01.2007 1)

1) Due to their increased business volume, these companies were included in the group's scope of consolidation for the first time on 1 January 2007. The companies were established or acquired before 1 January 2007.

In the first six months of 2007, cartel authorities approved the takeover of the direct and indirect Polish subsidiaries of Swedish construction group NCC. The group owns a number of asphalt mixing facilities and quarries. The acquired units will do business under the name Polski Asfalt.

Due to price adjustment clauses in the share purchase agreement the definitive settlement of the purchase price has not taken place yet. In future periods adjustments of the purchase price and of the acquired assets and liabilities are possible.

The purchase price is preliminarily to be apportioned between the assets and liabilities as follows:

	Polski Asfalt-Group T€
Acquired assets and liabilities:	
Goodwill	65,369
Other non-current assets	42,561
Current assets	48,676
Increase in minority interest in equity	-4,729
Non-current liabilities	-552
Current liabilities	-45,299
Purchase price	**106,026**
Acquired cash and cash equivalents	-8,633
Net cash outflow from the acquisition	**97,393**

Effective 1 January 2007, Linde-KCA-Dresden GmbH spun out its Environmental Plants business unit into a separate company and transferred the company to STRABAG SE as Strabag Umweltanlagen GmbH. With the acquisition, STRABAG SE bolsters its environmental technology business with valuable know-how in process engineering and plant construction.

The purchase price is to be apportioned between the assets and liabilities as follows:

	Strabag Umweltanlagen T€
Acquired assets and liabilities:	
Goodwill	5,683
Other non-current assets	1,398
Current assets	34,918
Non-current liabilities	-661
Current liabilities	-40,266
Purchase price	**1,072**
Acquired cash and cash equivalents	-1,476
Net cash inflow from the acquisition	**-404**

STRABAG SE in Q1-2/2007 also acquired the Essen, Germany-based Fahrleitungsbau GmbH. The company's business activities cover the entire value-added chain for the construction of railroad overhead lines.

The purchase price is to be apportioned between the assets and liabilities as follows:

	Fahrleitungsbau GmbH T€
Acquired assets and liabilities:	
Goodwill	11,693
Other non-current assets	1,521
Current assets	15,613
Non-current liabilities	-4,899
Current liabilities	-8,932
Purchase price	**14,996**
Acquired cash and cash equivalents	-1,671
Net cash outflow from the acquisition	**13,325**

The purchase prices as well as the acquired assets and liabilities of the remaining initial consolidation can be broken down as follows:

	Others T€
Acquired assets and liabilities:	
Goodwill	10,222
Other non-current assets	26,747
Current assets	18,291
Increase in minority interest in equity	-3,535
Non-current liabilities	-14,188
Current liabilities	-19,886
Purchase price	**17,651**
Acquired cash and cash equivalents	-143
Non-cash effective purchase price	-8,400
Net cash outflow from the acquisition	**9,108**

Assuming a fictitious initial consolidation on 1 January 2007 for all acquisitions in the Q1-2/2007 reporting period, the consolidated revenue would amount to T€ 4,066,237 and consolidated profit would have decreased by a total of T€ -5,705.

All companies which were consolidated for the first time in Q1-2/2007 contributed T€ 63,787 to revenue and T€ -1,875 to profit.

A negative goodwill of T€ 4 in the account balance results from the first-time application of the equity method of the newly acquired companies.

As of 30 June 2007, the following companies were no longer included in the **scope of consolidation**:

Consolidation:	
GVD Versicherungsvermittlungen - Dienstleistungen GmbH, Köln	reduction of business activity
PREFABRIKAT, spol. s.r.o., Vel'ké Leváre	merger with ZIPP BRATISLAVA spol. s.r.o., Bratislava

Mergers into STRABAG SE

With the merger agreement of 27 February 2007, KIHOG Kärntner Industrieholding Gesellschaft m.b.H., based in Spittal an der Drau, and HSKG Verwaltungs- und Beteiligungs GmbH, also based in Spittal an der Drau, were merged, without winding-up, as transferring companies into STRABAG SE within the context of universal succession. The effects of the merger on the annual accounts and the consolidated financial statements of STRABAG SE are of subordinate importance.

Methods of Consolidation and Currency Translation

The same methods of consolidation and principles of currency translation were applied in drawing up the consolidated interim financial statements with reporting date 30 June 2007 as were used for the consolidated annual financial statements with reporting date 31 December 2006. Details regarding the methods of consolidation and principles of currency translation are available in the 2006 annual report.

In the first six months of 2007, T€ 92,967 in goodwill arising from capital consolidation were recognized as asset.

Goodwill

Goodwill assets are subjected to an annual impairment test in accordance with IAS 36. The impairment test is carried out in the last two months of the financial year. Effective 30 June 2007, there was no indication that goodwill amortization was necessary.

NOTES ON THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT

Seasonality

Due to snow, ice and other adverse weather conditions, revenue is usually lower in the winter months than in the summer. As a large part of the costs involves fixed costs, noteworthy losses are posted in the first quarter every year. Starting with the second quarter, these losses are compensated for by rising contribution margins. The break-even point is usually not yet reached at the end of the second quarter. It should be noted that seasonal fluctuations in the Road Construction business are greater than they are in Building Construction & Civil Engineering.

The above-described, annually repeating business trend allows a year-on-year comparison of output volume, revenue and results for the first six months of the year.

By comparison, the absolute figures at the half-year point are typically negative and could, therefore, lead to a false estimation of the true situation. Just as much, relative changes in result at the end of June have only a limited informative value, as the base for calculation is lower and relatively high changes – which do not allow any real conclusions to be made regarding the expected full-year results – are plausible.

NOTES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

Property, Plant and Equipment and Intangible Assets

In Q1-2/2007, tangible and intangible assets in the amount of T€ 235,205 (Q1-2/2006 T€ 145,782) were acquired. This amount does not contain assets acquired as the result of corporate mergers.

In the same period, tangible and intangible assets in the amount of a book value of T€ 17,225 were sold (Q1-2/2006 T€ 11,824).

Extraordinary impairment on property, plant and equipment in the amount of T€ 155 (Q1-2/2006: T€ 166) were made.

Equity

The Annual General Meeting of 20 April 2007 voted to pay out a dividend of € 77 million. Because of a simultaneous payback of non operational loans made by the company there was no liquidity outflow from the company (see also Notes on Related Parties).

The Annual General Meeting of 20 April 2007 also voted to increase the company's share capital from € 70,000,000 by € 25,000,000 to € 95,000,000 through the issue of no par bearer shares. The previous shareholders expressly abstained from exercising their option on the new shares during the capital increase.

Of the new no par shares, € 25,000,000 worth are being issued at a pro-rata value in the registered share capital of € 1 per share, and € 1,025,000,000 worth are being issued at a pro-rata value of € 41 per share, in the form of a premium, for a total of € 1,050,000,000.

The new shares are acquired in full by RASPERIA TRADING LIMITED, which is based in Limassol, Cyprus, and owned by Russian businessman Oleg Deripaska.

The deposit of the subscribed capital and the entry of the capital increase into the commercial register took place in August 2007 (see Events after Reporting Date).

The changes in equity are reflected in the Statement of Changes in Equity.

Contingent Liabilities

The company has accepted the following guarantees:

	30.6.2007 T€	31.12.2006 T€
Guarantees without financial guarantees	22,926	37,007

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 26,569 (31 December 2006 T€ 30,700).

Segment Reporting

The segment reporting is based on the three operating segments Building Construction & Civil Engineering, Road Construction and Tunnelling & Services. Expenses and income were attributed to the individual segments only as far as they could be attributed directly or by applying an allocation according to the principle of causation to the respective segment. Items not attributed in this way are shown under Miscellaneous. This segment primarily includes group management, commercial administration, IT and machine management and quality assurance. The settlement between the single segments is made at arm's-length prices.

Segment Information for 1.1.-30.6.2007

	Building Construction and Civil Engineering 1.1.-30.6.2007 T€	Road Construction 1.1.-30.6.2007 T€	Tunnelling and Services 1.1.-30.6.2007 T€	Miscellaneous and Consolidation 1.1.-30.6.2007 T€	Total 1.1.-30.6.2007 T€
Output Volume	2,458,116	1,675,618	270,059	59,509	4,463,302
Revenue	2,212,047	1,599,336	204,713	30,639	4,046,735
EBIT	**-6,049**	**-19,915**	**1,567**	**2,772**	**-21,625**

Segment Information for 1.1.-30.6.2006

	Building Construction and Civil Engineering 1.1.-30.6.2006 T€	Road Construction 1.1.-30.6.2006 T€	Tunnelling and Services 1.1.-30.6.2006 T€	Miscellaneous and Consolidation 1.1.-30.6.2006 T€	Total 1.1.-30.6.2006 T€
Output Volume	2,088,655	1,606,899	299,041	70,192	4,064,787
Revenue	1,746,457	1,405,011	231,694	29,130	3,412,292
EBIT	**-12,871**	**-17,829**	**8,569**	**2,342**	**-19,789**

The EBIT can be broken down as follows:

	1.1.-30.6.2007 T€	1.1.-30.6.2006 T€
Earnings before financial result and tax	-39,132	-19,794
Share of profit or loss of associates	9,852	-4,285
Net investment income	7,655	4,290
EBIT	**-21,625**	**-19,789**

The income and expenses from investments, as well as from associated companies, concern business-induced investments which form an important component of the group's operating activity.

Financial Instruments

In June 2007, STRABAG SE issued a further bond of € 75 million with a term of five years and an annual coupon of 5.75 %. The first corporate bond, which was issued in 2002 with a volume of € 50 million, was redeemed in June 2007.

Notes on Related Parties

As of the balance sheet date of 31 December 2006, there were non-operational loans vis-à-vis subsidiaries of ATLAS Immobilien & Development Privatstiftung and ARION Immobilien & Development Privatstiftung in the amount of € 77 million outstanding. This amount was paid back to STRABAG SE ahead of schedule in Q1-2/2007.

The employee benefits expenses and other operating expenses include the total salaries of the members of the board with T€ 1,603 (Q1-2/2006: T€ 1,101).

Events after Reporting Date

Following the occurrence of the condition precedent (mostly the cartel approval), the capital increase subscribed by RASPERIA HOLDING LIMITED, Limassol, Cyprus, was paid in and entered into the commercial register on 21 August 2007.

On 25 May 2007 Germany's parliament, the Bundestag, approved the Unternehmenssteuerreformgesetz 2008 ('2008 Business Tax Reform Act'). The legislation provides among other things for a reduction of the corporation tax from 25 % to 15 %. The approval of the Bundesrat (the representation of the 16 Federal States of Germany at the federal level) and the publication of the law took place in July 2007. The changed tax rate for the calculation of the deferred taxes of German businesses was therefore not taken into consideration for the drawing-up of the present interim report.

Audit Waiver

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

Audited IFRS Consolidated Financial Statements
for Financial Year Ended December 31, 2006
(STRABAG SE)

2006 FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT FOR THE 2006 BUSINESS YEAR

	Notes	2006 T€	2005 T€
Revenue	(1)	9,430,621	6,955,797
Changes in inventories		-173,119	34,387
Own work capitalized		19,438	16,564
Other operating income	(2)	231,500	149,901
Raw materials, consumables and services used	(3)	-6,588,108	-5,019,607
Employee benefits expense	(4)	-1,831,660	-1,401,876
Depreciation and amortization expense	(5)	-229,678	-178,677
Other operating expenses	(6)	-614,264	-400,981
Earnings before financial result and tax		**244,730**	**155,508**
Share of profit or loss of associates	(7)	76,986	5,424
Net investment income	(8)	21,638	2,197
Other financial result	(9)	-56,151	-28,414
Financial result		**42,473**	**-20,793**
Profit before tax		**287,203**	**134,715**
Income tax expense	(10)	-63,199	-40,149
Profit for the period		**224,004**	**94,566**
Attributable to:			
Minority interest		32,653	44,628
Equity holders of the parent		191,351	49,938
Earnings per share (in €)	(28)	2.73	7.41

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2006

	Notes	2006 T€	2005 T€
Non-current assets			
Intangible assets	(11)	79,612	67,085
Property, plant and equipment	(11)	1,130,089	985,226
Investment property	(12)	155,208	150,641
Investments in associates	(13)	75,494	64,842
Other financial assets	(13)	318,290	305,770
Trade receivables	(16)	30,573	43,618
Other receivables and other assets	(16)	20,182	33,169
Deferred taxes	(14)	92,871	86,457
		1,902,319	**1,736,808**
Current assets			
Inventories	(15)	456,365	618,717
Trade receivables	(16)	2,315,342	1,948,578
Other receivables and other assets	(16)	315,535	266,967
Cash and cash equivalents	(17)	586,265	555,857
		3,673,507	**3,390,119**
		5,575,826	**5,126,927**
Group equity			
Share capital		70,000	53,938
Capital reserves		448,047	163,800
Retained earnings		339,970	278,785
Minority interests		177,877	408,947
	(18)	**1,035,894**	**905,470**
Non-current liabilities			
Provisions	(19)	630,303	556,617
Financial liabilities	(20)	484,536	602,630
Trade payables	(20)	13,392	25,077
Other liabilities	(20)	9,015	11,148
Deferred taxes	(14)	6,056	3,517
		1,143,302	**1,198,989**
Current liabilities			
Provisions	(19)	401,650	299,525
Financial liabilities	(20)	434,997	339,234
Trade payables	(20)	2,047,589	1,922,399
Other liabilities	(20)	512,394	461,310
		3,396,630	**3,022,468**
		5,575,826	**5,126,927**

CONSOLIDATED CASH-FLOW STATEMENT FOR THE 2006 BUSINESS YEAR

	2006 T€	2005 T€
Profit for the period	224,004	94,566
Deferred taxes	-19,718	-4,677
Non-cash effective results from consolidation	-12,846	0
Non-cash effective results from associates	-4,876	-1,110
Depreciations / write-ups	233,176	193,859
Changes in long term provisions	25,598	17,634
Gains/losses on disposal of non-current assets	-87,683	-13,962
Cash-flow from profits	**357,655**	**286,310**
Change in items:		
– Inventories	219,574	32,502
– Trade receivables, construction contracts and consortia	-262,797	-235,973
– Receivables from subsidiaries and receivables from participation companies	-26,491	26,347
– Other assets	22,974	3,353
– Trade payables, construction contracts and consortia	45,909	117,867
– Liabilities from subsidiaries and liabilities from participation companies	4,398	-6,998
– Other liabilities	26,673	20,194
– Current provisions	58,456	24,153
Cash-flow from operating activities	**446,351**	**267,755**
Purchase of financial assets	-57,721	-46,296
Purchase of property, plant, equipment and intangible assets	-347,020	-254,688
Gains/losses on disposals of non-current assets	87,683	13,962
Disposals of non-current assets (carrying value)	67,850	58,829
Change in other cash pooling receivables	2,871	23,580
Change in scope of consolidation	-24,821	91,236
Cash-flow from investing activities	**-271,158**	**-113,377**
Change in bank borrowings	-88,106	90,421
Change in bonds	75,000	75,000
Change in liabilities from finance leases	1,376	5,272
Change in other cash pooling liabilities	-24,746	42,677
Acquisition of minority interest	-3,201	0
Contributions	202,064	25,003
Distribution and withdrawals from partnerships	-310,736	-52,114
Cash-flow from financing activities	**-148,349**	**186,259**
Cash-flow from operating activities	446,351	267,755
Cash-flow from investing activities	-271,158	-113,377
Cash-flow from financing activities	-148,349	186,259
Net change in cash and cash equivalents	**26,844**	**340,637**
Cash and cash equivalents at the beginning of the year	555,857	212,399
Change in cash and cash equivalents due to currency translation	3,564	2,821
Cash and cash equivalents at the end of the year	**586,265**	**555,857**
Interest paid	70,298	51,921
Interest received	38,189	35,680
Taxes paid	69,301	38,773

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital T€	Capital Reserves T€	Retained Earnings T€	Minority Interests T€	Total T€
Balance at 1 January 2005	**53,938**	**163,800**	**237,380**	**347,138**	**802,256**
Differences arising from currency translation	0	0	1,143	5,420	6,563
Profit for the period	0	0	49,938	44,628	94,566
Contribution	0	0	0	25,003	25,003
Change in Hedging reserves	0	0	-4,377	-3,903	-8,280
Neutral change of actuarial gains and losses	0	0	-5,053	-4,668	-9,721
Neutral change Financial Instruments IAS 39	0	0	-1,158	-1,772	-2,930
Deferred taxes on changes recognized directly in equity	0	0	912	843	1,755
Change in minority interest resulting from initial consolidation	0	0	0	48,372	48,372
Distribution of dividends	0	0	0	-52,114	-52,114
Balance at 31 December 2005 =					
Balance at 1 January 2006	**53,938**	**163,800**	**278,785**	**408,947**	**905,470**
Changes due to merger FIMAG into STRABAG SE	16,062	85,247	159,051	-260,360	0
Differences arising from currency translation	0	0	15,418	2,443	17,861
Profit for the period	0	0	191,351	32,653	224,004
Contribution	0	199,000	3,064	0	202,064
Change in Hedging reserves	0	0	6,474	825	7,299
Neutral change of actuarial gains and losses	0	0	-3,227	572	-2,655
Neutral change Financial Instruments IAS 39	0	0	622	320	942
Deferred taxes on neutral change in equity	0	0	-3,856	-1,298	-5,154
Change in minority interest resulting from initial consolidation	0	0	0	-3,201	-3,201
Distribution of dividends	0	0	-307,712	-3,024	-310,736
Balance at 31 December 2006	**70,000**	**448,047**	**339,970**	**177,877**	**1,035,894**

STATEMENT OF RECOGNIZED INCOME AND EXPENSE

	2006 T€	2005 T€
Differences arising from currency translation	17,861	6,563
Changes in fair value of investments pursuant to IAS 39 recognized in group equity	942	-2,930
Change in Hedging Reserves	7,299	-8,280
Actuarial gains / losses from pensions and similar obligations	-2,655	-9,721
Deferred taxes on changes recognized directly in equity	-5,154	1,755
Net income recognized directly in equity	**18,293**	**-12,613**
Profit for the period	224,004	94,566
Total of recognized income and expense for the period	**242,297**	**81,953**
Attributable to:		
Minority interest	35,515	40,548
Equity holders of the parent	206,782	41,405

NOTES TO THE 2006 CONSOLIDATED FINANCIAL STATEMENTS STRABAG SE, Villach

Basic Principles

The consolidated financial statements of STRABAG SE reporting date 31 December 2006, was drawn up under application of Article 245a Paragraph 2 of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Applied were exclusively those standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union. Further reporting requirements of Article 245a Paragraph 1 of the Austrian Commercial Code (UGB) were fulfilled as well.

In addition to the income statement and the balance sheet, a cash-flow statement was drawn up in accordance with IAS 7 and the changes in equity will be shown (IAS 1). The group notes will further include a segment reporting in accordance with IAS 14.

In order to improve the clarity of the representation, various items in the balance sheet and the income statement have been combined. These items have been shown separately and are explained in the group notes. The income statement has been drawn up in accordance with the nature of expense method.

Merger of FIMAG Finanz- Industrie und Management AG into STRABAG SE

With the merger agreement of 3 July 2006, the corporate holding company FIMAG Finanz- Industrie und Management AG was merged as transferring company into STRABAG SE within the context of universal succession.

STRABAG SE thus becomes the new group parent company. The previous year's figures presented in the consolidated financial statement represent the financial statement of FIMAG Finanz- Industrie und Management AG as of 31 December 2005.

With exception of the composition of the shareholders' equity and of the profit for the period concerning minority interest and earnings per-share result, the financial figures can be directly compared to the previous year's figures.

Changes to Accounting and Valuation Methods

The IASB has passed a series of changes to the existing body of IFRS as well as several new IFRS standards which must be applied as of 1 January 2006. The first-time application of the IFRS standards mentioned had the following consequences on STRABAG SE´s consolidated financial statements as of 31 December 2006:

IAS 39 (Financial Instruments)

Financial guarantee contracts which were unlikely to be claimed were previously recognized under Contingent Liabilities in the Notes. Since 1 January 2006, such financial guarantee contracts are to be recognized at fair value in the balance sheet and as long as there is no probable loss shall be reported at continued initial recognition. For STRABAG SE Group, the advantages gained from the financial guarantee contracts correspond to the fair value to be classified as liability so that the new rules have no consequences for the consolidated financial statements.

The outstanding amount of the financial guarantee contracts is declared in the Notes as usual.

For annual periods beginning on or after 1 January 2006, the amendments to the fair-value option apply. The fair-value option allows a financial instrument under certain circumstances to be recognized at fair value through profit and loss. This option was not applied in the 2006 financial statement.

IFRIC 4: Determining whether an Arrangement Contains a Lease

IFRIC 4 requires the determination be made whether an arrangement directly or indirectly contains a lease. Such an arrangement must be accounted for in accordance with IAS 17. The application of IFRIC 4 did not have a material impact in the consolidated financial statement.

Future Amendments to Accounting Standards

IASB and IFRIC have also passed the following Standards and Interpretations, which are not effective for the 2006 financial year:

	Effective for annual periods beginning on or after
IFRS 7 Financial Instruments: Disclosures	1 January 2007
IFRIC 7 Applying the Restatement Approach under IAS 29	1 March 2006
IFRIC 8 Scope of IFRS 2	1 May 2006
IFRIC 9 Reassessment of Embedded Derivatives	1 June 2006
IFRIC 10 Interim Financial Reporting and Impairment	1 November 2006
IFRS 8 Operating Segments	1 January 2009
IAS 23 Borrowing Costs	1 January 2009

The company does not expect substantial changes to the consolidated financial statement by applying these standards and Interpretations.

Scope of Consolidation

The consolidated financial statements as of 31 December 2006 include STRABAG SE as well as all major domestic and foreign subsidiaries where STRABAG SE either directly or indirectly holds a majority of the voting rights. Major associated companies are reported in the balance sheet using the equity method.

The annual financial statements of all major consolidated domestic and foreign companies, as well as those subject to statutory audit according to national regulations, were audited by independent chartered accountants and issued with unqualified audit opinions.

Not included were 278 (2005: 245) companies whose influence on the group's asset, finance and profit situation is insignificant. The output volume performed by the subsidiaries not included in the consolidated financial statements comes to less than 1.5% of the total output volume of the group.

Subsidiaries included in the 2006 consolidated financial statements are given in the list of subsidiaries, associated companies and investments (Appendix 2 to the Notes).

The financial year for all consolidated and associated companies – with exception of Viamont DSP a.s., Aussig, Czech Republic and Projekta Bauvorbereitungsgesellschaft m.b.H. Nfg. KG, Vienna, whose financial year ends as of 31 May – is identical with the calendar year.

The number of consolidated companies changed in the 2006 accounting year as follows:

	consolidation	**equity method**
Situation on 31.12.2005	220	12
First-time inclusions in year under report	41	2
Mergers in year under report	-9	0
Exclusions in year under report	-11	-2
Situation on 31.12.2006	241	12

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

Company	Currency	Nominal Capital	Stake %	Date of Acquisition/ Foundation
Consolidation:				
"Putevi" Cacak, Cacak	TCSD	155,476	68.60	9.3.2006
Augustowskie Przedsiebiorstwo Drogowe S.A., Augustow	TPLN	800	100.00	26.10.2006
Bauträgergesellschaft Olande mbH, Hamburg	T€	25	51.00	1.1.2006 [1)]
Bauunternehmung Ohneis Gesellschaft mit beschränkter Haftung, Straubing	T€	51	100.00	10.10.2006
becker bau GmbH u. Co.KG, Bornhöved	T€	3,100	100.00	12.6.2006
Beton und Recycling GmbH & Co. KG, Halberstadt	T€	1,030	100.00	12.6.2006
BHG CZ s.r.o., Ceské Budejovice	TCZK	200	100.00	1.3.2006
BHG Sp. z o.o., Warschau	TPLN	500	100.00	1.1.2006 [1)]
Bitunova Romania SRL, Bukarest	TRON	16	97.77	1.1.2006 [1)]
Bug-AluTechnic GmbH, Kennelbach	T€	5,000	100.00	23.2.2006
CLS Construction Legal Services GmbH, Köln	T€	25	100.00	30.5.2006
Deutsche Asphalt GmbH, Köln	T€	26	100.00	1.1.2006 [1)]
Eckstein Holding GmbH, Kennelbach	TATS	1,000	100.00	23.2.2006
Eduard Hachmann GmbH, Lunden	T€	520	100.00	12.6.2006
Eichholz Rail GmbH, Lauda-Königshofen	T€	25	100.00	1.9.2006
Errichtungsgesellschaft Strabag Slovensko s.r.o., Bratislava-Ruzinov	TSKK	200	100.00	21.12.2006
ETG Erzgebirge Transportbeton GmbH, Freiberg	T€	290	60.00	27.12.2006
Ezel Bauunternehmung Sindelfingen GmbH, Sindelfingen	T€	310	100.00	12.6.2006

[1)] Due to their increased business volume, these companies were included in the group's scope of consolidation for the first time on 1 January 2006. The companies were established or acquired before 1 January 2006.

Company	Currency	Nominal Capital	Stake %	Date of Acquisition/ Foundation
Friedrich Preusse Bauunternehmung Gesellschaft mit beschränkter Haftung, Braunschweig	T€	1,050	100.00	12.6.2006
Jakob Gärtner GmbH, Friedberg	T€	54	100.00	10.10.2006
Josef Riepl Unternehmen für Ingenieur- und Hochbau GmbH, Regensburg	T€	900	100.00	1.1.2006
MiTTaG spol. s.r.o. pozemni a prumyslove stavitelstvi, Brno	TCZK	10,100	100.00	7.11.2006
Preduzece za puteve “Zajecar” a.D.Zajecar, Zajecar	TCSD	282,002	93.29	2.11.2005
PREFIN a.s., Chrudim	TCZK	2,250	100.00	21.11.2006
Preusse Baubetriebe Gesellschaft mit beschränkter Haftung, Hamburg	T€	1,050	100.00	12.6.2006
Preusse Baubetriebe und Partner GmbH & Co. KG, Halberstadt	T€	520	100.00	12.6.2006
Preusse Bauholding GmbH & Co. KG, Hamburg	T€	15,340	100.00	12.6.2006
PREZIPP, s.r.o., Chrudim	TCZK	2,580	100.00	21.11.2006
Roba Asphalt GmbH, Augsburg	T€	560	100.00	27.12.2006
Roba Baustoff GmbH, Augsburg	T€	10,226	100.00	27.12.2006
Roba Transportbeton GmbH, Augsburg	T€	520	100.00	27.12.2006
Robert Kieserling Industriefußboden Gesellschaft mit beschränkter Haftung, Hamburg	T€	1,050	100.00	12.6.2006
SAM Sächsische Asphaltmischwerke GmbH & Co. KG, Dresden	T€	3,100	100.00	12.9.2006
SAT Útjavító Korlátolt Felelöségü Társaság, Budapest	THUF	268,000	100.00	20.2.2006
SBR Verwaltungs GmbH, Kehl	T€	7,000	100.00	1.1.2006 [1)]
Storf Hoch- und Tiefbaugesellschaft m.b.H., Reutte	T€	727	100.00	19.7.2006
STRABAG Dubai LLC, Dubai	TAED	300	100.00	1.1.2006 [1)]
Strabag Qatar W.L.L., Qatar	TRIY	200	100.00	1.1.2006 [1)]
Stratebau GmbH, Regensburg	T€	4,090	100.00	10.10.2006
Vojvodinaput-Pancevo a.d. Pancevo, Pancevo	TCSD	179,709	81.51	23.6.2006
Züblin Development GmbH, Köln	T€	5,000	100.00	1.1.2006 [1)]
Equity Method:				
Bayerische Asphalt-Mischwerke GmbH & Co. KG für Straßenbaustoffe, Hofolding	T€	12,300	48.30	10.10.2006
Slokenbeka SIA, Milkalne	TLVL	1,000	41.04	12.6.2006

[1)] Due to their increased business volume, these companies were included in the group’s scope of consolidation for the first time on 1 January 2006. The companies were established or acquired before 1 January 2006.

The initial consolidations essentially concern the following acquisitions:

The Preusse Bauholding GmbH & Co.KG, Hamburg, with its participations, is the market leader in asphalt road construction in Schleswig Holstein and in regional concrete production in Northern Germany. Furthermore the service spectrum also includes industrial flooring which is distributed throughout Germany. As a result of this acquisition, STRABAG will gain an even stronger presence on the North German market.

The purchase price can be broken down into assets and liabilities as follows:

	Preusse-Group T€
Acquired assets and liabilities:	
Negative goodwill	-13,387
Other non-current assets	18,023
Current assets	72,249
Non-current liabilities	-14,253
Current liabilities	-62,543
Purchase price	89
Acquired cash and cash equivalents	-9,019
Net cash inflow from the acquisition	-8,930

The negative goodwill, which results from the balance between the purchase price and the acquired assets and liabilities, was immediately included under other operating income in the business year in accordance with IFRS 3.56(b), thus affecting the operating result. In 2006 the acquisition of the Preusse Group contributed 148.3 Mio € to the consolidated turnover as well as 4.3 Mio € to the consolidated result.

Stratebau, GmbH, Regensburg, is the Bavarian market leader in bituminous road construction. Stratebau GmbH was included at-equity as a 50% participation in the 2005 consolidated financial statement. The acquisition of the remaining 50% has further improved the market position of the STRABAG Group in Bavaria.

The purchase price can be broken down into assets and liabilities as follows:

	Stratebau-Group T€
Acquired assets and liabilities:	
Goodwill	8,250
Other non-current assets	33,621
Current assets	45,531
Non-current liabilities	-40,240
Current liabilities	-24,162
Purchase price	23,000
Acquired cash and cash equivalents	-1,720
Net cash outflow from the acquisition	21,280

The goodwill from the acquisition of Stratebau GmbH is the result of the balance between the purchase price and the fair value of the acquired net assets. The acquisition of Stratebau GmbH contributed 52.5 Mio € to the consolidated turnover and 2.3 Mio € to the consolidated result in 2006.

The ROBA-Group owns eleven mixing plants and further mixing plant participations; it also has business in ready-mixed concrete. The acquisition has advanced the establishment of the new corporate division, building materials, in Germany.

The ROBA-Group was acquired in 2005 as part of the acquisition of the Züblin-Group. The anti trust non-prohibition was only granted in 2006, which is the reason why it was first included in the 2006 business year.

The purchase price can be broken down into assets and liabilities as follows:

	ROBA-Group T€
Acquired assets and liabilities:	
Negative goodwill	-3,080
Other non-current assets	9,960
Current assets	14,778
Non-current liabilities	-652
Current liabilities	-5,706
Purchase price	15,300
Non cash effective purchase price in 2006	-15,300
Acquired cash and cash equivalents	-7,629
Net cash inflow from the acquisition	-7,629

The negative goodwill, which results from the balance between the purchase price and the acquired assets and liabilities, was immediately included under other operating income in the business year in accordance with IFRS 3.56(b), thus affecting the operating result. The acquisition of the ROBA-Group had no influence on the consolidated turnover nor on the consolidated result in 2006.

The Serbian road construction companies Vojvodinaput-Panchevo a.d, Panchevo, „Putevi" Cacak, Cacak, and Preduzece za puteve „Zajecar" a.d., Zajecar, were included in the consolidated financial statement in the 2006 business year. With these acquisitions the entry into the Serbian market, especially in the road construction segment, was executed.

The purchase price can be broken down into assets and liabilities as follows:

	Acquisitions Serbia T€
Acquired assets and liabilities:	
Goodwill	5,312
Other non-current assets	14,001
Current assets	20,541
Increase in minority interest in equity	-2,044
Non-current liabilities	-6,780
Current liabilities	-14,232
Purchase price	16,798
Non cash effective purchase price in 2006	-3,939
Acquired cash and cash equivalents	-399
Net cash outflow from the acquisition	12,460

In Eastern Europe the following acquisitions were carried out:

In the road construction division 100% of the Augustowskie Przedsiebiorstwo Drogowe S.A. (ADP), Augustow, Poland, was acquired to establish the national business in Poland. This was included in the consolidated financial statement as of 31 December 2006, as the anti-trust approval was not granted until December 2006.

The remaining 50% of Prezipp s.r.o, Chrudim, was acquired as a result of the purchase of PREFIN a.s, Chrudim. Both companies where thus initially included in the scope of consolidation in 2006.

100% of the company MiTTaG spol s.r.o, Brno, was acquired with an assignment contract from 7 November 2006 in order to round off the national business in building construction in the Czech Republic.

The purchase price can be broken down into assets and liabilities as follows:

	Acquisitions Eastern Europe T€
Acquired assets and liabilities:	
Goodwill	8,069
Other non-current assets	4,417
Current assets	15,937
Non-current liabilities	-886
Current liabilities	-13,826
Purchase price	13,711
Acquired cash and cash equivalents	-2,711
Net cash outflow from the acquisition	11,000

In Austria, the remaining 76% of Eckstein Holding GmbH, Kennelbach, with its 100% subsidiary Bug-Alu Technic GmbH, Kennelbach, as well as 100% of Storf Hoch- und Tiefbaugesellschaft m.b.H., Reutte, were acquired in the 2006 financial year.

The purchase price can be broken down into assets and liabilities as follows:

	Acquisitions Austria T€
Acquired assets and liabilities:	
Goodwill	7,419
Other non-current assets	15,414
Current assets	27,607
Non-current liabilities	-17,718
Current liabilities	-28,272
Purchase price	4,450
Acquired cash and cash equivalents	-6,656
Net cash inflow from the acquisition	-2,206

The purchase prices, acquired assets and liabilities of the remaining initial consolidations is represented as follows:

	Others T€
Acquired assets and liabilities:	
Non-current assets	7,167
Current assets	18,773
Increase in minority interest in equity	-20
Non-current liabilities	-4,488
Current liabilities	-10,379
Purchase price	11,053
Acquired cash and cash equivalents	-3,395
Net cash outflow from the acquisition	7,658

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

Assuming a fictitious first-time consolidation on 1st January 2006 for all acquisitions in the financial year 2006 the consolidated revenue would amount to T€ 9,700,626 and consolidated profit would have decreased by a total of T€ -1,523.

All companies, which were consolidated for the first time in 2006 contributed T€ 348,674 to revenue and T€ -5,874 to profit.

As of 31 December 2006, the following companies were no longer included in the **scope of consolidation**:

Consolidation:

A-WAY Holding und Finanz AG, Spittal an der Drau	merger with STRABAG SE, Spittal an der Drau
Alfa Beteiligungs a.s., Budweis	merger with Ilbau Plzen a.s., Budweis
BHG a.s., Budweis	merger with Ilbau Plzen a.s., Budweis
BL-Baulogistik GmbH, Stuttgart	reduction of business activity
Epsilon Beteiligungs a.s., Budweis	merger with Ilbau Plzen a.s., Budweis
FIMAG Finanz- Industrie und Management AG, Spittal an der Drau	merger with STRABAG SE, Spittal an der Drau
Gama Beteiligungs a.s., Budweis	merger with Ilbau Plzen a.s., Budweis
Goldeck - Flug Gesellschaft m.b.H., Spittal an der Drau	sale to third parties
IBV-Immobilien Besitz- und Verwaltungs-gesellschaft mbH Werder, Köln	reduction of business activity
Ilbau Plzen a.s., Budweis	merger with Strabag a.s., Prag
Infosys Informationssysteme GmbH, Spittal an der Drau	reduction of business activity
J + O Alsterfleet Grundstücks GmbH, Hamburg	reduction of business activity
MELYGARAZS 2000 Epitö, Szervezö, Lebonyolito es Uzemetetö KFT, Budapest	sale to third parties
PPP SchulManagement Witten GmbH & Co. KG, Köln	reduction of business activity
Rhein-Regio Neuenburg Projektentwicklung GmbH, Neuenburg am Rhein	reduction of business activity
SF-BAU Gesellschaft für Projektentwicklung und schlüsselfertiges Bauen mbH, Leipzig	reduction of business activity
SF-BAU Grundstücksgesellschaft "ABC-Bogen" mbH, Köln	reduction of business activity
Strabag Eta Group a.s., Brünn	merger with Ilbau Plzen a.s., Budweis
Strabag Sibe Group a.s., Beroun	merger with Ilbau Plzen a.s., Budweis
Wohnbauträgergesellschaft Objekt "Freising – Westlich der Jagdstraße" mbH, Köln	reduction of business activity

Equity Method:

DEUTAG GmbH & Co. KG, Linz am Rhein	sale to third parties
Stratebau GmbH, Regensburg	consolidation due to aquisition

The de-consolidation of companies lead in addition to the disposal of immaterial current assets and liabilities to a disposal of non-current assets of T€ 26,186 and of bank borrowings of T€ 30,917.

The purchase price received in exchange amounted to T€ 8,926 in total.

Methods of Consolidation

The financial statements of the domestic and foreign companies included in the consolidation are drawn up in accordance with uniform methods of accounting and valuation. The annual financial statements of the domestic and foreign group companies are adapted accordingly.

Capital consolidation is made in accordance with the stipulations contained in IFRS 3. All assets and debts of the subsidiary companies are recorded at the fair values. The proportional equity thereby determined is offset by the carrying value of the investment. A difference on the assets side, which is allotted to special, identifiable intangible assets acquired in the course of business combinations, is recognized separately from goodwill. If a useful life can be allocated to these assets, the planned amortization is made over the projected useful life. Intangible assets with an undefined useful life are tested annually for their fair value and amortized if necessary on the basis of an impairment test.

Any remaining differences on the assets side are capitalized as goodwill and submitted once annually to an impairment test in accordance with IAS 36. For impairment testing cash generating units are identified and the goodwill is assigned accordingly. If the book value of a cash-generating unit including its goodwill exceeds the highest of its fair value or its value in use, an impairment loss must be recognized.

The internal reporting figures formed the basis for the impairment test. Within the framework of the application of the DCF-method market interest rates after tax were applied in a spread of between 8.5% and 10.0%.

In the 2006 financial year, T€ 30,001 (previous year: T€ 50,143) in goodwill arising from capital consolidation were recognized as asset.

Negative goodwill stemming from capital consolidation are recorded directly through profit and loss. In the 2006 accounting year, a balance on the liabilities side of T€ 16,552 (previous year T€ 2,954) is reflected as other operating income.

The same principles of capital consolidation are applied to investments accounted for under the equity method as in the case of consolidated companies, whereby the respective last available financial statements serve as the basis for the equity method. In the case of companies recognized under the equity method, the local valuation principles are kept only in the event of insignificant differences. A goodwill of T€ 18,951 (2005: T€ 6,790) in the account balance results from the first-time application of the equity method of the newly acquired companies.

Within the framework of debt consolidation, outstanding trade receivables, loans and other receivables are offset with the corresponding liabilities and provisions of the subsidiaries included in the consolidated financial statements.

Expenses and revenues from intra-group transactions have been eliminated. Results incurred from intra-group transactions that are recognized in the non-current and current assets have been eliminated if they are material.

Minority interests in equity and profits of companies controlled by the parent company are shown separately in the consolidated financial statements.

The necessary tax deferrals are made for consolidation procedures.

Currency Translation

The group currency is Euro. The financial statements for foreign companies are converted into Euro according to the functional currency concept (IAS 21). In all companies this is the respective local currency.

All balance sheet items are converted at the closing rate at the balance sheet date. Expense and income items are converted at the average annual rate.

In the course of capital consolidation, currency translation differences of T€ 17,861 (previous year T€ 6,563) are recognized directly in equity in the 2006 financial year. The currency translation differences between the closing rate for the balance sheet and the average rate for the income statement are allocated to equity.

The recognition of forward exchange operations directly in equity (hedging) increased the retained earnings by T€ 7,299 (previous year decrease of T€ 8,280).

Restatements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) were not necessary.

Accounting policies

Property, plant and equipment and intangible assets

Acquired intangible assets and property, plant and equipment are recognized at their initial costs or costs of production minus depreciations and impairments. Both the direct and the appropriate parts of overhead costs for the self-constructed plants are included in the production costs. Borrowing costs in connection with the purchase or production are not capitalized.

Goodwill and intangible assets without a determinable useful life are subject to an annual impairment test in accordance with IAS 36 based on which the valuation adjustment is undertaken.

Other intangible and tangible assets are depreciated according to the straight-line method over its estimated useful lifes. If there is an indication that an asset may be impaired and if the present value of the future cash surpluses is lower than the carrying value, then the asset's recoverable amount must be calculated in accordance with IAS 36.

The following useful lifes were assumed in the determination of the rate of depreciation/amortisation:

	Useful Life in Years
Intangible Assets:	
Property Rights	5 - 20
Software	2 - 5
Patents, Licences	3 - 10
Tangible Assets:	
Buildings	10 - 50
Investment Property	10 - 35
Investments in Third-Party Buildings	5 - 40
Machinery	3 - 18
Office equipment/Furnitures and fixtures	3 - 15
Vehicles	4 - 10

Subsidies and investment allowances of public bodies are deducted from the respective asset value and depreciated according to the useful life.

Land and real estate, which are held in order to gain rental income and/or to rise in value, are stated as investment property in accordance with IAS 40 since 2006. The amount reported and the evaluation are made in accordance with the cost model. Investment property is recognized at cost and depreciated within the straight-line method. If the present value of the future cash-flows is lower than the carrying value, then an impairment to the lower fair value in accordance with IAS 36 is made. The fair value of this investment property is stated separately. This is determined according to recognised methods such as the derivation of the current market price of comparable real estate or the discounted cashflow method.

Leasing contracts on assets on which all the chances and risks essentially lie with the company are treated as finance leases. The fixed assets underlying these leasing agreements are capitalized at the present value of the minimum payments at the beginning of leasing relations and depreciated over its useful life or over shorter contract terms. These are offset by the liabilities arising from future leasing payments, whereby the former are recognized at the present value of the outstanding obligations at the balance sheet date.

In addition there are leasing agreements for tangible assets, which are regarded as operating leases. Leasing payments resulting from these contracts are recognized as expenditure.

Financial Assets

In accordance with IAS 28, investments in associates are recognized using the equity method – as long as they are not immaterial. For purpose of transition to IFRS, the financial statements of the major companies evaluated in accordance with the equity method are to be adapted to IFRS in terms of uniform accounting policies.

Subsidiaries which are not consolidated and other investments which are not reported using the equity method are reported at historical cost or with the fair value in accordance with IAS 39 in as far as this value can be reliably determined.

Interest-bearing loans are, as long as no impairments are necessary, reported at nominal value. Interest-free or low-interest-bearing loans are discounted to their present value.

Securities classified as available for sale are on initial recognition valued according to acquisition costs and later recognized at fair value. Fair value changes are in principle recognized directly in equity and only recognized in the consolidated income statement upon disposal of the security. The permanent impairment of securities classified as available for sale is recorded through profit and loss.

Deferred Taxes

Deferred taxes are measured using the balance sheet liability method for all differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value at the individual companies. Furthermore, any realizable tax advantage from existing losses carried forward will be included in the calculation. Exceptions to this comprehensive tax deferral are balances from non-tax-deductible goodwill.

Deferred tax assets may only be recognized if the associated tax advantage is likely to be realizable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal.

Inventories

Inventory costs include cost of purchase and production and are required to be stated at the lower of cost and net realizable value.

Production costs include all direct costs as well as appropriate parts of overhead arising in the production. Distribution costs, as well as costs for general administration, are not included in the production costs. Borrowing costs in connection to the production are not capitalized.

Trade and other receivables

Trade receivables and other receivables are evaluated at their nominal value minus valuation adjustments for realizable individual risks. Graduated valuation adjustments are formed according to risk groups in order to take general loan risks on customer receivables into consideration.

Non-interest bearing and low-interest-bearing receivables are discounted. Foreign currency receivables are evaluated on the balance sheet date at the valid exchange rate or, in the case of hedging, at the hedged rate.

In the case of receivables from construction contracts, the results are realized according to the percentage of completion method (IAS 11). The output volume actually attained at the balance sheet date serves as a benchmark for the degree of completion. Impending losses from the further construction process are accounted for by means of appropriate depreciations.

If the costs incurred plus recognized profits exceeds the payments received for it, then this is shown on the assets side under receivables from construction contracts. Vice versa, this is reported on the liabilities side under liabilities from construction contracts.

The results, in the case of construction contracts, which are carried out in consortia are realized according to the percentage of completion method in accordance with the degree of completion on the balance sheet date. Impending losses arising from further construction work are accounted for by means of appropriate depreciations. Receivables from or liabilities to consortia include the proportional contract result as well as capital contributions, in- and out- flows of cash and charges resulting from services.

The valuation of other assets is made at purchase cost minus impairments.

Provisions

Provisions for severance payments are created as a result of statutory regulations. The group is obliged to pay a one-off severance payment to employees of domestic subsidiaries in the case of dismissal or at retirement.

The level of this payment depends on the number of years at the company and amount due at the time of severance and comes to between 2 and 12 monthly salaries. A provision is made for this obligation.

The provision for severance payments is determined by using actuarial expertise. Here the future claim over the length of employment of the employees is collected while taking any future pay rises into consideration. The present value of the already earned partial-claims on deadline day is recognized as the provision.

Pension provisions are calculated according to the projected unit credit method (IAS 19). This method determines the discounted post-employment benefit obligation acquired up to the balance sheet date. Due to the commitment of fixed pensions, it is not necessary to consider expected future salary rises as part of the actuarial parameters.

The effect in value of the change to these assumptions is recognized as actuarial gains and losses and is fully and directly recognized in equity. Service costs are recognized in the employee benefits expense, interest costs in the allocation of provisions in the financial result.

Old-age-part-time indemnity payments are determined according to the same actuarial principles as the pension provisions.

The conditions applied to calculate the severance and pension provisions for discounting, pay rises and fluctuation vary from country to country depending on the economic situation. Life expectancy is calculated according to the respective country's mortality tables.

The other provisions take into consideration all realizable risks and uncertain obligations. They are recognized at the respective amount, which is necessary at the balance sheet date according to commercial judgement in order to cover future payment obligations, realizable risks and uncertain obligations within the group. Hereby the respective amount is recognized, which arises as the most probable on careful examination of the facts. Long-term provisions are, in as far as they are not immaterial, entered into the accounts at their discounted discharge amount on the balance sheet date. The discharge amount also includes the cost increases to be considered on the reporting date. Provisions which arise from the obligation to recultivate gravel sites are allocated according to the rate of utilization.

Liabilities

Liabilities are basically recognized at the repayment amount. Foreign currency liabilities are evaluated at the closing rate at the balance sheet date. Interest free liabilities, especially those from finance leasing liabilities, are accounted at the present value of the repayment obligation.

Costs related to the issue of corporate bonds are capitalized in the year of issue and deducted over the term.

Contingent Liabilities

Contingent liabilities are present or possible future obligations which are not reflected in the balance sheet as liabilities either because an outflow of resources is not probable or because the amount of the obligation cannot be assessed in advance with sufficient reliability. The amount of the contingent liabilities reported corresponds to the amount of existing guarantees outstanding on balance sheet date.

Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are employed exclusively to mitigate risks arising from movements in exchange rates and interest rates. The utilization of financial derivatives is subject to internal guidelines and controls.

All derivative financial instruments are accounted for at fair value in accordance with IAS 39 and reported under Other Receivables or Other Liabilities.

Derivative financial instruments are measured on the basis of inter-bank conditions and, if necessary, the loan margin applicable for STRABAG or stock exchange price under application of the buying and selling rate on the balance sheet date. Where stock exchange prices are not used, the fair value is calculated by means of financial mathematic methods.

Gains and losses from derivative financial instruments designated as qualified hedging instruments within the framework of a fair value hedge, or for which no qualified hedge relationship in accordance with IAS 39 could be established and which therefore do not qualify for hedge accounting, are recognized with an effect on income in the consolidated income statement. Results from derivative financial instruments for which a cash-flow hedge has been formed and whose effectiveness has been established are carried in equity with no effect on income up to the date of realization of the hedge transaction. Any potential changes in results due to the ineffectiveness of these financial instruments are recognized in the income statement with an immediate effect on income.

Estimates

Estimations and assumptions, which refer to the amount and recognition of the assets and liabilities accounted, the income and expenditure as well as the statement of contingent liabilities, are necessary for the preparation of the consolidated financial statement according to IFRS and essentially concern the assessment of building projects until completion, in particular the amount of the realization of profits, the accounting and evaluation of provisions and the impairment test of goodwill and other assets. In the case of future-oriented assumptions and estimations on the balance sheet date the realistically expected development of the global and branch-related environment are taken into account with regard to the expected future business development at the time of the preparation of the consolidated financial statements. In the case of developments in the underlying conditions which deviate from the assumptions and which are beyond the control of the management board the amount, which actually results can deviate from the estimated values. In the case if such a development occurs the assumptions and, if necessary, the carrying values of the affected assets and liabilities are adjusted to the latest information. As the consolidated financial statement is being prepared, there are no signs which indicate the necessity to significantly change the underlying assumptions and estimations.

Notes on the Items in the Consolidated Income Statement

(1) Revenue

The revenue of T€ 9,430,621 (2005: T€ 6,955,797) is attributed in particular to revenue from construction contracts, revenue from own projects, trade to and services for consortia, as well as other services and proportionally acquired profits resulting from consortia. Revenue from construction contracts containing the annualized part of profits according to the level of completion of the respective contract (percentage of completion method) amount to T€ 8,769,273) (2005: T€ 6,379,703).

Revenue according to business fields and regions are represented individually in the segment reporting.

Revenue provides only an incomplete picture of the output volume achieved in the financial year. Additionally, therefore, the total output volume of the group is represented, which includes the proportional output of consortia and participation companies:

	2006 in Mio €	**2005 in Mio €**
Germany	**3,988**	**3,523**
Austria	**2,079**	**1,924**
Hungary	**806**	**938**
Czech Republic	**791**	**714**
Poland	551	433
Slovakia	300	253
Croatia	191	241
Russian Federation	173	92
other CEE countries	220	157
Rest of CEE	**1,435**	**1,176**
Switzerland	323	295
Benelux	219	209
other European countries	159	83
Rest of Europe	**701**	**587**
Middle East	203	127
America	144	82
Africa	128	112
Asia	110	132
Rest of World	**585**	**453**
Total Output Volume	**10,385**	**9,315**

(2) Other Operating Income

	2006 T€	**2005 T€**
Gains on disposal or write-up of property, plant, equipment excluding financial assets	24,390	21,539
Income from reversal of provisions	12,306	3,063
Other	194,804	125,299
	231,500	149,901

The other remaining operating income includes revenue from letting and leasing, insurance compensation, exchange rate differences, reversal of valuation allowances, as well as revenue from re-charging as well as income from initial and de-consolidation of companies, which is not attributable to other items.

(3) Raw materials, consumables and services used

	2006 T€	**2005 T€**
Raw materials, consumables	2,214,915	1,621,586
Services used	4,373,193	3,398,021
	6,588,108	5,019,607

Services used are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, machine rentals and third-party repairs.

(4) Employee Benefits Expense

	2006 T€	2005 T€
Wages	705,556	557,586
Salaries	771,791	554,610
Social security and related costs	323,946	266,238
Expenses for severance payments and contributions to employee provident fund	10,859	7,830
Expenses for pensions and similar obligations	3,035	3,564
Other social expenditure	16,473	12,048
	1,831,660	1,401,876

The expenses for severance payment and contributions to the employee provident fund and expenses for pensions and similar obligations include the expenses for service costs and indemnity claims resulting from old-age-part-time claims in the business year. Actuarial gains and losses were recognized directly in equity. The proportion of interest included in the expenses for severance payments as well as for pensions and other obligations are recognized in the financial result.

The **average number of employees** with the proportional inclusion of all participation companies is as follows:

	2006	2005
Salaried Employees	19,133	16,805
Labourers	33,838	27,708
	52,971	44,513

(5) Depreciation and Amortization Expense

Depreciations and impairments on property, plant and equipment and intangible assets are represented in the consolidated statement of changes in fixed assets. In the year under report impairments on property, plant and equipment to the amount of T€ 3,940 were made (2005: T€ 402). Impairment on goodwill amounts to T€ 15,120 (2005: T€ 15,188) and mainly result from two factors: On the one side the decision of the restructuring of the niche business field façade construction in 2006 and one the other side an impairment on goodwill allocated to Heilit+Woerner Budowlana, Poland, due to ongoing losses of the company was necessary.

(6) Other Operating Expenses

The other operating expenses of T€ 614,264 (2005: T€ 400,981) mainly include general administrative costs, travel and advertising costs, insurance premiums, proportional transfer of losses from consortia, impairment of receivables, the balance of allocations to and utilisation of provisions, legal and advisory costs, rental and lease costs and losses on the disposal of assets (excluding financial assets). Other taxes amounting to T€ 29,392 (2005: T€ 27,479) are included.

Spending on research and development arose in various special technical proposals, in connection with concrete competitive projects and in the introduction of building processes and products into the market, and was therefore recognized in full in income statement.

(7) Share of Profit or Loss of Associates

	2006 T€	2005 T€
Income from investments in associates	77,087	6,980
Expenses arising from investments in associates	-101	-1,556
	76,986	5,424

(8) Net Investment income

	2006 T€	2005 T€
Investment income	25,713	19,691
Expenses arising from investments	-5,353	-2,473
Gains on the disposal and write-up of investments	3,737	939
Impairment of investments	-2,432	-15,958
Losses on the disposal of investments	-27	-2
	21,638	2,197

(9) Other Financial Results

	2006 T€	2005 T€
Interest and similar income	35,616	35,458
Interest and similar expenses	-91,999	-65,863
Net interest income	**-56,383**	**-30,405**
Other financial income	2,126	2,463
Other financial expenses	-1,894	-472
Other financial results	**232**	**1,991**
	-56,151	**-28,414**

Included in interest and similar expenses are interest components from the allocation of severance payment and pension provisions amounting to T€ 14,888 (2005: T€ 9,568).

(10) Income tax expense

Income tax includes taxes paid in the individual companies or owed on income and revenue, as well as deferred taxes and the payments of additional tax payments resulting from tax audits:

	2006 T€	2005 T€
Current Taxes	82,917	44,826
Deferred Taxes	-19,718	-4,677
	63,199	40,149

The reasons for the difference between the Austrian corporate income tax rate of 25 % valid in 2006 and the actual consolidated tax rate are as follows:

	2006 T€	2005 T€
Earnings before taxes	287,203	134,715
Theoretical tax expenditure 25 %	71,800	33,679
Differences to foreign tax rates	2,476	-2,530
Non-tax-deductible expenses	2,207	6,635
Tax-free earnings	-6,850	-4,629
Tax effects of result from associates	-561	-620
Capital Consolidation	-1,154	2,123
Additional tax payments	300	1,463
Change of valuation adjustment on deferred tax assets	-98	8,844
Other	-4,921	-4,816
Recognized income tax	63,199	40,149

Notes on Items in the Consolidated Balance Sheet

(11) Property, Plant and Equipment and Intangible Assets

The composition and changes in tangible and intangible assets is shown apart in Appendix 1 to the Notes (Consolidated statement of changes in fixed assets).

Leasing

Due to existing finance leasing contracts, the following book values are included in property, plant and equipment assets on the balance sheet date:

	31.12.2006 T€	31.12.2005 T€
Property leasing	43,435	45,209
Machinery leasing	26,262	25,488
	69,697	70,697

Offset against these are liabilities arising from the present value of leasing obligations amounting to T€ 63,296 (2005: T€ 61,920).

The terms of the finance leases for property are between 4 and 20 years, while those for machines are between 2 and 5 years.

In subsequent business years the following payments will arise from financial leases:

	31.12.2006 T€	31.12.2005 T€
Term up to one year	16,398	16,837
Term between one and five years	32,809	29,444
Term over five years	26,357	18,274
	75,564	64,555

In addition to the finance leases, there are also operating leases for the utilization of technical equipment and machinery. The expenses from these contracts are recognized in the income statement. The payments made for the 2006 business year amount to T€ 54,252 (2005: T€ 47,216).

Payment obligations arising from operating lease agreements in subsequent business years are represented as follows:

	31.12.2006 T€	31.12.2005 T€
Term up to one year	24,141	20,201
Term between one and five years	60,172	47,248
Term over five years	60,097	57,644
	144,410	125,093

Restrictions on property, plant and equipment

On the reporting date, there were collaterals for aval loans of 5.2 Mio €.

On the balance sheet date there were no significant contractual commitments for acquisition of property, plant and equipment which have not been considered in the financial statement.

(12) Investment Property

The development of investment property is shown in the consolidated change of fixed assets (see Appendix 1 of the Notes), as of 31 December 2006 the fair value of the investment property basically corresponds to the carrying value.

The rental income from investment property amounted to T€ 10,516 in the 2006 financial year. Direct operating expenses totalling T€ 10,841 consisted of T€ 10,822 in expenses for rented and T€ 19 for unrented investment properties.

(13) Financial Assets

Detailed information on the group's investments (shares of more than 20 %) can be found in the list of subsidiaries, associated companies and investments.

The development of the financial assets in the financial year was as follows:

	Balance on 1.1.2006	Currency Translation	Changes in Scope of Consolidation	Changes according to IAS 39 not effecting net income	Additions	Transfers	Disposals	Impairments	Balance on 31.12.2006
	T€	T€	T€	T€	T€	T€	T€	T€	T€
Investments in associates	64,842	550	11,235	0	18,853	0	19,986	0	75,494
Investments in subsidiaries	76,322	-159	-15,849	0	12,861	2,375	2,661	1,311	71,578
Loans to subsidiaries	385	0	92	0	3,003	385	1,386	544	1,935
Other investments	112,303	135	-1,455	942	24,005	-2,375	540	1,121	131,894
Loans to participation companies	5,800	0	-475	0	527	-3,485	1,045	0	1,322
Securities	26,788	-11	4,220	0	1,164	0	3,205	523	28,433
Other loans	84,172	0	25	0	2,184	0	3,253	0	83,128
	370,612	515	-2,207	942	62,597	-3,100	32,076	3,499	393,784

Of the securities, T€ 6,705 (2005: T€ 22,098) have been pledged as collateral for sector-typical contingent liabilities.

The following table shows financial information of the associated companies (100 %):

	2006	2005
	T€	T€
Total assets	391,935	649,675
Total liabilities	250,030	508,184
Revenue	437,031	457,555
Profit for the period	30,264	22,306

(14) Deferred Taxes

Temporary differences in amounts stated in the IFRS financial statements and the respective tax amounts stated affect the tax accruals and deferrals recognized in the balance sheet as follows:

	31.12.2006		31.12.2005	
	Assets	Liabilities	Assets	Liabilities
	T€	T€	T€	T€
Property, plant and equipment and intangible assets	8,788	-37,816	6,510	-36,526
Financial assets	1,204	-9,489	1,891	-673
Inventories	4,943	-849	6,334	-172
Trade and other receivables	18,310	-72,094	35,847	-89,791
	33,245	-120,248	50,582	-127,162
Provisions	80,072	-10,364	68,574	-9,654
Liabilities	11,104	-398	11,500	-2,456
Tax loss carryforward	93,404	0	91,556	0
Deferred tax assets/liabilities	217,825	-131,010	222,212	-139,272
Netting out of deferred tax assets and liabilities to the same tax authorities	-124,954	124,954	-135,755	135,755
Deferred taxes netted out	92,871	-6,056	86,457	-3,517

Based on the currently valid tax regulations, it can be assumed that the differences between the tax-related investments and the proportional equity of the subsidiaries included in the consolidated financial statements remain basically tax-free. Therefore there was no accrual or deferral of taxes.

Deferred taxes on losses carried forward were capitalized as these can probably be offset with future taxable profits. No deferred tax assets were made for differences in book value on the assets side and tax losses carried forward of 473.1 Mio € (2005: 464.6 Mio €), as their effectiveness as final tax relief is not sufficiently assured.

(15) Inventories

	31.12.2006 T€	31.12.2005 T€
Raw materials, auxiliary supplies and fuel	115,341	95,055
Finished goods and buildings	84,258	134,608
Unfinished goods and buildings	176,970	285,534
Development land	73,073	97,950
Payments made	6,723	5,570
	456,365	618,717

(16) Receivables and Other Assets

	total	31.12.2006 current	non-current	total	31.12.2005 current	non-current
	T€	T€	T€	T€	T€	T€
Receivables from construction contracts	3,251,843	3,251,843	0	2,667,355	2,666,266	1,089
Advances received	-2,379,855	-2,379,855	0	-1,785,929	-1,785,929	0
	871,988	871,988	0	881,426	880,337	1,089
Other trade receivables	1,172,633	1,142,060	30,573	811,721	769,192	42,529
Receivables from consortia	301,294	301,294	0	299,049	299,049	0
Trade receivables	2,345,915	2,315,342	30,573	1,992,196	1,948,578	43,618

	total	31.12.2006 current	non-current	total	31.12.2005 current	non-current
	T€	T€	T€	T€	T€	T€
Receivables from subsidiaries	78,992	78,992	0	62,526	56,272	6,254
Receivables from participation companies	39,790	39,076	714	29,534	27,541	1,993
Other receivables and accruals and deferrals	216,935	197,467	19,468	208,076	183,154	24,922
Other receivables and other assets	335,717	315,535	20,182	300,136	266,967	33,169

Receivables from construction contracts were as follows:

	31.12.2006 T€	31.12.2005 T€
All contracts in progress at balance sheet date:		
Costs incurred to balance sheet date	4,927,564	4,500,341
Profits arising to balance sheet date	171,717	162,003
Accumulated losses	-179,238	-148,268
minus receivables recognized under liabilities	-1,668,200	-1,846,721
	3,251,843	2,667,355

Receivables from construction contracts amounting to T€ 1,668,200 (2005: T€ 1,846,721) are recognized in liabilities, as advances received exceed the receivables.

As is usual in the industry, the customer has the contractual right to retain part of the total amount of the invoice. These retentions are, however, redeemed as a rule by security (bank or group guarantees).

Trade receivables in 2005 contained trade receivables from the Republic of Iraq in the amount of 80.5 Mio €. This amount was fully received in March 2006.

(17) Cash and Cash Equivalents

	31.12.2006 T€	31.12.2005 T€
Securities	3,908	10,236
Cash on hand	2,783	2,302
Bank deposits	579,574	543,319
	586,265	555,857

Of the cash and cash equivalents, T€ 9,741 (2005: T€ 1,023) are pledged to secure guarantees.

(18) Equity

The fully paid-in share capital amounts to EUR 70,000,000 and is split into 70,000,000 no par shares.

The Annual General Meeting of 29 November 2006 authorized the Management Board, with approval by the Supervisory Board, to increase the company's share capital against cash contributions or contributions in kind by up to € 35,000,000 through the issue of 35,000,000 new shares to € 105,000,000 (approved capital) within five years of entry of the amendments to the articles of incorporation in the company register.

Retained earnings include differences arising from currency translation, statutory and mandatory reserves, financial instrument changes recorded directly in equity (including hedging reserves), as well as changes in equity from actuarial gains/losses from the calculation of provisions for personnel. The retained earnings also include the profit for the period as well as the result brought forward from previous periods of STRABAG SE and its consolidated subsidiaries, as far as these were not eliminated by the capital consolidation.

Following the merger of the corporate holding company FIMAG Finanz- Industrie und Management AG into STRABAG SE, the consolidated financial statements now reflect the share capital and capital reserves of STRABAG SE. Minority interests resulting from the 59.9% stake of FIMAG Finanz- Industrie und Management AG in STRABAG SE were disposed effective 3 July 2006 and recognized directly in equity as retained earnings of the amount of 260 Mio €.

Changes in equity arising from the merger and details on the equity of STRABAG SE can be found in the statement of Changes in Equity (see Appendix IV/1).

(19) Provisions

	Balance on 1.1.2006 T€	Reclassification T€	Currency Translation T€	Changes in Scope of Consolidation T€	Allocation T€	Appropriation T€	Utilisation T€	Balance on 31.12.2006 T€
Provisions for severance payments	54,380	1,141	0	1,910	9,312	0	7,177	59,566
Provisions for pensions	257,395	0	0	30,119	13,466	0	18,399	282,581
Provisions for taxes	23,474	0	-7	1,243	17,452	46	5,026	37,090
Other provisions								
Construction related provisions	295,889	-615	6,074	29,717	121,586	8,377	77,819	366,455
Personnel-related provisions	114,017	-13,130	-2,935	16,972	64,648	236	42,278	137,058
Other provisions	110,987	777	-1,458	9,144	59,980	3,647	26,580	149,203
	856,142	-11,827	1,674	89,105	286,444	12,306	177,279	1,031,953

Provisions for severance payments show the following development:

	2006 T€	2005 T€
Present value of the defined benefit obligation (severance payment) on 1 January	54,380	48,990
Changes in scope of consolidation	1,910	807
Reclassifications	1,141	0
Current Service costs	3,096	2,181
Interest costs	2,629	2,430
Severance payments	-7,177	-4,244
Actuarial gains/losses	3,587	4,216
Present value of the defined benefit obligation (severance payment) on 31 December	59,566	54,380

The provisions for pensions are formed for obligations from the right to future pension payments and current payments to present and past employees and their dependents. The obligations primarily refer to retirement pensions. The individual commitments are generally determined according to the employment conditions of the employee at the time of the commitment (and length of service, salary of employee). Basically no new commitments have been awarded since 1999.

The company pension scheme consists of a non-fund-financed, defined benefit pension plan. In the case of defined benefit pension systems, the company is obliged to fulfill payment commitments to present and past employees. There are no defined contribution plans in the form of financing by relief funds outside the group.

The amount of the provision is calculated using actuarial methods based on biometric tables of Klaus Heubeck (Germany) or the AVÖ 1999 (Austria). This is based on a discounting rate of 4.75% (2005: 4.75%) for provisions for severance payments and pensions and a salary increase of 2.00% (2005: 2.00%) in the case of salary-related commitments. For future pension increases, a rate of escalation is set dependent on the contractual adaptation terms.

With reference to the company agreement concerning the old-age-part-time settlement, which had initially affected the operative German companies in the STRABAG Group in 2000, further additional obligations for retirement indemnity payments incurred. These obligations have been transferred to the STRABAG Unterstützungskasse GmbH, Cologne. The old-age-part-time indemnity payments are determined using the same basic principles as for the pension provisions. They are included in the group as a result of the consolidation of the STRABAG Unterstützungskasse GmbH, Cologne.

The development of the **provisions for pensions** is shown below:

	2006 T€	2005 T€
Present value of the defined benefit obligation (pension) on 1 January	257,395	141,688
Changes in scope of consolidation	30,119	113,874
Current Service costs	2,140	1,019
Interest costs	12,259	7,138
Pension payments	-18,399	-11,829
Actuarial gains / losses	-933	5,505
Present value of the defined benefit obligation (pension) on 31 December	282,581	257,395

thereof deducted plan assets T€ -4,709 (2005: T€ 4,797)

The construction-related provisions include other warranty obligations, costs of the contract execution and subsequent costs of invoiced contracts, as well as impending losses from projects pending which are not accounted for elsewhere. The personnel-related provisions essentially include anniversary bonus obligations, contributions to occupational accident funds as well as costs of the old-age-part-time scheme and personnel downsizing measures.

Other provisions include provisions for damages and litigations and restructuring. The provision in connection to the fraud and betrayal suspicion Chemitz is also reflected under other provisions.

(20) Liabilities

The liabilities can be represented as follows:

	total	31.12.2006 current	non-current	total	31.12.2005 current	non-current
	T€	T€	T€	T€	T€	T€
Financial Liabilities:						
Bonds	300,000	50,000	250,000	225,000	0	225,000
Bank borrowings	552,384	374,022	178,362	651,241	330,335	320,906
Liabilities from finance leases	63,296	10,975	52,321	61,920	8,899	53,021
Other liabilities, accruals and deferrals	3,853	0	3,853	3,703	0	3,703
	919,533	434,997	484,536	941,864	339,234	602,630

	total	31.12.2006 current	non-current	total	31.12.2005 current	non-current
	T€	T€	T€	T€	T€	T€
Trade payables:						
Liabilities from construction contracts	-1,668,200	-1,668,200	0	-1,846,721	-1,846,721	0
Advances received	1,910,274	1,910,274	0	2,239,086	2,238,141	945
Other trade payables	1,611,592	1,598,200	13,392	1,341,139	1,317,007	24,132
Payables to consortia	207,315	207,315	0	213,972	213,972	0
	2,060,981	2,047,589	13,392	1,947,476	1,922,399	25,077

	total	31.12.2006 current	non-current	total	31.12.2005 current	non-current
	T€	T€	T€	T€	T€	T€
Other Liabilities:						
Payables to subsidiaries	35,950	35,950	0	39,741	39,741	0
Payables to participation companies	24,905	24,905	0	18,035	18,035	0
Other liabilities, accruals and deferrals	460,554	451,539	9,015	414,682	403,534	11,148
	521,409	512,394	9,015	472,458	461,310	11,148

In order to secure liabilities to banks, real securities amounting to T€ 364,730 (2005: T€ 440,642) have been booked.

(21) Contingent Liabilities

The company has accepted the following guarantees:

	31.12.2006	31.12.2005
	T€	T€
Guarantees without financial guarantees	37,007	31,228

Due to new regulations in IAS 39 financial guarantees are not shown as contingent liabilities but are instead reflected in the balance sheet. The amount of outstanding financial guarantees are shown under credit risk (see 23). Prior year figures have been adjusted accordingly.

As customary in the industry the STRABAG-group has issued bid, performance, advance payment and warranty guarantees and incurred joint liabilities with other partners in consortia.

(22) Notes to the Consolidated Cash-Flow Statement

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

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

	31.12.2006 T€	31.12.2005 T€
Securities	3,908	10,236
Cash on hand	2,783	2,302
Bank deposits	579,574	543,319
	586,265	555,857

(23) Financial Instruments

The financial instruments basically include primary and derivative financial instruments. Financial assets, trade receivables, cash at banks, financial liabilities and trade and other payables form the most significant basis for the existing group primary financial instruments. The amount of primary financial instruments arises from the balance sheet.

Derivative instruments are exclusively used to secure existing risks in changes of currency and interest rates. The use of derivative financial instruments in the group is subject to the appropriate authorization and supervision processes. The connection to a mainstay business is a must, trading is not permissible.

STRABAG SE agreed a medium-term note programme of 500 Mio € in the 2001 business year. There were issued 3 tranches of 50 Mio € each within the scope of the medium-term note programme and one tranche of 75 Mio € between 2002 - 2005. In June 2006 an additional tranche of 75 Mio € with a term of 5 years was issued. The annual coupon of this tranche is 5.25 %. Borrowing via the capital markets is significant. According to the market situation on the capital markets, further bonds are planned. The corporate bonds improve the matching of maturities in the financing structure.

Interest rate risk

The financial instruments bear variable interest rates on the assets side, on the liabilities side there are both variable and fixed interest obligations. The risk of financial instruments bearing variable interest rates consists of increasing interest charges and decreasing interest revenue resulting from an unfavourable change in market interest rates. Fixed interest obligations mainly result from the tranches of the bonds issued amounting to a total of 300 Mio € as well as from the derivative interest instruments. As of 31 December 2006, the following hedging transactions existed:

	2006		2005	
	Nominal value T€	Market Value T€	Nominal value T€	Market Value T€
Interest rate swaps	25,594	364	135,000	-795
	1,250	23	0	0
		387		-795

The amount of bank deposits and bank borrowings according to currency – giving the average interest rate at balance sheet date – is presented as follows:

Bank deposits

	Carrying Value T€	Weighted average interest rate 2006
EUR	451,643	2.64
CZK	30,242	1.56
PLN	23,301	3.07
RON	22,855	3.90
Other	51,533	2.26
	579,574	

Bank borrowings

	Carrying Value T€	Weighted average interest rate 2006
EUR	426,597	4.45
HUF	114,569	8.61
PLN	5,238	4.80
CHF	4,918	3.17
Other	1,062	4.94
	552,384	

Currency Risk

Due to the decentralized nature of the group, characterized by local companies in the respective countries, mainly closed currency positions appear in the balance sheet. This means that receivables and liabilities from business activities mainly offset each other in the same currency.

Loan financing and investments were predominantly made by the group companies in the respective country's local currency. In order to secure the remaining currency risk, derivative financial instruments, above all forward exchange operations, were transacted. The respective term is under one year. On 31 December 2006 following hedging transactions existed:

	Currency	2006 Nominal Value	2006 Market Value T€	2005 Nominal Value	2005 Market Value T€
Currency Swaps	TCZK	0	0	934,000	-109
	TPLN	0	0	120,175	8
	TSKK	0	0	65,000	1
	THRK	0	0	57,200	6
Forward Exchange Operations			**0**		**-94**
	THUF	23,069,362	8,695	0	0
	TPLN	96,378	1,076	151,366	2,525
	TPLN	251,708	-553	0	0
	TCZK	413,396	71	0	0
	TCAD	3,500	-7	0	0
	TDKK	1,140	0	0	0
			9,282		**2,525**
			9,282		**2,431**

Development of significant **currencies in the group:**

Currency	Exchange Rate 31.12.2006 1 euro =	Average Rate 2006 1 euro =	Exchange Rate 31.12.2005 1 euro =	Average Rate 2005 1 euro =
HUF	251.7700	264.1729	252.6650	248.6283
CZK	27.4850	28.2358	28.9900	29.7575
SKK	34.4350	37.0575	37.8700	38.5742
PLN	3.8310	3.9066	3.8686	4.0329
HRK	7.3504	7.3177	7.3625	7.3928
CHF	1.6069	1.5767	1.5555	1.5476

As of the balance sheet date, a commodity hedge with the market value of T€ 61 (Previous year: T€ 0) exists.

Of the derivative financial instruments classified as cash-flow hedges as of 31 December 2005, T€ 2,431 were shifted from equity and recognized in the consolidated statement of income.

Credit Risk

The risk for receivables from clients can, due to the wide dispersion and a constant creditworthiness check, be rated as very low.

The risk of default for other primary financial instruments shown on the assets side can also be regarded as low, as the contract partners are exclusively financial institutions with the highest level of creditworthiness. The maximum risk of default is the book values of each financial asset in the balance sheet.

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 30,700 (previous year: T€ 36,984).

Market Values

The market value of the financial assets and liabilities with variable interest rates are depicted under the respective items. The market value of fixed interest bearing financial liabilities and derivate financial instruments were calculated on the basis of recognised measurement methods. Market values of derivative financial instruments are shown under the hedging transactions. Market values of the fixed interest bearing financial liabilities amount to T€ 324,005 as of 31 December 2006 (Carrying amount as of 31 December 2006 T€ 328,420).

(24) Segment Reporting

The segments are presented according to business fields (primary segment reporting) and regions (secondary segment reporting). The segmentation according to business fields corresponds to the internal group reporting. Assets and liabilities as well as expense and revenue were attributed to the individual segments only as far as they could be attributed directly or by applying an allocation according to the principle of causation to the respective segment. Items not attributed in this way are shown under Miscellaneous. This segment primarily includes group management, commercial administration, IT and machine management. Intra-segment transactions are based on arm's-length prices.

Primary Segment Reporting

The primary segment reporting comprises the following business fields:

Building Construction & Civil Engineering

In the field of Building Construction, both classical building services as well as turnkey building projects are executed as part of the mainstay business. The range of construction services in this field includes housing; commercial and industrial facilities such as shopping centres, business parks, office buildings, hotels, airports and railway stations; public buildings such as hospitals, universities, schools and other public buildings; the production of prefabricated elements; and steel-girder and façade construction.

In particular medium-sized and large-scale projects – predominantly for private clients – form the core of the business activities. Regional organizational units work the respective local markets and are active as self-contained and independent profit centres.

Civil Engineering activities include the construction of bridges, power plants and special foundation engineering. Environmental engineering activities – including the construction of landfills, waste treatment plants, and waste water collection and treatment systems, as well as the regeneration of polluted soils and industrial sites – are handled by the Civil Engineering business field as well.

Road Construction

This business field covers mainly asphalt and concrete road construction in the Group's relevant country markets. Other services encompassed by the Road Construction division include the remaining activities attributable to civil engineering, e.g. sewer engineering and pipeline construction, smaller and medium-sized engineering-related concrete structures, and paving. The Road Construction segment further comprises the construction of large-area works such as runways and taxiways, reloading and parking facilities, sport and recreation facilities and railway structures.

The production of asphalt, concrete and other construction materials, as well as bitumen trading, are important parts of the Road Construction segment as well. The construction materials business includes a dense network of asphalt and concrete mixing facilities, as well as excellent access to raw materials (in particular gravel pits and quarries).

Unlike is the case with projects handled by the Civil Engineering division, the services in this business field are carried out by smaller, local organizational units working a limited, regional market as independent profit centres.

Tunneling & Services

The range of Tunnelling services includes the construction of road and railway tunnels as well as underground galleries and chambers with various technology. Tunnelling work is done employing both cyclical and continuous driving. Projects around the world are managed and executed by central organizational units.

The Services business field encompasses those project development contracts around the world which include all integrated services such as financing, operation, marketing and utilization, as well as the usual construction services, within the framework of a value-added chain in an overall project. Services include infrastructure projects (e.g. traffic, energy), as well as building projects for office and commercial properties or hotels.

The **EBIT** can be broken down as follows:

	2006 T€	**2005 T€**
Earnings before financial result and tax	244,730	155,508
Share of profit or loss of associates	76,986	5,424
Net investment income	21,638	2,197
EBIT	343,354	163,129

The revenues and expenses from investments as well as from associated companies concern business-induced investments which form an important component of the group's operating activity.

STRABAG SE GROUP
2006 Segment Report

BUSINESS FIELD	Road Construction 2006 T€	Road Construction 2005 T€	Building Construction and Civil Engineering 2006 T€	Building Construction and Civil Engineering 2005 T€	Tunnelling and Services 2006 T€	Tunnelling and Services 2005 T€	Miscellaneous and Consolidation 2006 T€	Miscellaneous and Consolidation 2005 T€	Total 2006 T€	Total 2005 T€
Output Volume	4,646,303	4,171,527	4,898,764	4,356,938	693,218	624,528	146,826	161,854	10,385,111	9,314,847
Revenue	4,216,820	3,655,248	4,257,243	2,733,300	935,213	540,110	21,345	27,139	9,430,621	6,955,797
Inter-segment revenue	27,819	132,900	105,654	66,311	5,000	0	443,601	357,533		
EBIT	220,408	75,828	53,392	48,686	68,096	37,977	1,458	638	343,354	163,129
thereof share of profit or loss of associates	74,284	1,250	0	0	2,753	4,174	-51	0	76,986	5,424
Segment assets	1,376,584	1,197,796	1,455,970	1,525,650	453,977	734,601	2,289,295	1,668,880	5,575,826	5,126,927
thereof investments in associates	53,633	48,670	0	0	21,861	16,172	0	0	75,494	64,842
Segment liabilities	1,110,097	1,038,264	1,455,313	1,520,146	365,512	634,660	1,609,010	1,028,387	4,539,932	4,221,457
Investments in tangible and intangible assets	0	0	0	0	13,258	7,220	333,762	297,611	347,020	304,831
Depreciation on tangible and intangible assets	0	0	0	0	6,814	9,502	222,864	169,175	229,678	178,677
thereof impairment	0	0	0	0	0	0	19,060	15,590	19,060	15,590
Employees	25,047	21,937	22,525	17,283	1,538	1,459	3,861	3,834	52,971	44,513

Secondary Segment

REGION	Germany 2006 T€	Germany 2005 T€	Austria 2006 T€	Austria 2005 T€	Rest of Europe 2006 T€	Rest of Europe 2005 T€	Rest of World and Consolidation 2006 T€	Rest of World and Consolidation 2005 T€	Total 2006 T€	Total 2005 T€
Revenue	3,716,611	2,357,768	2,212,468	2,191,931	3,051,886	2,296,245	449,656	109,853	9,430,621	6,955,797
Segment assets	2,160,823	2,107,896	1,381,231	1,402,424	1,849,930	1,517,738	183,842	98,869	5,575,826	5,126,927
Investments in tangible and intangible assets	99,858	38,105	84,746	71,205	143,124	142,806	19,292	52,715	347,020	304,831

The representation of the secondary segmentation reporting is made according to the location of the company headquarters

(25) Notes on Related Parties

The shareholders of STRABAG SE are the Haselsteiner-Group, as well as the Raiffeisen-Holding NÖ-Wien Group and the UNIQA-Group, with whom arm's-length business relations exist.

In past business years, the STRABAG SE Group transferred property project companies against the granting of participation rights to IDAG Immobilienbeteiligung u. –Development GmbH which is held by third parties. It is the business purpose of IDAG Immobilienbeteiligung u. –Development GmbH to develop property and to participate in property projects.

In the 2001 business year, all shares in IDAG Immobilienbeteiligung u. –Development GmbH as well as all the participation rights held by STRABAG SE and by STRABAG AG, were acquired by ATLAS Immobilien & Development Privatstiftung. In November 2002 50% of the shares and participation rights of IDAG Immobilienbeteiligung u. –Development Aktiengesellschaft were transferred by ATLAS Immobilien & Development Privatstiftung to ARION Immobilien & Development Privatstiftung.

Strabag's office buildings in Vienna and Graz are held in the real estate portfolio of subsidiaries of IDAG Immobilienbeteiligung u. –Development GmbH. The buildings are let to and in part sublet by STRABAG SE at the usual market conditions. Rental costs arising from both buildings in the 2006 financial year amounted to T€ 6,086 (Previous year: T€ 6,067).

In the 2006 financial year, revenue of around 6 Mio € were generated with IDAG Immobilienbeteiligung u. –Development GmbH. On the balance sheet date of 31 December 2006, the STRABAG SE Group had receivables amounting to around 77 Mio € and rent deposits amounting to 14 Mio € from IDAG Immobilienbeteiligung u. –Development GmbH, ATLAS Immobilien & Development Privatstiftung and ARION Immobilien & Development Privatstiftung and their subsidiaries.

Together with R.B.T. Beteiligungsgesellschaft m.b.H, "URUBU" Holding GmbH (both Raiffeisen group) and UNIQA Beteiligungs-Holding GmbH, Raiffeisen evolution project development GmbH, a joint project development company, was founded in September 2003.

Raiffeisen evolution project development GmbH bundles project developments in building construction activities of the shareholders (without Germany and Benelux). The STRABAG SE Group is employed in the construction work on the basis of arm's-length contracts.

The shareholders of the Raiffeisen evolution project development GmbH have basically agreed to proportionally accept any obligations arising from the project developments.

(26) Notes on the Management and Supervisory Boards and the Employees

Board of Management:

Dr. Hans Peter Haselsteiner (Chairman)

Prof. Dr. Ing. e.h. Manfred Nußbaumer (Vice Chairman) (since 1.1.2006)

Ing. Fritz Oberlerchner (Vice Chairman)

Dr. Thomas Birtel (since 1.1.2006)

Dipl.-Ing. Nematollah Farrokhnia

Dipl.-Ing. Roland Jurecka (since 3.7.2006)

Mag. Wolfgang Merkinger

Mag. Hannes Truntschnig (since 3.7.2006)

Supervisory Board:

Univ. Prof. DDr. Waldemar Jud (Chairman) (since 29.11.2006)

Dr. Christian Konrad (Chairman) (until 29.11.2006)

Mag. Erwin Hameseder (Vice Chairman) (since 29.11.2006)

KR Herbert Schimetschek (Vice Chairman) (until 29.11.2006)

Mag. Arch. Julius Eberhardt (until 3.7.2006)

Dr. Gerhard Gribkowsky (since 3.7.2006)

Dr. Jürgen Kuchenwald

Dr. Gottfried Wanitschek

Peter Nimmervoll (works council)

Josef Radosztics (works council)

Gerhard Springer (works council)

The employee benefits expenses and other operating expenses include the total salaries of the members of the board with T€ 5,751 (2005: T€ 5,580). The severance payments of T€ -68 (2005: T€ 421) affect the members of the board.

No remuneration was paid to members of the supervisory board. Neither the members of the management board nor the members of the supervisory board of STRABAG SE received advances or loans.

(27) Events after the Balance Sheet Date

Pending approval by the cartel authorities, STRABAG will acquire the Polish construction company NCC Poland from its Swedish parent NCC for EUR 110 million. In 2006, NCC Poland turned over EUR 110 million and employed 900 people. NCC Poland is active in the road construction segment and has a number of quarries and asphalt mixing facilities at its disposal. With the acquisition, STRABAG significantly expands its current activities in Poland.

In January 2007, STRABAG acquired Linde KCA-Umweltanlagen GmbH, Dresden, from The Linde Group. Linde KCA has been active in the field of environmental technology for decades and has achieved an excellent market position through the development of proprietary processes and technologies as well as custom solutions for specific tasks in the fields of waste treatment, waste water purification, water treatment and waste gas and air purification.

Also in January, STRABAG acquired Ottokar Klug Ges.m.b.H. The Vienna-based company is active in the field of waste management. The range of services provided by the previously family-owned company includes container services, sand and gravel deliveries, demolition and exaction works and a waste sorting facility.

To complete the range of services in railway construction, STRABAG acquired the Essen-based Fahrleitungsbau GmbH in March 2007. The deal is pending approval by the cartel authorities. The company's business activities cover the entire value-added chain for the construction of railroad overhead lines. While specialized in the construction of overhead lines for local public transport systems (tramways and suburban metropolitan railways), the company also carries out selected projects on the long-distance railway network.

Subject to the granting of the anti-trust approval parts of the Kurz group, Walchsee, were acquired. Through this acquisition building construction and civil engineering in the Tyrol region (Austria) can be extended and new regional markets in the field of raw materials can be opened up.

(28) Earnings per Share

The earnings per share are calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of the ordinary shares and participation rights outstanding during the year.

The earnings per share shown for 2006 are not comparable to 2005 due to the change of the head of group from FIMAG Finanz Industrie und Management AG to STRABAG SE:

	2006	**2005**
Profit for the period attributable to equity holders of the parent in T€	191,351	49,938
Weighted number of shares outstanding during the year	70,000,000	6,742,240
Earnings per share in €	2.73	7.41

Villach, 10 April 2007

Board of Management

Dr. Hans Peter Haselsteiner

Prof. Dr. Ing. e.h. Manfred Nußbaumer

Ing. Fritz Oberlerchner

Dr. Thomas Birtel

Dipl.-Ing. Nematollah Farrokhnia

Dipl.-Ing. Roland Jurecka

Mag. Wolfgang Merkinger

Mag. Hannes Truntschnig

Appendix 1 to Notes: Consolidated Statement of Changes in Fixed Assets
Appendix 2 to Notes: List of Subsidiaries, associated companies and investments

STRABAG SE,
Villach

Appendix 1/1
to Notes

Consolidated Statement of Changes in Fixed Assets as of 31 December 2006

	Acquisition and Production Costs								Accumulated Depreciation						Carrying Values	
	Balance on 31.12.2005	Changes in Scope of Consolidation	Currency Translation	Balance on 1.1.2006	Additions	Transfers	Disposals	Balance on 31.12.2006	Balance on 31.12.2005	Changes in Scope of Consolidation	Currency Translation	Additions [1)]	Transfers	Disposals [2)]	Balance on 31.12.2006	31.12.2006	31.12.2005
	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€
I. Intangible Assets:																	
1. Concessions; industrial property rights and similar rights, advantages and licences	32,205	2,336	87	34,628	4,592	-35	2,762	36,423	24,844	2,037	80	4,338	-87	2,627	28,585	7,838	7,361
2. Goodwill	98,737	29,462	3	128,202	951	0	10,045	119,108	39,123	0	0	15,120	0	6,789	47,454	71,654	59,614
3. Advances paid	110	0	0	110	10	0	0	120	0	0	0	0	0	0	0	120	110
	131,052	**31,798**	**90**	**162,940**	**5,553**	**-35**	**12,807**	**155,651**	**63,967**	**2,037**	**80**	**19,458**	**-87**	**9,416**	**76,039**	**79,612**	**67,085**
II. Tangible Assets:																	
1. Properties; land rights equivalent to real property; buildings including buildings on third-party property	645,101	29,157	4,367	678,625	40,386	-3,555	20,160	695,296	196,010	10,218	140	21,124	-70	11,483	215,939	479,357	449,091
2. Technical equipment and machinery	1,065,178	76,883	6,044	1,148,105	161,333	24,346	99,524	1,234,260	707,689	76,503	4,037	111,556	6,598	86,705	819,678	414,582	357,489
3. Other facilities, furniture and fixtures and office equipment	467,754	87,092	2,580	557,426	94,500	-7,078	69,805	575,043	324,933	66,898	2,416	69,593	-6,441	63,612	393,787	181,256	142,821
4. Advances paid and facilities under construction	35,825	119	750	36,694	36,352	-18,040	112	54,894	0	0	0	0	0	0	0	54,894	35,825
	2,213,858	**193,251**	**13,741**	**2,420,850**	**332,571**	**-4,327**	**189,601**	**2,559,493**	**1,228,632**	**153,619**	**6,593**	**202,273**	**87**	**161,800**	**1,429,404**	**1,130,089**	**985,226**
III. Investment Property	286,808	0	1,770	288,578	5,865	7,393	1,482	300,354	136,167	0	1,032	7,947	0	0	145,146	155,208	150,641
	2,631,718	**225,049**	**15,601**	**2,872,368**	**343,989**	**3,031**	**203,890**	**3,015,498**	**1,428,766**	**155,656**	**7,705**	**229,678**	**0**	**171,216**	**1,650,589**	**1,364,909**	**1,202,952**

1) of this amount, impairments of T€ 19,060 (2005: T€ 15,590)
2) of this amount, reversal of depreciation of T€ 318 (2005: T€ 0)

STRABAG SE,
Villach

Appendix 1/2
to Notes

Consolidated Statement of Changes in Fixed Assets as of 31 December 2005

	Acquisition and Production Costs								Accumulated depreciation							Carrying Values	
	Balance on 31.12.2004 T€	Changes in Scope of Consolidation T€	Currency Translation T€	Balance on 1.1.2005 T€	Additions T€	Transfers T€	Disposals T€	Balance on 31.12.2005 T€	Balance on 31.12.2004 T€	Changes in Scope of Consolidation T€	Currency Translation T€	Additions [1] T€	Transfers T€	Disposals [2] T€	Balance on 31.12.2005 T€	31.12.2005 T€	31.12.2004 T€
I. Intangible Assets:																	
1. Concessions; industrial property rights and similar rights, advantages and licences	25,680	4,804	39	30,523	2,407	36	761	32,205	17,641	5,053	-34	2,988	22	826	24,844	7,361	8,039
2. Goodwill	53,801	155	0	53,956	50,143	0	5,362	98,737	29,297	0	0	15,188	0	5,362	39,123	59,614	24,504
3. Advances paid	7	0	0	7	115	-12	0	110	0	0	0	0	0	0	0	110	7
	79,488	**4,959**	**39**	**84,486**	**52,665**	**24**	**6,123**	**131,052**	**46,938**	**5,053**	**-34**	**18,176**	**22**	**6,188**	**63,967**	**67,085**	**32,550**
II. Tangible Assets:																	
1. Properties; land rights equivalent to real property; buildings including buildings on third-party property	876,940	45,243	2,955	925,138	23,731	264	29,461	919,672	322,446	-8,286	190	25,176	-429	11,240	327,857	591,815	554,494
2. Technical equipment and machinery	804,436	164,702	5,707	974,845	138,358	5,743	45,264	1,073,682	545,891	114,754	2,968	82,536	1,804	36,921	711,032	362,650	258,545
3. Other facilities, furniture and fixtures and office equipment	373,180	70,927	3,473	447,580	63,476	-1,097	38,624	471,335	251,877	53,268	2,151	52,789	-1,397	32,778	325,910	145,425	121,303
4. Advances paid and facilities under construction	21,565	2,142	490	24,197	26,601	-4,934	9,887	35,977	0	0	0	0	0	0	0	35,977	21,565
	2,076,121	**283,014**	**12,625**	**2,371,760**	**252,166**	**-24**	**123,236**	**2,500,666**	**1,120,214**	**159,736**	**5,309**	**160,501**	**-22**	**80,939**	**1,364,799**	**1,135,867**	**955,907**
	2,155,609	**287,973**	**12,664**	**2,456,246**	**304,831**	**0**	**129,359**	**2,631,718**	**1,167,152**	**164,789**	**5,275**	**178,677**	**0**	**87,127**	**1,428,766**	**1,202,952**	**988,457**

[1] of this amount, impairments of T€ 15,590 (2004: T€ 61,668)
[2] of this amount, reversal of depreciation of T€ 0 (2004: T€ 5,710)

Group Companies as of 31 December 2006

Company	Headquarters	Type of consolidation	Interest %
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH"	Spittal an der Drau	VK	100.00
"BAT"-Liegenschaftsverwaltung GmbH	Kennelbach	NK	100.00
"Brema" Bau- und Spengler-Ges.m.b.H.	Vienna	NK	100.00
"Crnagoraput" AD	Podgorica	NK	30.92
"Daheim" Bau- und Wohnungseigentumsgesellschaft m.b.H.	Vienna	VK	100.00
"DOMIZIL" Bauträger GmbH	Vienna	VK	100.00
"ETG" elektrotechnische Anlagen Gesellschaft m.b.H.	Vienna	NK	100.00
"Filmforum am Bahnhof" Errichtungs- und Betriebsgesellschaft m.b.H.	Vienna	VK	100.00
"Geschäfts- und Bürohaus Sterneckstraße Errichtungs- und Betriebs GmbH"	Vienna	VK	100.00
"Granite Mining Industries" Spolka z.o.o.	Wroclaw	NK	100.00
"Health Care Company" KRANKENHAUS BETRIEBSFÜHRUNGS-Aktiengesellschaft	Vienna	NK	50.00
"Kabelwerk" Bauträger GmbH	Vienna	NK	25.00
"LSH"-Fischer Baugesellschaft m.b.H.	Linz	NK	100.00
"MATRA OAZIS" Oktatasi, Üdültetesi es Vendeglato Közkereseti Tarsasag	Gyöngyöstarjan	NK	53.37
"Mineral 2000" EOOD	Sofia	NK	100.00
"Putevi" Cacak	Cacak	VK	68.60
"Ring" Körutepitö Közkereseti Tarsasag	Budapest	NK	50.00
"SBS Strabag Bau Holding Service GmbH"	Spittal an der Drau	VK	100.00
"Schöner Wohnen in Klosterneuburg" Bauträger GmbH	Vienna	NK	100.00
"Solar City Zentrum" Errichtung GmbH	Linz	NK	100.00
"Wiener Heim" Wohnbaugesellschaft m.b.H.	Vienna	VK	100.00
"Wohngarten Sensengasse" Bauträger GmbH	Vienna	NK	55.00
"Zentrum Puntigam" Errichtungs- und Betriebsgesellschaft m.b.H.	Vienna	NK	50.00
2. Züblin Vorrats GmbH	Stuttgart	NK	100.00
5. Züblin Vorrats GmbH	Stuttgart	NK	100.00
6. Züblin Vorrats GmbH	Stuttgart	NK	100.00
A.H.I-BAU Allgemeine Hoch- und Ingenieurbau-GmbH	Cologne	VK	100.00
A.S.T. Bauschuttverwertung GmbH	Klagenfurt	NK	66.67
A.S.T. Bauschuttverwertung GmbH & Co KG	Klagenfurt	NK	66.67
A2 Bau-Development GmbH	Spittal an der Drau	NK	50.00
AAL Asphaltanlage Leukersdorf Verwaltungs-GmbH	Jahnsdorf	NK	100.00
AB Frischbeton Gesellschaft m.b.H.	Wien	NK	100.00
ABN Asphalt-Beteiligungsgesellschaft Neustrelitz mbH	Berlin	NK	25.00
ABN Asphalt-Betriebsgesellschaft Neustrelitz mbH & Co. KG	Berlin	NK	25.00
ABO Asphalt-Bau Oeynhausen GmbH	Oeynhausen	NK	22.50
ABR Abfall Behandlung und Recycling Schwadorf GmbH	Schwadorf	VK	100.00
AET-Asfalt-emulsni technologie s.r.o.	Litomerice	NK	95.00
Agencja Inicjatyw Gospodarczych S.A.	Polen	NK	49.00
AGS Asphaltgesellschaft Stuttgart GmbH & Co.Kommanditgesellschaft	Stuttgart	NK	40.00
AGS Asphaltgesellschaft Stuttgart Verwaltungs-GmbH	Stuttgart	NK	40.00
AKA Alföld Koncesszios Autopalya Reszvenytarsasag	Budapest	NK	25.12
AM Haßberge GmbH	Haßfurt	NK	24.90
AM Königsbrunn GmbH	Königsbrunn	NK	45.00
AM Rhön GmbH	Rötlen	NK	24.90
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	Zistersdorf-Maustrenk	NK	40.00

Company	Headquarters	Type of consolidation	Interest %
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.& Co.KG	Zistersdorf	NK	40.00
AMG Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	Linz	NK	33.33
AMG-Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co.KG	Linz	NK	33.33
AMH Asphaltmischwerk Hafen GmbH & Co.KG, Hamburg	Hamburg	NK	100.00
AMH Asphaltmischwerk Hafen Verwaltungs GmbH	Hamburg	NK	100.00
AMH Asphaltmischwerk Hellweg GmbH	Erwitte	EK	30.50
AML – Asphaltmischwerk Limberg Gesellschaft m.b.H.	Limberg	NK	50.00
AML – Asphaltmischwerke GmbH Leipzig	Taucha	NK	20.00
AMN Asphaltmischwerk KG Straßenbaustoffe Nonnendamm GmbH & Co.	Berlin	NK	33.10
AMS-Asphaltmischwerk Süd Gesellschaft m.b.H.	Linz	NK	35.00
AMSS Asphaltmischwerke Sächsische Schweiz GmbH & Co. KG	Dresden	NK	24.00
AMSS Asphaltmischwerke Sächsische Schweiz Verwaltungs GmbH	Dresden	NK	24.00
AMW Asphaltmischwerk Hinzenbach GmbH	Linz	NK	24.00
AMW Asphaltmischwerk Hinzenbach GmbH & Co KG	Linz	NK	24.00
AMWE-Asphaltmischwerke GmbH	Schwerin	NK	49.00
AMWE-Asphaltmischwerke GmbH & Co. KG	Schwerin	NK	49.00
ANLAGENTECHNIK GMBH	Thalgau	VK	100.00
Anton Beirer Hartsteinwerke Gesellschaft m.b.H.	Pinswang	NK	50.00
Appartementhaus Scharmützel Projekt-Beteiligungs G.m.b.H.	Bad Saarow-Pieskow	NK	100.00
Arab Consult GmbH	Vienna	NK	30.00
Arena Development	Hasselt	NK	50.00
Arthur Hellberg GmbH	Bad Segeberg	NK	100.00
AS-Bau Handels- und Beteiligungsgesellschaft mit beschränkter Haftung	Hamburg	NK	100.00
Asamer & Hufnagl Baustoff Holding Wien GmbH	Vienna	NK	30.00
Asamer & Hufnagl Baustoff Holding Wien GmbH & Co.KEG	Vienna	NK	30.00
ASB Transportbeton GmbH & CO.KG	Osterweddingen	NK	50.00
ASF Frästechnik GmbH	Kematen	NK	50.00
ASF Frästechnik GmbH & Co KG	Kematen	NK	50.00
ASG Invest N.V.	Genk	NK	49.90
ASIA Center Ingatlanforgalmazo, Berbeado, Hasznosito es Kereskedelmi Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
Asphalt & Beton GmbH	Lendorf	VK	100.00
Asphalt Gesellschaft Riegler GmbH.	Klagenfurt	NK	50.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.	Rauchenwarth	NK	20.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	Rauchenwarth	NK	20.00
Asphaltmischwerk Düsseldorf GmbH & Co.KG	Düsseldorf	EK	24.50
Asphaltmischwerk Düsseldorf Verwaltungs GmbH	Düsseldorf	NK	24.50
Asphaltmischwerk Greinsfurth GmbH	Amstetten	NK	25.00
Asphaltmischwerk Greinsfurth GmbH & Co.	Amstetten	NK	25.00
Asphaltmischwerk Mötschendorf Gesellschaft m.b.H.	Graz	NK	100.00
Asphaltmischwerk Rieder Vomperbach GmbH	Innsbruck	NK	60.00
Asphaltmischwerk Rieder Vomperbach GmbH & Co KG	Innsbruck	NK	60.00
Asphaltmischwerk Steyregg GmbH	Steyregg	NK	60.00
Asphaltmischwerk Steyregg GmbH & Co KG	Linz	NK	60.00
Asphaltmischwerk Zeltweg Gesellschaft m.b.H.	Steyr	NK	100.00
ASTRA-BAU Gesellschaft m.b.H. Nfg. OHG	Kalsdorf	NK	50.00
AStrada Development SRL	Bucharest	NK	70.00
August & Jean Hilpert GmbH & Co. KG	Nürnberg	VK	100.00

Company	**Headquarters**	**Type of consolidation**	**Interest %**
Augustowskie Przedsiebiorstwo Drogowe S.A.	Augustow	VK	100.00
AUSTRIA ASPHALT GmbH	Spittal an der Drau	NK	100.00
AUSTRIA ASPHALT GmbH & Co OHG	Spittal an der Drau	VK	100.00
AUT Grundstücksverwaltungsgesellschaft mbH	Stuttgart	NK	40.00
Autocesta Zagreb-Macelj d.o.o.	Zagreb	NK	51.00
A-WAY Toll Systems GmbH	Vienna	NK	80.00
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	Graz	NK	50.00
AWM Asphaltwerk Mötschendorf GmbH & Co.KG	Graz	NK	50.00
B+R Baustoff-Handel und -Recycling Cologne GmbH	Cologne	NK	100.00
BA-CA-GebäudevermietungsgmbH	Vienna	NK	50.00
Baltic Business Centre	Gdynia	NK	38.00
BAMCO Alagút- és Metróépítö Közkereseti Társaság	Budaörs	NK	50.00
Basalt-Közepko Kobanyak Kft	Budapest	NK	25.14
Basaltwerk Pauliberg GmbH	Eisenstadt	NK	35.00
Basaltwerk Pauliberg GmbH & CO KG.	Eisenstadt	NK	35.00
Bau Holding Beteiligungs AG	Spittal an der Drau	VK	100.00
Bauer Deponieerschließungs- und Verwertungsgesellschaft m.b.H.	Fischamend	NK	100.00
Baugesellschaft "Negrelli" Ges.m.b.H.	Vienna	NK	100.00
Bauimmobilien GmbH	Chemnitz	NK	100.00
Baumann & Burmeister GmbH	Halle/Saale	VK	100.00
Baupartner GmbH Freies Wohnungsunternehmen	Stuttgart	NK	100.00
BAUTRÄGERGESELLSCHAFT OLANDE MBH	Hamburg	VK	51.00
Bauunternehmung Ohneis Gesellschaft mit beschränkter Haftung	Straubing	VK	100.00
BauXund Forschung und Beratung GmbH	Wien	NK	100.00
Bayerische Asphalt-Mischwerke GmbH & Co. KG für Straßenbaustoffe	Hofolding	EK	33.33
becker bau GmbH u. Co.KG	Bornhöved	VK	100.00
becker bau Rostock GmbH	Rövershagen	NK	100.00
becker Verwaltungsgesellschaft mbH	Bornhöved	NK	100.00
Berliner Asphalt GmbH	Hamburg	NK	100.00
BeTePe Bau Gesellschaft m.b.H.	Vienna	NK	100.00
Betobeja Empreendimentos Imobiliarios, Lda	Beja	NK	74.00
Betolojas-Sociedade de Construcao Reparacao e Comercializacao de Imoveis, Lda	Lisbon	NK	90.00
Beton AG	Bürglen	NK	64.80
Beton und Recycling GmbH & Co. KG	Halberstadt	VK	100.00
Beton und Recycling Verwaltungsgesellschaft mbH	Halberstadt	NK	100.00
Beton Pisek spol. s.r.o.	Pisek	NK	50.00
Betonuepitö Rt. Es Tarsai M.3. Autoalyaepitö PJT	Budapest	NK	77.82
Betun Cadi SA	Trun	NK	35.00
BHG Bitumen Adria drustvo s ogranicenom odgovornoscu za graditeljstvo	Zagreb	NK	100.00
BHG Bitumen Handelsgesellschaft mbH	Hamburg	NK	100.00
BHG Bitumen Kereskedelmi Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
BHG COMERCIALIZARE BITUM S.R.L.	Bucuresti Sectorul 5	NK	100.00
BHG CZ s.r.o.	Ceské Budejovice	VK	100.00
BHG SK s.r.o.	Bratislava	NK	100.00
BHG Sp. z o.o.	Warsaw	VK	100.00
Bitumen Handelsgesellschaft m.b.H.	Vienna	NK	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG	Loosdorf	VK	100.00
Bitumenka-Asfalt d.o.o. i.L.	Sarajevo/Bosnien	NK	51.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
Bitunova Romania SRL	Bucharest	NK	97.77
BITUNOVA UKRAINA GmbH	Brovary	NK	60.00

Company	**Headquarters**	**Type of consolidation**	**Interest %**
Bitupol SP z.o.o.	Warsaw	VK	60.00
BKB AG Weinfelden	Weinfelden	NK	100.00
BL Baulogistik GmbH	Stuttgart	NK	100.00
Blees-Kölling-Bau GmbH	Cologne	VK	100.00
BMTI – Baumaschinentechnik International GmbH	Cologne	VK	100.00
BMTI – gradevinski strojevi international d.o.o.	Zagreb	VK	100.00
BMTI – Tehnica Utilajelor Pentru Constructii SRL	Bucaresti	VK	100.00
BMTI CR s.r.o.	Brünn	VK	100.00
BMTI GmbH	Erstfeld	VK	100.00
BMTI Nemzetközi Epitögepeszeti Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
BMTI Polska sp.z.o.o.	Pruszkow	VK	100.00
BMTI SK, s.r.o.	Bratislava	VK	100.00
BMTI-Baumaschinentechnik International GmbH	Trumau	VK	100.00
Bodensanierung Bischofswerda GmbH	Stuttgart	NK	100.00
Bohemia Bitunova, spol s.r.o.	Jihlava	VK	100.00
BOT BÖRNER Oberflächentechnik GmbH & Co. KG	Ritschenhausen	NK	50.00
BOT BÖRNER Oberflächentechnik Verwaltungs- und Beteiligungs GmbH	Ritschenhausen	NK	50.00
Brnenska Obalovna, s.r.o.	Brünn	NK	50.00
BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
BRVZ Bau-, Rechen- und Verwaltungszentrum AG	Erstfeld	VK	100.00
BRVZ Bau-Rechen-und Verwaltungszentrum GmbH	Dahlwitz/Hoppegarten	VK	100.00
BRVZ Bau-Rechen-und Verwaltungszentrum GmbH	Cologne	VK	100.00
BRVZ center za racunovodstvo in upravljanje d.o.o.	Ljubljana	VK	100.00
BRVZ EOOD	Sofia	VK	100.00
BRVZ s.r.o.	Budweis	VK	100.00
BRVZ s.r.o.	Bratislava	VK	100.00
BRVZ SERVICII & ADMINISTRARE SRL	Bucharest	VK	100.00
BRVZ SP z.o.o.	Warsaw	VK	100.00
BRVZ-Contabilidade, Organizacao, Representacao e Administracao de Empresas, S.U., Lda	Lisbon	NK	100.00
BRVZ-gradevinski-, racunovodstveni- i upravni centar d.o.o.	Zagreb	VK	100.00
BRW Baustoff-Recycling GmbH & Co KG	Wesseling	NK	25.00
BS Baugeräteservice Verwaltungs GmbH	Augsburg	NK	33.33
BSB Betonexpress Verwaltungsges.mbH	Berlin	NK	100.00
BSL Tunnel- und Montanbau GmbH	Bad Frankenhausen	NK	100.00
BSS Tunnel- und Montanbau GmbH	Bern	NK	100.00
BT-Plan Gesellschaft für bautechnisches Planen mbH	Cologne	NK	100.00
Büro Center Ruppmannstraße GmbH	Stuttgart	NK	50.00
Bürozentrum Honauerstraße Projektentwicklungsgesellschaft m.b.H.	Vienna	NK	100.00
Bug-AluTechnic GmbH	Kennelbach	VK	100.00
Bug-Alu Technic GmbH	Günzburg	NK	100.00
Bug-Alu Technic UK Limited	Chertsey	NK	100.00
BUG Metalltechnik GmbH	Wien	NK	76.00
BUSINESS BOULEVARD Errichtungs- und Betriebs GmbH	Vienna	VK	100.00
BVHS Betrieb und Verwaltung von Hotel- und Sportanlagen GmbH	Berlin	NK	100.00
C.S. Bitunova spol. s.r.o.	Zvolen	VK	100.00
CAG Cottbuser Asphaltgesellschaft mbH & Co. KG	Vetschau	NK	100.00
CAG Cottbuser Asphaltgesellschaft mbH	Vetschau	NK	100.00
Carb SA	Brasov	VK	99.47
Cariera Mateias Sud SRL	Arges, Sat Leresti	NK	100.00
CAW Chemnitzer Asphaltmischwerk GmbH	Chemnitz	NK	100.00

Company	Headquarters	Type of consolidation	Interest %
China Harbour Engineering & Co. GmbH	Duisburg	NK	50.00
Clubdorf Sachrang GmbH	Cologne	NK	100.00
CLS Construction Legal Services GmbH	Cologne	VK	100.00
CMO-Ceske a moravske obalovny s.r.o.	Sobeslav	VK	100.00
Colonius Carré Entwicklungsgesellschaft mbH	Cologne	VK	51.00
Cottbuser Frischbeton GmbH	Cottbus	NK	100.00
CSE Centrum-Stadtentwicklung GmbH	Cologne	NK	50.00
D Development Senica, a.s.	Bratislava	NK	41.00
d+p Ingenieurgesellschaft für Straßendaten und Baustoffprüfungen GmbH	Berlin	NK	49.91
D-47 Holding Company B.V.	Amsterdam	NK	47.50
Dalnicni stavby Praha, a.s.	Prague	VK	100.00
Dalnicne stavby Slovensko, s.r.o.	Bratislava	NK	100.00
Damm BV	AK Den Haag	NK	100.00
DBR Döbelner Baustoff und Recycling GmbH	Taucha	NK	50.00
De Brand 2 BV	AK Den Haag	NK	100.00
Deutsche Asphalt GmbH	Cologne	VK	100.00
Deutsche Asphalt Polska Sp.z.o.o.	Breslau	NK	100.00
Deutsche Immobilien Kurhaus-Hotel Travemünde GmbH & Co. KG	Rostock	NK	50.00
Dialnicne stavby Slovensko s.r.o.	Bratislava	NK	100.00
DIFMA Deutsches Institut für Facility Management GmbH	Nürnberg	NK	57.00
Dimmoplan Verwaltungs GmbH	Tübingen	NK	100.00
DIRECTROUTE (FERMOY) CONSTRUCTION LIMITED	Dublin	EK	25.00
Dordrecht Diensten B.V.	Dordrecht	NK	100.00
Dreßler Bauträger GmbH & Co. "Erlenbach"-Objekt KG	Aschaffenburg	NK	50.00
DRUMCO SA	Timisoara	VK	70.00
DRUMURI SI PODURI SA	Buzau	NK	100.00
DUF Rent Ingatlanhasznosító és Szolgáltató Korlátoli Felelösségü Társaság	Budapest	NK	30.00
Dyckerhoff & Widmann AG and Partner LLC	Oman	VK	100.00
Dywidag (Malaysia) Sdn. Bhd.	Kuala Lumpur	NK	100.00
DYWIDAG Bau GmbH	Munich	VK	100.00
DYWIDAG Construction GmbH	Dresden	NK	100.00
DYWIDAG Guinea Ecuatorial Sociedad Limitada	Mongomeyen	NK	65.00
Dywidag India Private Limited	Maharashtra	NK	100.00
Dywidag Insaat Limited Sirketi	Ankara	NK	100.00
DYWIDAG International GmbH	Munich	VK	100.00
Dywidag LNG Korea Chusikhoesa	Seoul	NK	100.00
DYWIDAG Romania S.R.L	Bucharest	NK	100.00
Dywidag Saudi Arabia Limited	Jubail Saudi Arabia	VK	100.00
DYWIDAG Schlüsselfertig und Ingenieurbau GmbH	Munich	VK	100.00
DYWIDAG-Holding GmbH	Cologne	VK	100.00
E.S.-Erdbau GmbH	Innsbruck	NK	100.00
Eberhard Pöhner Unternehmen für Hoch- und Tiefbau GmbH	Bayreuth	VK	100.00
Eberhardt Bau-Gesellschaft mbH	Berlin	VK	100.00
EBERHARDT Bau-GmbH	Vienna	NK	100.00
Eckstein Holding GmbH	Kennelbach	VK	100.00
Eduard Hachmann GmbH	Lunden	VK	100.00
Edificio Bauvorbereitungs- und Bauträgergesellschaft mb.H.	Vienna	NK	100.00
Eggstein AG	Kriens	VK	100.00
Egolf AG Strassen- und Tiefbau (Zurich)	Wallisellen	NK	100.00
Egolf AG Weinfelden	Weinfelden	VK	100.00
Egolf Baustoffe AG	Bürglen	VK	100.00
Egolf Bauunternehmungen AG	Weinfelden	VK	100.00

Company	Headquarters	Type of consolidation	Interest %
Eichholz Eivel GmbH	Berlin	NK	100.00
Eichholz Rail GmbH	Lauda-Königshofen	VK	100.00
Eisen Blasy Reutte GmbH	Reutte	NK	50.00
Eisenkappler Edelsplittwerk Gesellschaft m.b.H.	Eisenkappel-Vellach	NK	100.00
Elmbaurent Beteiligungs-GmbH Schöningen	Schöningen	NK	33.26
Elmbaurent GmbH & Co.KG Schöningen	Schöningen	NK	28.00
ERA Epitö es Letesitmenyfejlesztö Korlatolt Felelössegü Tarsasag	Budapest	NK	100.00
ERA Stav s.r.o.	Prague	NK	100.00
Eraproject Immobilien-, Projektentwicklung und Beteiligungsverwaltung GmbH	Berlin	VK	100.00
Erlaaer Straβe Liegenschaftsverwertungs-GmbH	Vienna	NK	99.72
ERMATEC Maschinen Technische Anlagen Gesellschaft m.b.H.	Vienna	VK	100.00
Errichtungsgesellschaft Strabag Slovensko s.r.o.	Bratislava-Ruzinov	VK	100.00
Erschließungsgesellschaft “Am Schloßberg” Pantelitz mbH	Neubrandenburg	VK	100.00
ETG Erzgebirge Transportbeton GmbH	Freiberg	VK	60.00
EURL DYWIDAG ALGERIE	Alger	NK	100.00
Euro Services GmbH, Möhrfelden-Walldorf	Möhrfelden-Walldorf	NK	100.00
EUROPARK Wien Garagen- Errichtungs- und Verwertungsgesell- schaft m.b.H.	Vienna	NK	30.00
Ezel Bauunternehmung Sindelfingen GmbH	Sindelfingen	VK	100.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG	Eggendorf	VK	100.00
Fachmarktzentrum Arland Errichtungs- und Vermietungsgesell-schaft mbH	Vienna	VK	100.00
Fachmarktzentrum Kielce Projekt GmbH	Berlin	NK	100.00
Facility Management Austria GmbH	Spittal an der Drau	VK	100.00
FACILITY MANAGEMENT Croatia drustvo s ogranicenom odgovoroscu za odrzavanje i upravljanje nekretninama	Zagreb	NK	100.00
Facility Management Hungaria Letesitmenygazdalkodasi Tanacsado es Szolgaltato Korlatolt Felelössegü Tarsasag	Budapest	NK	100.00
Facility Management o.o.o.	Moscow	NK	100.00
Facility Management Polska Sp.z.o.o.	Warsaw	VK	100.00
FACILITY MANAGEMENT Romania SRL	Bucharest	NK	100.00
Friedrich Preusse Bauunternehmung Gesellschaft mit beschränkter Haftung	Braunschweig	VK	100.00
Frischbeton Wachau GmbH & CO.KG	Wachau	NK	45.00
FUSSENEGGER Hochbau und Holzindustrie GmbH	Dornbirn	VK	100.00
Gama Strabag Construction limited	Dublin	NK	40.00
Gartensiedlung Lackenjöchel Liegenschaftsverwertungs GmbH	Vienna	NK	99.73
Gesellschaft für Umweltanalytik mbH	Chemnitz	NK	100.00
Gesundheitszentrum Bremen-Findorff GbR	Bremen	NK	50.00
GFR remex Baustoffaufbereitung GmbH & Co. KG, Krefeld	Krefeld	NK	50.00
GFR remex Baustoffaufbereitung Verwaltungs-GmbH Krefeld	Krefeld	NK	50.00
Goldeck Bergbahnen GmbH	Spittal an der Drau	VK	100.00
GRADBENO PODJETJE IN KAMNOLOM GRASTO d.o.o.	Ljubljana	VK	99.85
Grand Hotel Interests Limited	Guernsey	NK	75.00
Grandemar S.A.	Cluj-Napoca	NK	41.27
Gröne-Bau GmbH & Co. KG	Halberstadt	NK	100.00
Gröne-Bau Verwaltungsgesellschaft mbH	Halberstadt	NK	100.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H.	Vienna	NK	61.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H. & Co. KG.	Vienna	NK	62.00
GVD Versicherungsvermittlungen – Dienstleistungen GmbH	Cologne	VK	100.00

Company	Headquarters	Type of consolidation	Interest %
GWP Steinbruch Ges.m.b.H.	Oberpetersdorf	NK	100.00
H. Westerthaler Baugesellschaft m.b.H.	St. Johann i. Pongau	VK	100.00
H.I.C. Gesellschaft für Projektierung und Bau von sozialen Einrichtungen mbH	Bremen	NK	98.00
HAW-Hürtherberg Asphaltwerke Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft	Cologne	NK	35.00
HEILIT + WOERNER Bau GmbH	Munich	VK	100.00
HEILIT + WOERNER Budowlana Sp. z o.o.	Breslau	VK	100.00
HEILIT Umwelttechnik GmbH	Düsseldorf	VK	100.00
HEILIT+WOERNER Bau GmbH	Vienna	VK	100.00
Helmus Beteiligungsgesellschaft mit beschränkter Haftung	Vechta	NK	100.00
Helmus Straßen-Bau-Gesellschaft mbH und Co. KG	Vechta	VK	100.00
HILU Leitungsbau GmbH	Nürnberg	NK	100.00
HOTEL VIA Közkereseti Tarsasag	Keszthely	NK	43.00
H-PROJEKT II.Ingatlanfejlesztö Korlatolt Felelössegü Tarsasag	Budapest	NK	100.00
Hrusecka Obalovna s.r.o.	Hrusky	NK	80.00
HRG Rohrsanierungs-GmbH	Cologne	NK	100.00
H-TPA Innovacios es Minösegvizsgalo Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
Hürtherberg Asphaltwerke Gesellschaft mit beschränkter Haftung	Cologne	NK	35.00
I.D.D. Promet za promet gradevinskih proizvoda drustvo s ogranicenom odgovornoscu	Vukovina b.b.	NK	80.00
IBV-Immobilien Besitz- und Verwaltungsgesellschaft mbH Werder	Cologne	NK	99.00
IGM VELIKA Industrija Gradevnog Materijala d.o.o.	Zagreb	NK	100.00
Ilbau GmbH Deutschland	Berlin	VK	100.00
Ilbau Liegenschaftsverwaltung GmbH	Spittal an der Drau	VK	100.00
Ilbau Liegenschaftsverwaltung GmbH	Dahlwitz-Hoppegarten	VK	100.00
Ilbau S.r.l.	Bozen	NK	100.00
Ilbau spol s.r.o.	Prague	VK	100.00
Ilbau-Kirchner A4 Motorway Construction S.C.	Opole	NK	50.00
IMOPROJEKT Immobilienentwicklungsgesellschaft mbH	Freiburg	NK	100.00
IMOTAVIRA — Promocao Imobiliaria S.A.	Lisbon	NK	50.00
Industrial Engineering and Contracting Co. S.A.R.L. i.L.	Beirut	NK	50.00
Industrial Engineering and contracting NV	Genk	NK	50.00
Industrielles Bauen Betreuungsgesellschaft GmbH	Stuttgart	VK	100.00
Industrija Gradevnog materijala ostra drustvo s ogranicenom odgovornoscu za proizvodnju	Zagreb	NK	51.00
InfoSys Informationssysteme GmbH	Spittal an der Drau	NK	100.00
INGSTROY SOFIA AD	Sofia	VK	100.00
Innerebner Baustahl GmbH	Wiener Neustadt	VK	100.00
INSOND Spezialtiefbau Gesellschaft mbH	Wien	VK	100.00
J + O Alsterfleet Grundstücks GmbH	Hamburg	NK	94.00
JAB Tarnava SP z.o.o.	Bobrovice	NK	50.00
Jafrem-Sociedade de Construcoes,Lda	Matosinhos	NK	75.00
Jakob Gärtner GmbH	Friedberg	VK	100.00
Jihoceska Obalovna, spol. s.r.o.	Budweis	NK	66.67
Josef Riepl Unternehmen für Hoch- und Tiefbau GmbH	Regensburg	VK	100.00
Josef Riepl Unternehmen für Ingenieur- und Hochbau GmbH	Schermbeck	VK	100.00
JUMBO Betonpumpen Service GmbH & Co. KG	Lombach-Oberfohna	NK	50.00
KAB Kärntner Abfallbewirtschaftung GmbH	Klagenfurt	NK	36.25
KAB Straßensanierung GmbH	Spittal an der Drau	NK	50.60
KAB Straßensanierung GmbH & Co KG	Spittal an der Drau	VK	50.60

Company	Headquarters	Type of consolidation	Interest %
Kaiserebersdorfer Straße Liegenschaftsverwertungs GmbH	Vienna	NK	99.73
KAMEN-INGRAD GRADNJA I RUDARSTVO drustvo s orgranicenom odgovornoscu	Zagreb	NK	51.00
KAMEN-INGRAD NISKOGRADNJA d.o.o.	Pozega	NK	51.00
KAMEN-INGRAD PROIZVODNJA d.o.o.	Velika	NK	100.00
KAMENOLOMY CR s.r.o.	Ostrava -Svinov	VK	100.00
Kanzel Steinbruch Dennig Gesellschaft mit beschränkter Haftung	Gratkorn	VK	75.00
Karlovarske silnice, a.s.	Ceske Budejovice	NK	81.75
Kies- und Betonwerk AG Sedrun	Tujetsch	NK	35.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Grube Grafing KG	Geretsried	NK	50.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Grube Leitzinger Au KG	Geretsried	NK	50.00
Kiesabbau Gämmerler-Hütwohl Verwaltungs- GmbH	Königsdorf	NK	50.00
Kieswerk Diersheim GmbH	Rheinau-Diersheim	NK	60.00
Kieswerk Hohenwarthe GmbH	Hohenwarthe	NK	100.00
Klinik für Psychosomatik und psychiatrische Rehabilitation Gmbh	Spittal an der Drau	NK	100.00
KÖKA Kö-es Kavicsbanyaszati Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
Königswall Invest B.V.	AK Den Haag	NK	100.00
Kopalnia Granitu Mikoszow Sp. z o.o.	Strzelin	VK	100.00
Kopalnie Melafiru w Czarnym Borze Sp. z o.o.	Czarny Bor	VK	99.23
KSR – Kamenolomy SR, s.r.o.	Zvolen	VK	100.00
Lafrentz Bau Berlin GmbH & Co. KG	Hamburg	NK	100.00
Lafrentz Bau Verwaltungsgesellschaft Berlin mbH	Hamburg	NK	100.00
LAS GmbH Lauterhofener Asphalt und Straßenbau GmbH	Lauterhofen	NK	100.00
Latasfalts GmbH	Milzkalne	NK	50.00
Leipziger Straßen- und Brückenbau GmbH & Co. KG	Halberstadt	NK	100.00
Leipziger Straßen- und Brückenbau Verwaltungsgesellschaft mbH	Halberstadt	NK	100.00
Leitner Gesellschaft m.b.H.	Hausmening	VK	100.00
Leonhard Moll Hoch- und Tiefbau GmbH	Munich	VK	100.00
Leonhard Moll Tiefbau GmbH	Munich	VK	100.00
Les Tuyaux Centrifugés du Rhin S.A.R.L.	Kilstett/Frankreich	NK	100.00
Liberecka Obalovna s.r.o.	Liberec	NK	50.00
Lieferasphalt Gesellschaft m.b.H.	Vienna	NK	50.00
Lieferasphalt Gesellschaft m.b.H. & Co.OHG	Maria Gail	NK	60.00
Lieferasphalt Gesellschaft m.b.H.& Co,Viecht	Viecht	NK	66.50
Lieferasphalt Gesellschaft m.b.H.& Co.OHG, Zirl	Vienna	NK	50.00
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	Linz	NK	33.33
LISAG Linzer Splitt- und Asphaltwerk GmbH.	Linz	NK	50.00
LISAG Linzer Splitt- und Asphaltwerk GmbH. & CO KG	Linz	NK	50.00
LRD AM GmbH & Co KG	Weimar	NK	50.00
Lumirova EP, spol s.r.o.	Prague	NK	100.00
M5 Autópálya Zártkörúen Múködó Részvénytársaság	Kiskunfélegyháza	NK	50.00
M – Z Baugesellschaft mbH	Vienna	NK	100.00
Magyar Aszfalt Keverekgyarto es Epitölpari Korlatolt	Budapest	VK	100.00
Magyar Bau Holding Rt.	Budapest	NK	100.00
MAV Mineralstoff-Aufbereitung und -Verwertung GmbH	Krefeld	VK	50.00
MBSZ Magyar Betonpumpa Szolgaltato Korlatolt Felelössegü Tarsasag	Budapest	NK	100.00
Meyerhans AG Amriswil	Amriswil	VK	100.00
Meyerhans AG, Strassen- und Tiefbau Uzwil	Uzwil	VK	100.00
MIGU-Asphalt-Baugesellschaft m.b.H.	Lustenau	NK	50.00
Millonig + Schuster GmbH	Freistritz an der Drau	NK	66.00

Company	Headquarters	Type of consolidation	Interest %
MIL-MERT Epitö Közkereseti Tarsasag	Budapest	NK	50.00
Mineral Abbau GmbH	Spittal an der Drau	VK	100.00
MINERAL IGM dionicko drustvo za proizvodnju i trgovinu gradevnim materijalom	Benkovac	VK	100.00
MINERAL K. S. K. drustvo s ogranicenom odgovornoscu	Rijeka	NK	100.00
MINERAL ROM S.R.L.	Brasov	NK	100.00
Mineral Trading Sp.z o.o.	Szczawno Zdroj	NK	100.00
Mischek Arbeiterwohnheim GmbH	Vienna	NK	100.00
Mischek Bauträger Service GmbH	Wien	VK	100.00
Mischek Leasing eins Gesellschaft m.b.H.	Vienna	VK	100.00
Mischek Systembau GmbH	Vienna	VK	100.00
Miskolci Shopping Center Ingatlanforgalmazo, Berbeado, Hasznosito es Kereskedelmi Korlatolt Felelössegü Tarsasag	Budapest	NK	100.00
Mister Recrutamento Lda.	Lisbon	NK	100.00
MiTTaG spol. s.r.o. pozemni a prumyslove stavitelstvi	Brno	VK	100.00
Mitteldeutsche Braunkohle Strukturförderungsgesellschaft mbH (MBS)	Espenhain	NK	35.00
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H.	Ilz	NK	33.33
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. & Co.KG	Ilz	NK	52.67
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. und Co KG	Pinkafeld	NK	47.00
Murer SA Sedrun	Erstfeld	NK	100.00
Murer-Strabag AG	Erstfeld	VK	100.00
MUSIKVIERTEL Grundstücksentwicklung GmbH	Cologne	NK	100.00
N.R.C.S., s.r.o.	Bratislava	NK	100.00
N.V. STRABAG Belgium S.A.	Antwerpen	VK	100.00
N.V. STRABAG Benelux S.A.	Antwerpen	VK	100.00
Na belidle spol s.r.o.	Prague	VK	100.00
NEGUS LTD ZAO	Moscow	NK	100.00
Neubau Augasse 9 Errichtungs- und Vermietungsgesellschaft m.b.H.	Vienna	EK	50.00
NEUE REFORMBAU Gesellschaft m.b.H.	Vienna	NK	100.00
Newco Ramiz Sadiku Cikatova Quarry L.L.C.	Pristina	NK	100.00
NGM Verwaltungs GmbH	Nürnberg	NK	75.20
NGT Gebäudetechnik GmbH	Erlangen	NK	100.00
Niersberger Gebäudemanagement GmbH & Co. KG	Erlangen	VK	75.00
Niersberger Romania S.R.L.	Sibiu	NK	100.00
NOAG Autobahnerrichtungs AG	Vienna	NK	32.00
Nordostlabor Beteiligungsgesellschaft m.b.H. Nievelt Polen	Stockerau	NK	30.00
Nordpark Errichtungs- und Betriebs GmbH	Innsbruck	VK	100.00
NOSTRA Cement Gyártó és Kereskedelmi Korlátolt Felelösségü Társáság	Budaörs	NK	100.00
Novy Urengoy Bau- und Montage GmbH	Munich	NK	100.00
NR Bau- u. Immobilienverwertung GmbH	Berlin	NK	100.00
OAT – Bohr- und Fugentechnik Gesellschaft m.b.H.	Spittal an der Drau	VK	51.00
OAT s.r.o.	Prague	VK	80.00
OAT spol. s.r.o.	Bratislava	VK	100.00
OAT Uszczelnianie i Obrobka Betonu Sp.u.o.	Warsaw	NK	49.00
OAT Közlekedesi Felületek Specialis Javitasa Korlatolt	Budapest	VK	100.00
Obit spol. s.r.o.	Prague	NK	100.00
ODRA-ASFALT Sp. z o.o.	Szeczecin	NK	33.33
OFIM HOLDINGS LIMITED	Cardiff	NK	46.25
ONTWIKKELINGSCOMBINATIE MAASMECHELEN N.V.	Antwerpen	NK	50.00

Company	**Headquarters**	**Type of consolidation**	**Interest %**
Ooms-Ittner-Hof GmbH	Cologne	VK	100.00
OOO Züblin Ural	Ufa	NK	100.00
OSKEP JSC	Kiew	NK	51.00
Ostsächsische Brücken- und Ingenieur-Tiefbau GmbH	Neustadt/Sachsen	NK	100.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH	Lavant i. Osttirol	VK	80.00
Otto Rohr GmbH	Helmstedt	VK	100.00
Ottokar Klug Gesellschaft m.b.H.	Wien	NK	100.00
Pagitz Metalltechnik GmbH	Spittal an der Drau	VK	100.00
PAM Pongauer Asphaltmischanlagen GmbH	St. Johann i.Pongau	NK	50.00
PAM Pongauer Asphaltmischanlagen GmbH & Co KG	St. Johann i. Pongau	NK	50.00
Park Service Hüfner GmbH & Co.KG	Stuttgart	NK	48.44
Parking Bowling Green GmbH	Stuttgart	NK	100.00
Passivhaus Kammelweg Bauträger GmbH	Lauterbach	NK	100.00
Patrona Versicherungsvermittlungs-GmbH	Stuttgart	NK	100.00
Peter Geisler Tiefbauunternehmen GmbH	Hamburg	NK	100.00
Philman Holdings Company, Inc.	Makati City/Philippinen	NK	20.00
PL-Bitunova SP z.o.o.	Bierawa	VK	95.00
PLINIUS VASTGOED N.V.	Hasselt	NK	27.37
Plzenska obalovna, s.r.o.	Pilsen	NK	100.00
Poduzece ZA Ceste Split dionicko drustvo	Split	VK	87.31
POLSKI ASFALT Sp. z o.o.	Warsaw	NK	100.00
PP Prottelith GmbH i.L.	Hamburg	NK	100.00
PP Prottelith Produktionsgesellschaft mbH	Liebenfels	NK	52.00
PPE Preusse Projektentwicklungsgesellschaft mbH	Hamburg	NK	100.00
PPP Management GmbH	Cologne	NK	100.00
PPP SchulManagement Witten GmbH & Co. KG	Cologne	NK	100.00
Preduzece za puteve "Zajecar" a.D.Zajecar	Zajecar	VK	93.29
PREFABRIKAT, spol. s.r.o.	Vel'ké Leváre	VK	100.00
PREFIN a.s.	Chrudim	VK	100.00
Preusse Baubetriebe Berlin-Brandenburg GmbH	Cologne	NK	100.00
Preusse Baubetriebe Gesellschaft mit beschränkter Haftung	Halberstadt	VK	100.00
Preusse Baubetriebe und Partner GmbH & Co. KG	Halberstadt	VK	100.00
Preusse Baubetriebe und Partner Verwaltungsgesellschaft mbH	Halberstadt	NK	100.00
Preusse Bauholding GmbH & Co. KG	Hamburg	VK	100.00
Preusse Bauholding Verwaltungsgesellschaft mbH	Hamburg	NK	100.00
PREZIPP, s.r.o.	Chrudim	VK	100.00
PRO Liegenschaftsverwaltungs- und Verwertungsgesellschaft m.b.H.	Vienna	VK	100.00
Projekta Bauvorbereitungsgesellschaft m.b.H. Nfg.KG	Vienna	EK	50.00
PRO-Lassallestraße-Grundstücksverwertungsgesellschaft m.b.H.	Vienna	NK	50.00
PROTECTA Gesellschaft für Oberflächenschutzschichten mbH	Düsseldorf	VK	75.00
PROTTELITH Zlín, s.r.o.	Napajedla	NK	100.00
Przedsiebiorstwo Budownictwa Ogólnego i Uslug Technicznych, Slask Sp. z o.o.	Katowice	VK	60.98
PWG-Bau Pfersee Wohn- und Gewerbebauträger GmbH & Co.KG	Munich	NK	50.00
PWG-Bau Pfersee Wohn-und Gewerbebauträger Verwaltungs GmbH	Munich	NK	50.00
Pyhrn Concession Holding GmbH	Cologne	VK	100.00
Pyhrn Motorway GmbH	Aschheim	VK	100.00
RAE Recycling-Asphaltwerk Eisfeld GmbH & Co.KG	Eisfeld	NK	25.00
RAE Recycling-Asphaltwerk Eisfeld Verwaltungs GmbH	Eisfeld	NK	25.00
Raiffeisen evolution project development GmbH	Vienna	EK	20.00

Company	**Headquarters**	**Type of consolidation**	**Interest %**
RAM Regensburger Asphalt-Mischwerke GmbH & Co KG	Barbing	NK	44.33
Rathaus-Carrée Saarbrücken Grundstücksentwicklungs Gesellschaft mbH	Cologne	NK	24.97
Rathaus-Carrée Saarbrücken Grundstücksentwicklungsgesellschaft mbH & Co.KG	Cologne	NK	25.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H.	Linz	VK	100.00
RE Wohnungseigentumserrichtungs GmbH	Vienna	NK	75.00
Regensburger Asphalt-Mischwerke GmbH	Barbing	NK	44.33
REMEX Coesfeld Gesellschaft für Baustoffaufbereitung mbH	Dülmen-Buldern	NK	50.00
RFM Asphaltmischwerk GmbH & Co KG	Traiskirchen	NK	33.33
RFM Asphaltmischwerk GmbH.	Wienersdorf-Oeynhausen	NK	33.33
Rhein-Regio Neuenburg Projektentwicklung GmbH	Neuenburg am Rhein	NK	90.00
Rieder Asphaltgesellschaft m.b.H.	Ried im Zillertal	NK	50.00
Rieder Asphaltgesellschaft m.b.H. & Co. KG.	Ried im Zillertal	NK	50.00
RKB Rohrleitungs- und Kanalbau GmbH	Berlin	VK	100.00
RKH Rheinkies Hitdorf GmbH & Co. KG	Bergheim	NK	33.33
RKH Rheinkies Hitdorf Verwaltungs GmbH	Bergheim	NK	33.33
Roba Asphalt GmbH	Augsburg	VK	100.00
Roba Asphaltmischwerke Düsseldorf GmbH	Düsseldorf	NK	100.00
Roba Asphaltmischwerke Hohenlimburg GmbH	Hohenlimburg	NK	100.00
Roba Baustoff GmbH	Augsburg	VK	100.00
Roba Baustoff Leipzig GmbH	Leipzig	NK	100.00
Roba Kieswerk Merseburg GmbH	Merseburg	NK	100.00
Roba Quarzitsplittwerk Profen GmbH	Profen	NK	100.00
Roba Transportbeton GmbH	Augsburg	VK	100.00
Robert Kieserling Industriefußboden Gesellschaft mit beschränkter Haftung	Hamburg	VK	100.00
Rodinger Ingenieurbau GmbH	Roding	VK	100.00
RVE Gesellschaft für Reststoffverwertung und Entsorgung mbH	Lünen	EK	50.00
S.U.S. Abflussdienst Gesellschaft m.b.H.	Vienna	NK	100.00
Saale Asphalt GmbH & Co. KG	Dehlitz/Lösau	NK	73.50
Saale Asphalt Verwaltungs GmbH	Dehlitz/Lösau	NK	73.80
Sächsische Bauprüf- und Kontrollgesellschaft mbH	Chemnitz	NK	100.00
SALGO Shopping Center Ingatalanforgalmazo, Berbeado, Hasznosito es Kereskedelmi Korlatolt Felelössegü Tarsasag	Budapest	NK	100.00
Salzburger Lieferasphalt OHG	Sulzau	NK	20.00
SAM Sächsische Asphaltmischwerke GmbH & Co. KG	Dresden	VK	100.00
SAM Sächsische Asphaltmischwerke Verwaltung GmbH	Dresden	NK	100.00
SAO BRVZ Ltd	Moscow	VK	100.00
SAT Útjavító Korlátolt Felelöségü Társaság	Budapest	VK	100.00
SAT s.r.o.	Prague	VK	100.00
SAT Sp. z o.o.	Olawa	VK	100.00
SAT Straßensanierung GmbH	Horhausen	VK	100.00
SAV Südniedersächsische Aufbereitungs- und Verwertungsgesellschaft mbH	Hildesheim	NK	50.00
SBR Verwaltungs GmbH	Kehl	VK	100.00
Schlackenkontor Bremen GmbH	Bremen	NK	50.00
SCHOTTERWERK EDLING GESELLSCHAFT M.B.H.	Klagenfurt	NK	74.00
Schotterwerk Schmohlhöhe GmbH	Bobritzsch	NK	100.00
Servis Kadr sp.z.o.o.	Wrochlaw	NK	100.00
SF – Bau Ploiesti srl	Ploiest	NK	100.00
SF Cologne Ingenieurs Cameroun S.A.	Yaounde	NK	100.00
SF Consultants Nigeria	Lagos	NK	60.00
SF-Ausbau GmbH	Freiberg	VK	100.00

Company	Headquarters	Type of consolidation	Interest %
SF-BAU Drei Vermögensverwaltung GmbH	Vienna	NK	100.00
SF-BAU Gesellschaft für Projektentwicklung und schlüsselfertiges Bauen mbH	Leipzig	NK	100.00
SF-BAU Grundstücksgesellschaft "ABC-Bogen" mbH	Cologne	NK	100.00
SF-BAU Projektentwicklung GmbH	Cologne	NK	100.00
SF-Immobilienfonds Beteiligungs-GmbH & Co.Nr.1 KG	Cologne	NK	100.00
Siroki Brijek	Mostar	NK	49.00
Slokenbeka SIA	Milkalne	EK	41.04
Slovasfalt, spol.s.r.o.	Bratislava	VK	100.00
SOWI – Investor – Bauträger GmbH	Innsbruck	NK	33.33
SPK – Errichtungs- und Betriebsges.m.b.H.	Spittal an der Drau	NK	100.00
Spolecne obalovny, s r.o.	Prague	NK	50.00
Sportstättenservice Gesellschaft m.b.H.	Niederleis	NK	100.00
Stadtbaumeister Architekt Franz Böhm GmbH	Vienna	VK	100.00
Stahl + Verbundbau Gesellschaft für industrielles Bauen m.b.H.	Dreieich-Dreieichenhain	NK	30.00
Stalexport Autostrada Slaska S.A.	Katowice	NK	25.00
Stapelfeldt Baugesellschaft mbH & Co. KG	Soltau	NK	100.00
Stapelfeldt Verwaltungsgesellschaft mbH	Soltau	NK	100.00
Steinbruch Mauterndorf Gesellschaft m.b.H.	Mauterndorf im Lungau	NK	50.00
Stephan Beratungs-GmbH	Linz am Rhein	NK	30.00
Storf Hoch- und Tiefbaugesellschaft m.b.H.	Reutte	VK	100.00
Stoppacher Metalltechnik GmbH	Spittal an der Drau	NK	51.00
STR Lakasepitö Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
Strabag a.s.	Prague	VK	100.00
STRABAG ABU DHABI LLC	Abu Dhabi	NK	100.00
STRABAG AG	Cologne	VK	65.85
STRABAG AG	Spittal an der Drau	VK	100.00
STRABAG Bau.S.L.	Madrid	NK	100.00
STRABAG Beograd d.o.o.	Belgrad	VK	100.00
STRABAG Beton GmbH & Co. KG	Berlin	VK	100.00
Strabag BiH, d.o.o.	Mostar	NK	100.00
STRABAG BMTI Benelux	Antwerpen	VK	100.00
STRABAG Bouw en Ontwikkeling B.V.	Dortrecht	VK	100.00
STRABAG BRVZ BENELUX	Antwerpen	VK	100.00
STRABAG Construction Nigeria	Ikeja	NK	100.00
Strabag za gradevinske poslove d.o.o.	Zagreb	VK	100.00
STRABAG Development SK s.r.o.	Bratislava	NK	100.00
Strabag Domodedovo OOO	Moscower Gebiet	NK	100.00
STRABAG Dubai LLC	Dubai	VK	100.00
STRABAG EAST AFRICA Ltd.	Nairobi	NK	100.00
STRABAG EOOD	Sofia	NK	100.00
Strabag Epitö Zartköruen Muködo Reszvenytarsasag	Budapest	VK	100.00
STRABAG gradbene storitve d.o.o.	Ljubljana	VK	100.00
STRABAG Imobilija-agencija za posrednistvo v prometu z nepre micninami d.o.o.	Ljubljana	VK	100.00
Strabag Inc.	Toronto	VK	100.00
STRABAG Infrastruktur Development	Moscow	NK	100.00
Strabag International Benin SARL	Benin	NK	100.00
Strabag International GmbH	Cologne	VK	100.00
STRABAG Invest GmbH	Wien	NK	100.00
Strabag Kiew	Kiew	NK	100.00
Strabag Liegenschaftsverwaltung GmbH	Linz	VK	100.00
STRABAG OMAN	Muscat	VK	100.00
Strabag OOO	Moscow	NK	100.00
STRABAG Projektentwicklung GmbH	Cologne	VK	100.00

Company	**Headquarters**	**Type of consolidation**	**Interest %**
Strabag Qatar W.L.L.	Qatar	VK	100.00
STRABAG s.r.o.	Bratislava	VK	100.00
Strabag Sp. z o.o. Kirchner Gorzow Bypass spolka jawna	Gorzow	NK	49.00
STRABAG Sp. z o.o.	Warsaw	VK	100.00
STRABAG Sportstättenbau GmbH	Dortmund	VK	100.00
Strabag srl	Bucharest	VK	100.00
STRABAG Straßen- und Tiefbau Verwaltung GmbH	Spergau	NK	100.00
STRABAG Trappenkamp GmbH	Trappenkamp	NK	100.00
STRABAG Unterstützungskasse GmbH	Cologne	VK	100.00
Strabag z.a.o.	Moscow	VK	100.00
Strabag-Mert Épitö Közkereseti Társaság	Budapest	NK	50.00
STRABAG-PROJEKT Sp. z o.o.	Warsaw	NK	100.00
Straßenbau Thüringen GmbH	Gotha	EK	50.00
Straßenbaustoffe Nonnendamm GmbH	Teltow	NK	33.10
Stratebau GmbH	Regensburg	VK	100.00
Stratebau Konsortium GbR	Regensburg	NK	50.00
STRAVIA Emulziogyarto es Utfenntarto Kft.	Budapest	NK	25.00
STRIBA Protonentherapiezentrum Essen GmbH	Cologne	NK	50.00
Stuag Bau Development GmbH	Cottbus	NK	100.00
SVG Stoll Gesellschaft für Vermietung und Verpachtung GmbH	Berlin	NK	100.00
Syrena Immobilien Holding Aktiengesellschaft	Spittal an der Drau	NK	50.00
Szamito- es Ügyviteli Központ Korlatolt Felelösségü Tarsasag	Budapest	VK	100.00
Szentesi Vasutepitö Korlatolt Felelösségü Tarsasag	Budapest	VK	100.00
TBG Ceske Budejovice spol. s.r.o.	Budweis	NK	33.33
TBG drustvo s ogranicenom odgovornoscu za proizvodnju i distribuciju proizvoda od betona	Zagreb	NK	50.00
TBG Frissbeton Betongyarto Kft.	Pecs	NK	50.00
Tek Ermolino Sao	Moscow	NK	25.00
Tek Tunoschna Sao	Moscow	NK	25.00
Territorium Bauprojektentwicklungs-GmbH	Stuttgart	NK	100.00
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH	Apfelstädt	EK	33.33
Tiefbautechnik Gesellschaft m.b.H.	Linz	NK	100.00
Tiefbautechnik Gesellschaft m.b.H. & Co OHG	Linz	NK	100.00
Towarystwo z obmeshenoju widpowidalnistju “Dywidag Ukraina GmbH”	Kiew	NK	99.00
TPA CR s.r.o.	Beroun	VK	100.00
TPA EOOD	Sofia	VK	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Cologne	VK	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Vienna	VK	100.00
TPA Instytut Badan Technicznych sp.z.o.o.	Pozan	VK	100.00
TPA odrzavanje kvaliteta i inovacija drustvo s ogranicenom odgovornoscu	Zagreb	VK	100.00
TPA s.r.o.	Bratislava	VK	100.00
TPA Societate pentru asigurarea calitatii si inovatii SRL	Bucharest	VK	100.00
Transkipper Sp. z o.o.	Szczawno Zdroj	NK	100.00
Treuhandbeteiligung		VK	100.00
Treuhandbeteiligung M		NK	100.00
Ucka Asfalt d.o.o.	Potpican	NK	25.00
UND-FRISCHBETON s.r.o.	Kosice	NK	75.00
UNI-BAU Wohnungseigentumserrichtungs GmbH	Vienna	NK	100.00
UNIPROJEKT Bau- und Innenbau GmbH	Vienna	VK	100.00
Universitätszentrum Althanstraße Erweiterungsgesellschaft m.b.H.	Vienna	NK	100.00
Unterstützungseinrichtung für die Angestellten der ehemaligen Bau-Aktiengesellschaft “Negrelli” GesellschaftmbH	Vienna	NK	50.00
VAB d.o.o.	Varazdin	NK	34.50

Company	**Headquarters**	**Type of consolidation**	**Interest %**
VAL DI CHIENTI SOCIETA' CONSORTILE PER AZIONI	Ravenna	NK	36.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H.	Linz	NK	75.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co.KG	Linz	VK	75.00
VCO – Vychodoceska obalovna, s r.o	Hradec Kralove	NK	33.33
Verbundplan Birecik Isletme Ltd.	Birecik	NK	25.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	Spittal an der Drau	NK	50.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	Spittal an der Drau	VK	50.00
VIALIT-ASPHALT Podjetje za asfaltiranje in trgovino, d.o.o.	Laibach	NK	50.00
Viamont DSP a.s.	Aussig	EK	50.00
VIANOVA – Bitumenemulsionen GmbH	Fürnitz	NK	24.90
Vierte Vorratsgesellschaft mbH	Dresden	NK	100.00
Villacher Parkgaragen Gesellschaft m.b.H. & Co. KG	Spittal an der Drau	NK	100.00
VKG-Valentiner Kieswerk Gesellschaft m.b.H.	Linz	NK	50.00
Vojvodinaput-Pancevo a.d. Pancevo	Pancevo	VK	81.51
VULKANKÖ Banyaszati es Kereskedelmi Kft.	Keszthely	NK	50.39
Walter-Heilit/EpkerEpitöipari Kft.	Nyigegyhaza	NK	50.00
WARSZAWSKIE ASFALTY Sp.z.o.o	Warsaw	NK	100.00
WE Pro Bauträger Gesellschaft m.b.H.	Vienna	NK	25.00
Westfuga GmbH	Cologne	NK	100.00
WIBAU Holding GmbH	Linz	NK	24.80
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	Zistersdorf	NK	33.33
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	Zistersdorf	NK	33.33
Wohnbau Tafelgelände Beteiligungs-GmbH	Nürnberg	NK	25.00
Wohnbau Tafelgelände GmbH & Co. KG	Nürnberg	NK	25.00
Wohnbauträgergesellschaft Objekt "Freising – Westlich der Jagdstraße" mbH	Cologne	NK	100.00
Wohnen am Krautgarten Bauträger GmbH	Wien	NK	100.00
WWOM Projektentwicklung GmbH	Vienna	NK	87.50
Xaver Bachner Gesellschaft m.b.H.	Straubing	NK	100.00
ZDE-Projekt Bahnhofs-Arkaden Hildesheim GmbH & Co.KG	Cologne	NK	100.00
Z.I.P.O.S. d.o.o.	Antunovac	NK	50.00
Z-Bau GmbH	Magdeburg	VK	100.00
Zentrum Rennweg S-Bahn Immobilienentwicklung GmbH	Vienna	VK	99.00
ZIPP BRATISLAVA spol. sr.o.	Bratislava	VK	100.00
ZIPP Brno s.r.o.	Brünn	NK	50.00
ZIPP CZ a.s.	Prague	NK	100.00
ZIPP GECA, s.r.o.	Geca	NK	100.00
ZIPP PRAHA, s.r.o.	Prague	VK	100.00
ZIPP REAL, a.s.	Brünn	NK	50.00
ZIPP SKALICA, spol.s.r.o.	Skalica	NK	46.00
Züblin Construction Consulting Co. Ltd.	Shanghai	NK	100.00
Züblin Construct s.r.l.	Bucharest	NK	100.00
Züblin Baugesellschaft m.b.H.	Wien	VK	100.00
Züblin Bulgaria EOOD	Sofia	NK	100.00
Züblin Chile Ingeneria y Construcciónes Ltd.	Santiago	NK	100.00
Züblin Development GmbH	Cologne	VK	100.00
Züblin Ed. AG	Stuttgart	VK	57.26
Züblin Ground & Civil Engineering (L.L.C.)	U.A.E. Dubai	NK	100.00
Züblin Holding Ges. mbH	Wien	VK	100.00
Züblin Holding Thailand Co. Ltd.	Bangkok	NK	79.35
Züblin Hrvatska d.o.o.	Zagreb	VK	100.00
Züblin International GmbH	Stuttgart	VK	100.00
Züblin International GmbH Chile Ltda.	Santiago	VK	100.00
Züblin International Malaysia Sdn.Bhd	Kuala Lumpur	VK	100.00

Company	Headquarters	Type of consolidation	Interest %
Züblin International Qatar LLC	Doha Qatar	NK	49.00
Züblin K.F.T	Budapest	VK	100.00
Züblin Logistik und Informationssysteme GmbH	Stuttgart	NK	100.00
Züblin Maschinen- und Anlagenbau GmbH	Kehl	NK	100.00
Züblin Polska Sp. z o.o.	Poznan	VK	100.00
Züblin Projektentwicklung GmbH	Stuttgart	VK	100.00
Züblin Rohrvertriebs-GmbH	Kehl	NK	100.00
Züblin Romania S.R.L.	Bucharest	NK	100.00
Züblin Scandinavia AB	Sollentuna	VK	100.00
Züblin Scandinavia A/S	Viby	VK	100.00
Züblin Services GmbH	Stuttgart	NK	100.00
Züblin Shanghai Changjiang Construction Engineering Co. Ltd.	Shanghai	VK	75.00
Züblin Slovensko s.r.o.	Bratislava	NK	100.00
Züblin Spezialtiefbau GmbH	Stuttgart	VK	100.00
Züblin spol s.r.o.	Prague	VK	100.00
Züblin Stahlbau GmbH	Hosena	VK	100.00
Züblin Thailand Co. Ltd.	Bangkok	NK	99.98
Züblin Umwelttechnik GmbH	Stuttgart	VK	100.00
Züblin-Strabag AG	Zurich	VK	100.00
ZUCOTEC Sociedade de Construcoes, Lda.	Lisbon	VK	100.00
Zuidermeent B.V.	AK Den Haag	NK	100.00
Z-Design EOOD	Sofia	NK	100.00
Z-zwo Verwaltungsgesellschaft mbH & Co. KG	Stuttgart	NK	100.00

[1] VK…Full consolidation
EK…Equity accounting
NK…No consolidation

UNQUALIFIED AUDIT CERTIFICATE

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of

STRABAG SE,
Villach, Austria,

for the financial year from January 1 to **December 31, 2006**. These consolidated financial statements comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash-flow statement for the year ended December 31, 2006, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. Based on the results of our audit in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as of December 31, 2006, and of its financial performance and its cash-flows for the financial year from January 1 to December 31, 2006 in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

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

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

Linz, April 10, 2007

T&A Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH		*KPMG Austria GmbH Wirtschaftsprufüngs- und Steuerberatungsgesellschaft*	
/s/ Helge Löffler	/s/ Peter Humer	/s/ Helge Löffler	/s/ Peter Humer
Dr. Helge Löffler Austrian Certified Public Accountant	Mag. Peter Humer Austrian Certified Public Accountant	Dr. Helge Löffler Austrian Certified Public Accountant	Mag. Peter Humer Austrian Certified Public Accountant

This report is a translation of the original report in German.

Audited IFRS Consolidated Financial Statements for Financial Year Ended December 31, 2005 (FIMAG Finanz Industrie Management AG)

2005 FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT FOR THE 2005 BUSINESS YEAR

	Notes	2005 T€	2004 T€
Revenue	(1)	6,955,797	5,222,905
Changes in inventories		34,387	38,884
Own work capitalized		16,564	11,727
Other operating income	(2)	149,901	136,967
Cost of material and services	(3)	-5,019,607	-3,609,458
Personnel expenditure	(4)	-1,401,876	-1,185,509
Depreciation on tangible and intangible assets	(5)	-178,677	-208,889
Other operating expenses	(6)	-400,981	-311,496
Earnings before deducting financing costs and taxes		**155,508**	**95,131**
Share of profit of associates	(7)	5,424	7,897
Earnings from investments	(8)	2,197	8,673
Other financial results	(9)	-28,414	-20,351
Financial result		**-20,793**	**-3,781**
Earnings before taxes		**134,715**	**91,350**
Income tax	(10)	-40,149	-25,602
Earnings after taxes		**94,566**	**65,748**
Minority interest		-44,628	-30,249
Consolidated results		**49,938**	**35,499**
Earnings per share (in €)	(27)	7.41	5.27

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2005

Assets

	Notes	31.12.2005 T€	31.12.2004 T€
Non-current assets			
Intangible assets	(11)	67,085	32,550
Tangible assets	(11)	1,135,867	955,907
Investments in associates	(12)	64,842	45,495
Other financial assets	(12)	305,770	264,016
Trade receivables and receivables for services rendered	(15)	43,618	99,563
Other accounts receivable and other assets	(15)	33,169	110,670
Deferred taxes	(13)	86,457	92,161
		1,736,808	**1,600,362**
Current assets			
Inventories	(14)	618,717	540,856
Trade receivables and receivables for services rendered	(15)	1,948,578	1,157,146
Other accounts receivable and other assets	(15)	266,967	142,494
Cash and cash equivalents	(16)	555,857	212,399
		3,390,119	**2,052,895**
		5,126,927	**3,653,257**

Equity and Liabilities

	Notes	31.12.2005 T€	31.12.2004 T€
Group equity			
Share capital		53,938	53,938
Capital reserves		163,800	163,800
Retained earnings		278,785	237,380
Minority interest		408,947	347,138
	(17)	**905,470**	**802,256**
Non-current liabilities			
Provisions	(18)	556,617	358,737
Financial liabilities	(19)	602,630	561,161
Liabilities from trade payables and payables for services rendered	(19)	25,077	55,944
Other liabilities	(19)	11,148	8,599
Deferred taxes	(13)	3,517	1,847
		1,198,989	**986,288**
Current liabilities			
Provisions	(18)	299,525	246,960
Financial liabilities	(19)	339,234	141,791
Liabilities from trade payables and payables for services rendered	(19)	1,922,399	1,165,266
Other liabilities	(19)	461,310	310,696
		3,022,468	**1,864,713**
		5,126,927	**3,653,257**

CONSOLIDATED CASH-FLOW STATEMENT FOR THE 2005 BUSINESS YEAR

	2005 T€	2004 T€
Earnings after taxes	94,566	65,748
Deferred taxes	-4,677	1,489
Non-cash effective results from associates	-1,110	3,529
Depreciations / write-ups	193,859	210,355
Changes in long term provisions	17,634	2,007
Profit / loss from sale / disposal of plants	-13,962	-20,177
Cash-flow from profits	**286,310**	**262,951**
Change in items:		
– Inventories	32,502	-40,340
– Trade receivables and receivables from services rendered, construction contracts and special partnerships	-235,973	-64,364
– Group receivables and receivables from companies with which there is an investment relation	26,347	-11,788
– Other assets	3,353	6,355
– Liabilities from trade, construction contracts and special partnerships	117,867	-68,852
– Group liabilities and liabilities from companies with which there is an investment relation	-6,998	18,222
– Other liabilities	20,194	18,373
– Current provisions	24,153	-16,459
Cash-flow from operating activities	**267,755**	**104,098**
Acquisition of financial assets	-46,296	-65,175
Acquisition of fixed assets	-254,688	-207,490
Profit / loss from sale / disposal of plants	13,962	20,177
Reduction from fixed assets (book value)	58,829	75,741
Change in other receivables from cash clearing	23,580	28,598
Change in consolidation circle minus acquired cash and cash equivalents	91,236	-13,061
Cash-flow from investing activities	**-113,377**	**-161,210**
Change in bank liabilities	90,421	-43,768
Change in loans	75,000	50,000
Change in liabilities from finance leases	5,272	-7,493
Change in other liabilities from cash clearing	42,677	113
Other neutral changes in share capital	25,003	0
Distribution and withdrawals from partnerships	-52,114	-51,846
Cash-flow from financing activities	**186,259**	**-52,994**
Cash-flow from operating activities	267,755	104,098
Cash-flow from investing activities	-113,377	-161,210
Cash-flow from financing activities	186,259	-52,994
Net change in cash and cash equivalents	**340,637**	**-110,106**
Cash and cash equivalents at the start of the year	212,399	318,976
Change in cash and cash equivalents due to exchange rate differences	2,821	3,529
Cash and cash equivalents at the end of the year	**555,857**	**212,399**
Interest paid	51,921	36,064
Interest received	35,680	28,259
Taxes paid	38,773	31,206

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital T€	Capital reserves T€	Retained earnings T€	Minority interests T€	Total T€
Balance at 1 January 2004	**53,938**	**163,800**	**186,039**	**356,339**	**760,116**
Differences arising from currency translation	0	0	11,378	9,256	20,634
Consolidated results	0	0	35,499	30,249	65,748
Contribution	0	0	637	0	637
Neutral change of actuarial profit and loss	0	0	-1,829	-1,915	-3,744
Hedging reserves	0	0	5,656	5,054	10,710
Distribution of dividends	0	0	0	-51,845	-51,845
Balance at 31 December 2004 =					
Balance at 1 January 2005	**53,938**	**163,800**	**237,380**	**347,138**	**802,256**
Differences arising from currency translation	0	0	1,143	5,420	6,563
Consolidated results	0	0	49,938	44,628	94,566
Contribution	0	0	0	25,003	25,003
Hedging reserves	0	0	-4,377	-3,903	-8,280
Neutral change of actuarial profit and loss	0	0	-4,141	-3,825	-7,966
Neutral change Financial Instruments IAS 39	0	0	-1,158	-1,772	-2,930
Change in minority interest resulting from first-time consolidation	0	0	0	48,372	48,372
Distribution of dividends	0	0	0	-52,114	-52,114
Balance at 31 December 2005	**53,938**	**163,800**	**278,785**	**408,947**	**905,470**

STATEMENT OF RECOGNIZED INCOME AND EXPENSE

	2005 T€	2004 T€
Changes in value pursuant to IAS 39 recognized in group equity	-2,930	0
Actuarial gains / losses from pensions and similar obligations	-9,721	-4,449
Deferred taxes on changes recognized directly in equity	1,755	705
Changes in value recognized directly in group equity	**-10,896**	**-3,744**
Earnings after taxes	94,566	65,748
Total of result and changes for the period with no effect on income	**83,670**	**62,004**
Minority interest	39,031	28,334
Company shareholders	44,639	33,670

NOTES TO THE 2005 CONSOLIDATED FINANCIAL STATEMENTS

FIMAG Finanz Industrie Management AG,
Spittal an der Drau

Basic Principles

The consolidated financial statement of FIMAG Finanz Industrie Management AG, with reporting date 31 December 2005, was drawn up under application of Article 245a Paragraph 2 of the Austrian Commercial Code (HGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Applied were exclusively those standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union. Further reporting requirements of Article 245a Paragraph 1 of the Austrian Commercial Code (HGB) were fulfilled as well.

In addition to the profit-and-loss account and the balance sheet, a cash flow statement was drawn up in accordance with IAS 7 and the changes in equity will be shown (IAS 1). The group notes will further include a segment report in accordance with IAS 14.

In order to improve the clarity of the representation, various items in the balance sheet and the profit-and-loss account have been combined. These items have been shown separately and are explained in the group notes. The profit-and-loss account has been drawn up in accordance with the total-cost method.

Changes to Accounting and Valuation Methods

The IASB has passed a series of changes to the existing body of IFRS as well as several new IFRS standards which must be applied as of 1 January 2005. The first-ever application of the IFRS standards mentioned essentially had the following consequences on FIMAG's consolidated financial statement as of 31 December 2005:

IAS 1 Presentation of Financial Statements

IAS 1 (2003) requires the presentation of a classified balance sheet separating current and non-current assets and liabilities. The balance sheet thus reports assets and liabilities as long or short-term. Assets and liabilities are classified as short-term if they are held for trading within the next twelve months or if they can be realized/settled within the enterprise's normal operating cycle.

The item Other Financial Assets includes stakes held in associated companies, other investments, loans and long-term security investments.

The stakes held by other shareholders are posted as special items in the Statement of Shareholders' Equity. Changes in minority holdings are reflected in the Statement of Changes in Shareholders' Equity.

Reserves for pensions, severance pay and similar liabilities are shown in Long-Term Liabilities, in accordance with their character.

Deferred Taxes are to be classified in the balance sheet fundamentally as long-term. Asset and liability accruals and deferrals are no longer posted as special items in the balance sheet, but instead will be classified under Other Assets and Receivables or Other Liabilities.

IAS 39 Financial Instruments: Measurement and Recognition

Financial assets classified as available-for-sale are on initial recognition valued according to acquisition costs and later measured at fair value in the balance sheet if reliable assessment of value is possible. Previously, fair value changes had been recognized directly in the balance sheet. As of 2005, fair value changes above the cost of acquisition are recognized directly in equity; changes below the cost of acquisition are recognized directly in the financial results.

It was further decided to apply the following accounting changes in accordance with the recommendations of the IASB across the group effective 1 January 2005:

IAS 19 (2004) Employee Benefits

In December 2004, the IASB approved an amendment to IAS 19 (Employee Benefits) to allow the recognition of actuarial gains and losses in full in the period in which they occur, outside profit or loss, in a statement of recognized income and expense. Furthermore, the changes require a more detailed accounting of post-employment benefits. IAS 19 (2004) takes effect for accounting periods beginning on or after 1 January 2006.

Previously, actuarial gains and losses were recognized directly in the period in which the benefit was earned. In accordance with the IASB recommendations, the actuarial gains or losses were recognized in full in the period in which they occurred, outside profit or loss. The values of the previous year were adapted to the new rules, resulting in an actuarial gain for 2004 of € 4.449m before deferred taxes of **€** 705,000. The individual segment results were amended as well.

Future Changes to Financial Reporting Requirements

The IASB and the IFRIC have approved further standards and interpretations, not yet mandatory for the 2005 accounting year. The new standards and interpretations are as follows:

IFRS 7 (Financial Instruments: Disclosures) is effective for annual periods beginning on or after 1 January 2007.

IFRIC 4 (Determining Whether an Arrangement Contains a Lease) is effective for annual periods beginning on or after 1 January 2006.

The future application of these standards and interpretations will not significantly affect the consolidated financial statement.

Basis of Consolidation

The consolidated financial statement as of 31 December 2005 includes FIMAG Finanz Industrie Management AG as well as all major domestic and foreign subsidiaries where FIMAG Finanz Industrie Management AG either directly or indirectly holds a majority of the voting rights. Major associated companies are reported in the balance sheet using the equity accounting method.

The annual financial statements of all major fully consolidated domestic and foreign companies, as well as those subject to statutory audit according to national regulation, were audited by independent chartered accountants and issued with unqualified audit opinions.

Not included were 245 (2004: 170) associated companies whose influence on the group’s asset, finance and profit situation is insignificant. The construction work performed by the subsidiaries not included in the consolidated financial statement comes to less than 1.3% of the total construction volume.

Companies included in the 2005 consolidated financial statement are given in the list of associated companies (Appendix 2 to the Notes).

The financial year is identical to the calendar year for all consolidated and associated companies.

The basis of consolidated companies changed in the 2005 accounting year as follows:

	full consolidation	**equity valuation**
Situation on 31.12.2004	185	11
First-time inclusions in year under report	45	3
Mergers/accruals in year under report	-3	0
Exclusions in year under report	-7	-2
Situation on 31.12.2005	**220**	**12**

The following companies formed part of the BASIS OF CONSOLIDATION for the first time on the reporting date:

Company	Currency	Nominal Capital	Stake %	Date of Acquisition / Formation
Full Consolidation:				
– Geschäfts-und Bürohaus Sterneckstraße Errichtungs- und Betriebs GmbH, Vienna	T€	35	100.00%	01.01.2005 [1)]
– BL Baulogistik GmbH, Stuttgart	T€	250	100.00%	17.11.2005
– Dálnicní stavby Praha, a.s., Prague	TCZK	136,000	100.00%	14.02.2005
– Dyckerhoff & Widmann AG and Partner LLC, Oman	TOMR	150	100.00%	14.02.2005
– DYWIDAG Bau GmbH, Munich	T€	25	100.00%	14.02.2005
– DYWIDAG-Holding GmbH, Cologne	T€	500	100.00%	14.02.2005
– DYWIDAG International GmbH, Aschheim	T€	5,000	100.00%	14.02.2005
– Dywidag Saudi Arabia Limited, Riyadh	TSAR	10,000	100.00%	14.02.2005
– DYWIDAG Schlüsselfertig und Ingenieurbau GmbH, Munich	T€	25	100.00%	14.02.2005
– Eberhardt Bau-Gesellschaft mbH, Berlin	TDEM	300	100.00%	01.01.2005 [1)]
– Ed. Züblin AG, Stuttgart	T€	20,452	53.60%	17.11.2005
– HEILIT Unwelttechnik GmbH, Düsseldorf	T€	100	100.00%	14.02.2005
– HEILIT + WOERNER Bau GmbH, Munich	T€	18,000	100.00%	14.02.2005
– HEILIT + WOERNER Budowlana sp. z o.o.,Wroclaw	TPLN	16,140	100.00%	14.02.2005
– Industrielles Bauen Betreuungsgesllschaft GmbH, Stuttgart	T€	256	100.00%	17.11.2005
– INSOND Gesellschaft mbH, Vienna	T€	1,500	100.00%	17.11.2005
– Mischek Leasing eins Gesellschaft m.b.H., Vienna	T€	36	100.00%	01.01.2005 [1)]
– Niersberger Gebäudemanagement GmbH & Co. KG, Erlangen	T€	100	75.00%	17.11.2005
– Nordpark Errichtungs-und Betriebs GmbH, Innsbruck	T€	35	100.00%	01.01.2005 [1)]
– Pyhrn Concession Holding GmbH, Cologne	T€	38	100.00%	14.02.2005
– Pyhrn Motorway GmbH, Aschheim	T€	26	100.00%	14.02.2005
– Rodinger Ingenierbau GmbH, Roding	T€	30	100.00%	31.07.2005
– SAT s.r.o., Prague	TCZK	1,000	100.00%	01.01.2005 [1)]
– SF-Ausbau, GmbH, Freiberg	T€	600	100.00%	17.11.2005
– Slask sp. z o.o., Katowice	TPLN	294	51.01%	17.11.2005
– Strabag Inc., Toronto	TCAD	0	100.00%	25.08.2005
– TPA Societate pentru asigurarea calitatii si inovatii SRL, Bucharest	TRON	0	100.00%	28.12.2004
– Z-Bau GmbH, Magdeburg	T€	100	100.00%	17.11.2005
– ZUCOTEC Sociedade de Construções, Lda., Lisbon	T€	200	100.00%	17.11.2005
– Züblin Baugesellschaft m.b.H., Vienna	T€	2,544	100.00%	17.11.2005
– Züblin Holding Ges.mbH, Vienna	T€	35	100.00%	17.11.2005
– Züblin Hrvatska d.o.o., Zagreb	THRK	20	100.00%	17.11.2005
– Züblin International Chile Ltda., Santiago de Chile	TCLP	5,969	100.00%	17.11.2005
– Züblin International GmbH, Stuttgart	T€	2,500	100.00%	17.11.2005
– Züblin International Malaysia Sdn.Bhd, Kuala Lumpur	TMYR	1,000	100.00%	17.11.2005
– Züblin Kft., Budapest	THUF	3,000	100.00%	17.11.2005
– Züblin Projektentwicklung GmbH, Stuttgart	T€	2,556	100.00%	17.11.2005
– Züblin Scandinavia A/S, Viby	TDKK	500	100.00%	17.11.2005
– Züblin Scandinavia AB, Sollentuna	TSEK	100	100.00%	17.11.2005
– Züblin Shanghai Changijang Construction Engineering Co. Ltd, Shanghai	TCNY	29,312	75.00%	17.11.2005
– Züblin sp. z o.o., Poznań	TPLN	2,500	100.00%	17.11.2005
– Züblin Spezialtiefbau GmbH, Stuttgart	T€	3,068	100.00%	17.11.2005
– Züblin spol s.r.o., Prague	TCZK	100	100.00%	17.11.2005
– Züblin Stahlbau GmbH, Hosena	T€	1,534	100.00%	17.11.2005
– Züblin Umwelttechnik GmbH, Stuttgart	T€	2,000	100.00%	17.11.2005
at-equity:				
– AMH Asphaltmischwerk Hellweg GmbH, Erwitte	T€	800	30.00%	01.01.2005
– DIRECTROUTE (FERMOY) CONSTRUCTION LIMITED, Dublin	T€	0	25.00%	01.01.2005
– Viamont DSP a.s.	TCZK	180,000	50.00%	14.02.2005

1) Due to their increased business volume, these companies were included in the group's circle of fully consolidated companies for the first time on 1 January 2005. The companies were established or acquired before 1 January 2005.

The total volume of first-time consolidations involves primarily the acquisition of the Dywidag International Group, the Dywidag Holding Group, the Züblin Group and a subsequent increase of the purchase price for Strabag AG, Cologne.

With the contract for purchase and transfer of 14 February 2005 and the supplemental deed of 11/12 April 2005, all shares of Dywidag International GmbH and Dywidag Holding GmbH, as well as 4.9% of the shares of Ed. Züblin AG, Stuttgart, were acquired from Werner Schneider, insolvency administrator of the assets of Walter-Bau AG, Augsburg. A further 48.702% of the shares of Ed. Züblin AG, Stuttgart, were acquired with the stock purchase agreement of 17 November 2005.

Significant one-off losses were accrued in the Dywidag Holding Group following acquisition, which were fully entered in the 2005 consolidated financial statement.

Assuming a fictitious first-time consolidation on 1 January 2005 for all additions in the accounting year, the consolidated revenue would amount to € 8,099,885,000 and consolidated earnings would have increased by a total of € 28,095,000 in the 2005 financial year.

The purchase price can be broken down into assets and liabilities as follows:

	Züblin Group **T€**
Acquired assets and liabilities:	
Goodwill	13,987
Other non-current assets	183,228
Current assets	652,126
Increase in minority interest in equity	-48,372
Non-current liabilities	-196,598
Current liabilities	-536,371
Purchase price	**68,000**
Acquired cash and cash equivalents	-195,642
Net inflow from the acquisistion	**-127,642**

The Züblin Group is one of Germany's leading companies in the field of turnkey building construction as well as in specialized groundwork and civil engineering and is very successful in large projects internationally as well. The goodwill of € 13.987m arising from the acquisition can be attributed particularly to the acquisition of new expertise in the field of tunnelling and civil engineering, in addition to the regional expansion.

The acquired companies of the Züblin Group did not influence group revenue or consolidated earnings in 2005.

	Dywidag Holding Group **T€**
Acquired assets and liabilities:	
Goodwill	16,140
Other non-current assets	27,697
Current assets	163,387
Non-current liabilities	-41,823
Current liabilities	-112,426
Purchase price	**52,975**
Acquired cash and cash equivalents	-32,262
Net outflow from the acquisition	**20,713**

The goodwill of € 16.140m arising from the acquisition of the DYWIDAG Holding Group can primarily be attributed to the strengthening of the market position in concrete construction, particularly in Germany, the Czech Republic and Poland. A part of the goodwill arises from the added know-how in civil engineering.

	Dywidag International Group T€
Acquired assets and liabilities:	
Other non-current assets	18,817
Current assets	127,463
Non-current liabilities	-3,118
Current liabilities	-113,248
Purchase price	**29,914**
Acquired cash and cash equivalents	-20,812
Net outflow from the acquisition	**9,102**

Due to an earn-out provision, subsequent acquisition costs of € 19.867m accrued in the 2005 accounting year for the acquisition of Strabag AG, Cologne. These costs were fully recognized as goodwill during the process of consolidation.

The remaining first-time consolidations involve new businesses and stock acquisitions whose purchase price includes cash amounts and assumption of liabilities. These resulted in insignificant balances which were recognized directly in the 2005 accounting year.

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

As of 31 December 2005, the following companies were no longer included in the group's basis of consolidated companies:

Full Consolidation:	
– Bautest CZ s.r.o., Prague	reduction of business activity
– Cottbuser Frischbeton GmbH, Cottbus	reduction of business activity
– Bürozentrum Honauerstraße Projektentwicklungsgesellschaft m.b.H., Vienna	reduction of business activity
– Dipl. Ing. H.K. Mischek Gesellschaft m.b.H., Vienna	merger with Mischek Systembau GmbH, Vienna
– LIMET Beteiligungs GmbH & Co. Objekt Berlin KG, Munich	accrual to STRABAG AG, Cologne
– Mischek Systembau, Vorfertigungs u. Logistik GmbH, Vienna	merger with Mischek Systembau GmbH, Vienna
– Shopping Center d.o.o., Zagreb	sale to third parties
– H.I.C. Gesellschaft für Projektierung und Bau von sozialen Einrichtungen mbH, Bremen	reduction of business activity
– Kieswerk Hohenwarthe GmbH, Hohenwarthe	reduction of business activity
– STRABAG Trappenkamp GmbH, Trappenkamp	reduction of business activity
at-equity valuation:	
– CSE Centrum-Stadtentwicklung GmbH, Cologne	reduction of business activity
– PWG-Bau Pfersee Wohn- und Gewerbebauträger GmbH & Co. KG, Munich	reduction of business activity

Methods of Consolidation

The financial statements of the domestic and foreign companies included in the consolidation are drawn up in accordance with uniform methods of accounting and valuation. The annual financial statements of the domestic and foreign group companies are adapted accordingly; insignificant deviations remain unchanged.

Capital consolidation was made according to the book value method up to 31 March 2004, whereby the proportional equity at the point of the first-time inclusion is offset by the respective participation book value. Following the allocation, the remaining differing amounts on the assets side are capitalized (as of 1 January 1995) as goodwill and amortized using the straight line method. A balance arising beforehand on the assets side was offset with the retained earnings.

For acquisitions after 31 March 2004, capital consolidation is made in accordance with the stipulations contained in IFRS 3. All assets and debts of the subsidiary companies are recorded at the accompanying values. The proportional equity thereby determined is offset by the participation book value. A balance on the assets side, which is allotted to special, identifiable intangible assets acquired in the course of business mergers, is recognized separately from the goodwill. If a useful life can be allocated to these assets, the planned amortization is made over the projected useful life. Intangible assets with an undefined useful life are tested annually for their intrinsic value and amortized if necessary on the basis of an impairment test.

Any remaining balance on the assets side is capitalized as goodwill and submitted once annually to an impairment test in accordance with IAS 36. The impairment test identifies cash-generating units and assigns them a goodwill value. If the book value of a cash-generating unit including its goodwill exceeds the highest of its fair value or its value in use, an impairment loss must be recognized. As of the 2005 financial year, there will be no more planned amortization goodwill.

In the 2005 financial year, € 50.143 m in goodwill arising from capital consolidation were recognized as asset.

The balance on the liabilities side in the capital consolidation is recorded directly as affecting the profit and loss account. In the 2005 accounting year, a balance on the liabilities side of € 2.954 m resulted from retained earnings, which are classified as Other Operating Income.

The same principles of capital consolidation are applied to holdings included under the equity method as in the case of fully consolidated companies, whereby the respective last available financial statement serves as the basis for the equity consolidation. In the case of companies recognized under the equity method, the local valuation principles are kept only in the event of insignificant differences. A goodwill of € 6.790 m (2004: € 4.791 m) in the account balance results from the first-time equity evaluation of the newly acquired companies.

Within the framework of debt consolidation, outstanding trade debts, lendings and other receivables are posted with the corresponding liabilities and provisions of the subsidiaries included in the consolidated financial statement.

Expenses and revenue from group-intern trade have been eliminated. Interim results incurred from group-intern trade transactions in the fixed and current assets have been cancelled if they are of importance.

Minority interests in equity and in the earnings of companies controlled by the parent company are shown separately in the consolidated financial statement.

The necessary tax deferrals are made for consolidation procedures.

Currency Translation

The group currency is the euro. The financial statements for foreign companies are converted into euros according to the functional currency concept (IAS 21). In all companies this is the respective local currency.

All balance sheet items are converted at the mean foreign exchange rate at the balance sheet date. Expense and income items are converted at the average annual rate.

In the course of the capital consolidation, exchange rate differences of € 6.563 m are recognized in the equity during the 2005 financial year with no effect on the operating result. The currency translation differences between the cut-off date for the balance sheet and the average price of the profit and loss account are allocated to equity.

The inclusion of currency hedging which do not affect the profit and loss account increased the retained earnings by **€** 8.280 m.

Restatements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) were not made as these were immaterial.

Methods of Accounting and Valuation

Tangible and Intangible Assets

Acquired tangible and intangible assets are recognized at their original price or cost of production minus planned and unplanned depreciation. Both the direct and the appropriate parts of overhead costs for the self-constructed plants are included in the production costs.

Goodwill and intangible assets without a determinable useful life are subjected to an annual impairment test in accordance with IAS 36 based on which the valuation adjustment is undertaken.

The planned write-off of depreciable fixed assets is made according to the straight line method in accordance with the forseeable useful life. If there is an indication that an asset may be impaired and if the present value of the future cash surpluses is lower than the book value, then the asset's recoverable amount must be calculated in accordance with IAS 36.

The following useful lives were assumed in the determination of the rate of depreciation:

	Useful Life in Years
Intangible Assets:	
Property Rights	5 – 20
Software	2 – 5
Patents, Licences	3 – 10
Tangible Assets:	
Buildings	10 – 50
Investments in Third-Party Buildings	5 – 40
Machinery	3 – 18
Equipment/Furnishings	3 – 15
Vehicles	4 – 10

Subsidies and investment allowances are deferred from the respective asset value and appropriated as planned according to the useful life.

Leasing contracts on assets on which all the chances and risks essentially lie with the company are treated as finance leases. The fixed assets underlying these leasing agreements are capitalized at the present value of the minimum payments at the beginning of leasing relations and depreciated over the forseeable useful life or over shorter contract terms. These are offset by the liabilities arising from future leasing payments, whereby the former are recognized at the present value of the outstanding obligations at the balance sheet date.

In addition there are leasing agreements for tangible assets, which are regarded as operating leases. Leasing payments resulting from these contracts are recognized as expenditure.

Financial Assets

In accordance with IAS 28, shares in associated companies are evaluated at equity – in as far as they are not shares of minor significance. For purpose of transition to IFRS, the financial statements of the major companies evaluated in accordance with the equity method are to be adapted to IFRS in terms of accounting and valuation. The revaluation will be made on the basis of estimations if the companies to be valued at equity do not report in accordance with IFRS.

Subsidiaries which are not consolidated and holdings which are not reported at equity are reported at their historical cost or with the accompanying fair value in accordance with IAS 39 in as far as this value can be reliably determined.

Interest-bearing lendings are, as long as no value deductions are necessary, reported at nominal value. Interest-free or low-interest-bearing loans are discounted to their present value.

All securities in the fixed assets are classified in accordance with IAS 39 as available-for-sale. They are reported at cost at the date of acquisition and evaluated in later periods at the respective market value. The market values of the securities result from the official price at the balance sheet date.

The majority of securities are held to cover severance payments and pensions provisions.

Deferred Taxes

Deferred taxes are measured using the balance sheet liability method for all variances between the valuation of the balance sheet items in the IFRS consolidated financial statement and the existing tax value at the individual companies. Furthermore, any realizable tax advantage from existing loss carryforwards will be included in the calculation. Exceptions to this comprehensive tax deferral are balances from non-tax-deductible goodwill.

Deferred tax assets may only be recognized if the associated tax advantage s i likely to be realizable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal in their value difference.

Inventories

Inventory costs should include cost of purchase and production and are required to be stated at the lower of cost and net realizable value.

Production costs include all direct costs as well as appropriate parts of overhead arising in the production. Distribution costs, as well as costs for general administration, are not included in the production costs. The interest on borrowing in connection to the production is not capitalized.

Accounts Receivable and Other Assets

Trade receivables, receivables for services rendered and other receivables are evaluated at their nominal value minus valuation adjustments for realizable individual risks. Graduated valuation adjustments are formed according to risk groups in order to take general loan risks on customer receivables into consideration.

Non-interest bearing and low-interest-bearing receivables are discounted. Foreign currency receivables are evaluated on the balance sheet date at the valid exchange rate or, in the case of hedging, at the hedged rate.

In the case of receivables from construction contracts, the results are realized according to the percentage of completion method (IAS 11). The output actually attained by the balance sheet date serves as a benchmark for the degree of completion. Impending losses from the further construction process are accounted for by means of appropriate depreciations.

When the performance to be evaluated is provided within the framework of a construction contract and exceeds the payments received for it, then this is shown on the assets side under Receivables from Construction Contracts. Vice versa, this is reported on the liabilities side under Liabilities from Construction Contracts.

The results, in the case of construction contracts, which are carried out in special partnerships are realized according to the percentage of completion method in accordance with the degree of completion on the balance sheet date. Impending losses arising from further construction work are accounted for by means of appropriate depreciations. Receivables from or liabilities to consortia include the proportional contract result as well as capital contributions, in- and out-payments and charges resulting from services.

The valuation of other assets is made at purchase cost minus extraordinary depreciation.

Provisions

Provisions for severance pay are created as a result of statutory regulations. The group is obliged to pay a one-off severance payment to employees of domestic subsidiaries in the case of dismissal or at retirement.

The level of this payment depends on the number of years at the company and amount due at the time of severance and comes to between 2 and 12 monthly salaries. A provision is made for this obligation.

The provision for severance payments is determined by using actuarial expertise. Here the future claim over the length of employment of the employees is collected while taking any future pay rises into consideration. The present value of the partly earned partial-claims on deadline day is recognized as the provision.

Pension provisions are calculated according to the projected unit credit method (IAS 19). This method determines the discounted pension claim acquired up to the balance sheet date. Due to the commitment of fixed pensions, it is not necessary to consider expected future salary rises as part of the actuarial parameters.

The effect in value of the change to these assumptions is recognized as actuarial gains and losses and is fully and directly recognized in the profit and loss account. Service costs are recognized in the personnel expenditure, the proportion of the interest in the allocation of provisions in the financial result.

Old-age-part-time indemnity payments are determined according to the same actuarial principles as the pension provisions.

The conditions applied to calculate the severance and pension provisions for discounting, pay rises and fluctuation vary from country to country depending on the economic situation. Life expectancy is calculated according to the respective country's mortality tables.

The other provisions take into consideration all realizable risks and uncertain obligations. They are recognized at the respective amount, which is necessary at the balance sheet date according to commercial judgement in order to cover future payment obligations, realizable risks and uncertain obligations within the group. Hereby the respective amount is recognized, which arises as the most probable on careful examination of the facts. Long-term provisions are, in as far as they are not immaterial, entered into the accounts at their discounted discharge amount on the balance sheet date. The discharge amount also includes the cost increases to be considered on the reporting date. Provisions which arise from the obligation to recultivate gravel sites are allocated according to the rate of utilization.

Liabilities

Liabilities are basically recognized at the repayment amount. Foreign currency liabilities are evaluated at the mean foreign currency rate at the balance sheet date. Interest free liabilities, especially those from finance leasing liabilities, are accounted at the present value of the repayment obligation.

Costs related to the issue of corporate bonds are capitalized in the year of issue and portionately deducted over the term.

Contingent Liabilities

Contingent liabilities are possible or existing obligations with which an outflow of resources is not probable. They are not recognized in the balance sheet. The reported obligation volumes of the contingent liabilities correspond to the extent of liability on the balance sheet date.

Notes on the Items in the Consolidated Profit and Loss Account

(1) Revenue

The revenue of € 6,955,797,000 (2004: € 5,222,905,000) is attributed in particular to revenue from construction contracts, revenue from own projects, trade to and services for consortia, as well as other services and proportionally acquired profits resulting from special partnerships. Revenue from construction contracts containing the annualized part of profits according to the level of completion of the respective contract (percentage of completion method) amount to € 6,379,703,000 (2004: € 4,675,048,000).

Revenue according to business fields and regions are represented individually in the segment information.

Revenue provides only an incomplete picture of the output achieved in the business year. Additionally, therefore, the total output of the group is represented, which includes the proportional output of special partnerships and associates (including Züblin Group):

	2005 in mio €	**2004 in mio €**
Germany	3,523	1,970
Austria	1,924	1,568
Hungary	938	678
Czech Republic	714	504
Poland	433	276
Switzerland	295	183
Slovakia	253	219
Croatia	241	98
Benelux	209	196
Other Countries	785	272
	9,315	**5,964**

(2) Other Operating Income

	2005 T€	**2004 T€**
Income from disposal and write-up of fixed assets excluding financial assets	21,539	24,845
Income from reversal of provisions	3,063	9,208
Other	125,299	102,914
	149,901	**136,967**

The other remaining operating income includes revenue from letting and leasing, insurance compensation, appropriation of valuation adjustments, as well as revenue from re-charging and exchange rate differences.

(3) Cost of Material and Services

	2005 T€	**2004 T€**
Material Costs	1,621,586	1,185,929
Costs of Services	3,398,021	2,423,529
	5,019,607	**3,609,458**

Costs for services are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, machine rentals and third-party repairs.

(4) Personnel Expenditure

	2005 T€	2004 T€
Wages	557,586	485,651
Salaries	554,610	453,376
Social Security and Related Costs	266,238	225,924
Expenditure for Severance Payments and contributions to Company Pension Fund	7,830	6,688
Expenditure for Pensions Payments and similar Liabilities	3,564	3,990
Other Social Expenditure	12,048	9,880
	1,401,876	**1,185,509**

The expenditure for severance pay, contributions to the company pension fund, pensions and similar obligations include the expenditure for service costs and indemnity claims resulting from old-age-part-time claims in the business year. Actuarial gains and losses were recognized in full in the equity, outside profit or loss, in accordance with the amendments to IAS 19 (2004); the 2004 figures were adjusted accordingly. The proportion of interest included in the expenditure for severance payments as well as for pensions and other obligations are recognized under the financial result.

The **average number of employees** with the proportional inclusion of all associated companies (including the Züblin Gruppe) is as follows:

	2005	2004
Salaried Employees	16,805	12,207
Labourers	27,708	21,080
	44,513	**33,287**

(5) Depreciation on Tangible and Intangible Assets

Ordinary and extraordinary depreciations on tangible and intangible assets are represented in the Consolidated Statement of Changes in Fixed Assets. In the year under report, extraordinary depreciation on tangible assets to the amount of € 402,000 were made (2004: € 61.668 m). As a result of the restructuring of 2004 and 2005, the goodwill (customer relations, brand name and project volume) of the former locations was no longer ascertainable. Furthermore a lasting negative profit situation and a reduced volume of construction work at other operating units led to depreciations totalling € 15.188m.

(6) Other Operating Expenses

The other operating expenses of € 400.981 m (2004: € 311.496 m) mainly include general administrative costs, travel and advertising costs, insurance premiums, proportional transfer of losses from special partnerships, devaluation of receivables, the account balance from the allocation and utilisation of provisions, legal and advisory costs, rental and lease costs and losses from the sale of assets (excluding financial assets). Other taxes amounting to € 27.479 m (2004: € 26.704 m) are included.

Spending on research and development arose in various special technical proposals, in connection with concrete competitive projects and in the introduction of building processes and products onto the market, and was therefore recognized in full in the profit and loss account.

(7) Share of Profit of Associated Companies

	2005 T€	2004 T€
Income from investments in associates	6,980	11,282
Expenses arising from investments in associates	-1,556	-3,385
	5,424	**7,897**

(8) Earnings From Investments

	2005 T€	2004 T€
Earnings from investments (of this amount T€ 5,249 from associates; 2004: T€ 8,557)	19,691	22,365
Expenses arising from investments (of this amount T€ 2,932 from associates; 2004: T€ 7,568)	-2,473	-11,116
Earnings from the sale and write-up of investments	939	4,768
Depreciation on investments (of this amount T€ 3,350 from associates; 2004: T€ 3,879)	-15,958	-7,045
Expenses arising from disposal of investments	-2	-299
	2,197	**8,673**

Previously, valuation changes with investments classified as available-for-sale were recognized as affecting current-period results. As of 2005, valuation changes will be calculated in the equity above the historical purchase costs, outside of profit or loss.

Furthermore, within the framework of IAS 39 valuation, depreciations were made on the remaining investment holdings as well.

(9) Other Financial Results

	2005 T€	2004 T€
Interest and similar income (of this amount, T€ 2,703 from associates; 2004: T€ 1,203)	35,458	29,175
Interest and similar expenses (of this amount, T€ 2,066 from associates; 2004: T€ 924)	-65,863	-50,890
Net interest income	**-30,405**	**-21,715**
Other financial income	2,463	2,569
Other financial expenses	-472	-1,205
Other financial results	**1,991**	**1,364**
	-28,414	**-20,351**

Included in interest and similar expenditure are interest components from the allocation of severance payment and pension provisions amounting to € 9.568 m (2004: € 10.008 m).

(10) Income Tax

Income tax includes taxes paid in the individual companies or owed on income and revenue, as well as deferred taxes and the payments of back taxes resulting from tax audits:

	2005 T€	2004 T€
Actual Taxes	44,826	24,113
Deferred Taxes	-4,677	1,489
	40,149	**25,602**

The reasons for the difference between the Austrian corporate income tax rate of 25 % valid in 2005 and the actual consolidated tax rate are as follows:

	2005 T€	2004 T€
Earnings before taxes	134,715	91,350
Theoretical tax expenditure 25 % (2004: 34 %)	33,679	31,059
Differences to foreign tax rates	-2,530	-12,923
Non-tax-deductible expenses	6,635	1,337
Tax-free earnings	-4,629	-22,682
at-equity effects	-620	7,858
Amortization of goodwill	2,123	-768
Payment of back taxes	1,463	0
Change in tax rate	0	17,608
Other	-4,816	-4,574
Change of valuation adjustment on deferred tax assets	8,844	8,687
Recognized income tax expenditure	**40,149**	**25,602**

Notes on Items in the Consolidated Balance Sheet

The composition and changes in tangible and intangible assets is shown apart in Appendix 1 to the Notes (Consolidated Statement of Changes in Fixed Assets).

(11) Tangible and Intangible Assets

Due to existing finance leasing contracts, the following book values are included in the tangible assets on the balance sheet date:

	31.12.2005 T€	31.12.2004 T€
Real estate leasing	45,209	32,059
Machinery leasing	25,488	7,891
	70,697	**39,950**

Offset against these are liabilities arising from the present value of leasing obligations amounting to € 61.920 m (2004: € 38.423 m).

The terms of the finance leases for real estate are between 4 and 20 years, while those for the machine leases are between 2 and 5 years.

In subsequent business years the following liabilities will arise from leases:

	31.12.2005 T€	31.12.2004 T€
Term up to one year	16,837	9,371
Term between one and five years	29,444	17,659
Term over five years	18,274	21,409
	64,555	**48,439**

In addition to the finance leases, there are also operating leases for the utilization of technical plants and machines. The expenditure from these contracts is recognized as affecting the profit and loss. The payments made for the 2005 business year amount to € 47.216 m (2004: € 32.905 m).

Payment obligations arising from operating lease agreements in subsequent business years are represented as follows:

	31.12.2005 T€	31.12.2004 T€
Term up to one year	20,201	16,810
Term between one and five years	47,248	39,061
Term over five years	57,644	62,668
	125,093	**118,539**

Effective 22 December 2005, a syndicated aval loan was signed with joint liability on the part of the companies belonging to the group to replace the previous aval loan.

As a result, the mortgage on group properties in the amount of € 98.2 m (2004) and the collateralization of the stake in Deutag GmbH & Co KG, Linz, which served as security for the aval credit lines, were dissolved. On the reporting date, mortgage liabilities of € 73.9 m to secure the aval loan still remained from parts of the Züblin Group. These were also dissolved at the beginning of 2006. The aval credit will now be secured almost exclusively within the framework of the syndicated loan agreement. On the reporting date, there were real securities for other aval loans of € 4.5 m.

On the balance sheet date there were no significant liabilities concerning the acquisition of tangible assets which have not been considered in the financial statement.

(12) Financial Assets

Detailed information on the group's holdings (shares of more than 20%) can be found in the list of holdings.

The development of the financial assets in the year under review was as follows:

	Balance on 1.1.2005 T€	Currency Translation T€	Changes in Basis of Consolidation T€	Additions T€	Transfers T€	Disposals T€	Write-Downs T€	Balance on 31.12.2005 T€
Investments in associates	45,495	0	9,968	13,276	0	3,897	0	64,842
Investments in related parties	36,654	-6	27,989	15,480	521	966	3,350	76,322
Lendings to related parties	0	0	385	0	0	0	0	385
Holdings	108,335	78	9,946	14,506	-521	7,433	12,608	112,303
Lendings to companies with which there is an investment relation	6,159	0	43	738	0	1,140	0	5,800
Securities	29,568	0	0	1,784	0	5,339	-775	26,788
Other lendings	83,300	0	0	1,623	0	751	0	84,172
	309,511	**72**	**48,331**	**47,407**	**0**	**19,526**	**15,183**	**370,612**

Of the securities, € 22.098 m (2004: € 22.192 m) have been pledged as collateral for sector-typical liabilities.

(13) Deferred Taxes

Temporary differences in amounts stated in the IFRS financial statement and the respective tax amounts stated affect the tax accruals and deferrals recognized in the balance sheet as follows:

	31.12. 2005		31.12.2004	
	Assets T€	**Liabilities T€**	**Assets T€**	**Liabilities T€**
Tangible and Intangible Assets	6,533	-36,526	7,853	-9,718
Financial Assets	1,891	-2,848	1,891	-507
Inventories	6,334	-172	0	0
Accounts Receivable and Other Assets	37,110	-112,785	30,929	-43,694
	51,868	-152,331	40,673	-53,919
Provisions	70,542	-58,154	54, 699	-5,383
Liabilities	81,916	-2,456	0	0
Tax Loss Carryforwards	91,555	0	54,244	0
Deferred Tax Assets/Liabilities	**295,881**	**-212,941**	**149,616**	**-59,302**
Netting out of deferred tax assets and liabilities to the same tax authorities	-209,424	209,424	-57,455	57,455
Deferred Taxes Netted Out	**86,457**	**-3,517**	**92,161**	**-1,847**

Based on the currently valid tax regulations, it can be assumed that a large part of the balances between the tax-related holdings and the proportional equity of the subsidiaries included in the consolidated financial statement which arises in the profits received remains tax-free. Therefore there was no accrual or deferral of taxes.

Deferred taxes on losses carried forward were capitalized as these can probably be offset with future taxable profits. No deferred tax assets were made for differences in book value on the assets side and tax losses carried forward of € 413.678 m (2004: € 399.282 m), as their effectiveness as final tax relief is not sufficiently assured.

(14) Inventories

	31.12.2005 T€	31.12.2004 T€
Raw materials, auxiliary supplies and fuel	95,055	97,463
Finished works, goods and buildings	134,608	107,864
Unfinished works and buildings	285,534	258,021
Undeveloped ground	97,950	66,166
Payments made	5,570	11,342
	618,717	**540,856**

(15) Accounts Receivable and Other Assets

	31.12.2005 Total T€	31.12.2005 short-term T€	31.12.2005 long-term T€	31.12.2004 Total T€	31.12.2004 short-term T€	31.12.2004 long-term T€
Receivables from construction contracts	2,667,355	2,666,266	1,089	1,914,069	1,914,069	0
Payments rendered on these	-1,785,929	-1,785,929	0	-1,385,805	-1,385,805	0
	881,426	880,337	1,089	528,264	528,264	0
Other trade receivables and receivables for services rendered	811,721	769,192	42,529	596,694	497,131	99,563
Accounts receivable from special partnerships	299,049	299,049	0	131,751	131,751	0
Trade receivables and receivables for services rendered	**1,992,196**	**1,948,578**	**43,618**	**1,256,709**	**1,157,146**	**99,563**
Accounts receivable from related parties	62,526	56,272	6,254	40,038	34,879	5,159
Receivables from companies with which there is and investment relation	29,534	27,541	1,993	36,584	32,782	3,802
Other accounts receivable and accruals and deferrals	208,076	183,154	24,922	176,542	74,833	101,709
Other accounts receivable and other assets	**300,136**	**266,967**	**33,169**	**253,164**	**142,494**	**110,670**

Accounts receivable from construction contracts were as follows:

	31.12.2005 T€	31.12.2004 T€
(All contracts non invoiced for at balance sheet date)		
Costs incurred to balance sheet date	4,500,341	2,612,891
Profits arising to balance sheet date	162,003	72,243
Accumulated losses	-148,268	-115,757
Minus accounts receivable recognized under liabilities	-1,846,721	-655,308
	2,667,355	**1,914,069**

Receivables from construction contracts amounting to € 1,846,721,000 (2004: € 655,308,000) are recognized under liabilities, as payments received from these exceed the accounts receivable.

As is usual in the industry, the customer has the contractual right to retain part of the total amount of the invoice. These retainers are, however, redeemed as a rule by security (bank or group guarantees).

The group's short-term trade receivables and receivables for services rendered to the Republic of Iraq for the two building projects Expressway No. 1/Section 11 and Basra International Airport amount to € 59.5 m.

The framework of conditions for a rescheduling of the Republic of Iraq's debt concluded at the end of 2004 by the Paris Club resulted in a bilateral debt rescheduling and remission agreement between the Federal Republic of Germany and Iraq in the year under report. The group introduced claims of € 454.4 m including interest into the Iraq debt rescheduling. As the result of the debt remission agreement, these claims have been reduced to a base amount of € 91.4 m. The debt rescheduling will take place over a 23-year period including a six-year intial grace period. The redemption of the rescheduled debt by a one-off payment of € 59.5 m was concluded at the beginning of 2006. The redemption sum accrued in March 2006.

(16) Cash and Cash Equivalents

	31.12.2005 T€	31.12.2004 T€
Securities	10,236	1,499
Cash in hand	2,302	1,663
Cash at banks	543,319	209,237
	555,857	**212,399**

Of the cash and cash equivalents, € 1.023 m (2004: € 2.734 m) are pledged to secure guarantees.

(17) Group Equity

The fully-paid share capital amounts to € 53,937,920.00 and is split into 6,742,240 no par value shares.

The retained earnings include currency translation differences, statutory and mandatory retained earnings, hedging reserves, as well as equity changes not affecting operating results arising from actuarial gains/losses during the calculation of provisions for personnel and from the valuation of investments. The retained earnings also include the profit for the period as well as the result brought forward from previous periods of FIMAG Finanz Industrie Management AG and its included subsidiaries, in as far as these were not eliminated by the capital consolidation.

Details on the equity of the FIMAG-Group can be found in the Development of Group Equity (see Page 57 ff).

(18) Provisions

	Balance on 1.1.2005 T€	Reclassification T€	Currency Translation T€	Changes in Basis of Consolidation T€	Allocation T€	Appropriation T€	Utilisation T€	Balance on 31.12.2005 T€
Provisions for severance pay	48,990	0	0	807	8,828	0	4,245	54,380
Provisions for pensions	141,688	0	0	113,874	13,662	0	11,829	257,395
Provisions for taxes	10,863	0	-52	6,558	6,522	9	408	23,474
Other provisions:								
Construction-related provisions	207,826	-2,921	-1,206	38,740	99,070	2,016	43,604	295,889
Personnel-related provisions	118,834	-34,841	-606	20,521	77,116	33	66,974	114,017
Other provisions	77,496	2,921	-309	31,337	29,308	1,005	28,761	110,987
	605,697	**-34,841**	**-2,173**	**211,837**	**234,506**	**3,063**	**155,821**	**856,142**

The classification to the amount of € 34.841 m involves provisions made for holiday and comp-time, recognized as of 2005 as Other Current Liabilities.

Provisions for severance pay show the following development:

	2005 T€	2004 T€
Present value of the defined benefit obligation (severance pay) on 1 January	48,990	44,957
Changes in basis of consolidation	807	3,007
Service costs	2,181	2,233
Interest costs	2,430	2,487
Severance payments	-4,244	-5,876
Actuarial gains/losses	4,216	2,182
Present value of the defined benefit obligation (severance pay) on 31 December	**54,380**	**48,990**

The provisions for pensions are formed for obligations from the right to future pension payments and current payments to present and past employees and their dependents. The obligations primarily refer to retirement pensions. The individual commitments are generally determined according to the employment conditions of the employee at the time of the commitment (and length of service, salary of employee). Basically no new commitments have been awarded since 1999.

The company pension scheme consists of a non-fund-financed and performance-oriented pension system. In the case of performance-oriented pension systems, the company is obliged to fulfill payment commitments to present and past employees. There are no contribution-oriented pension systems in the form of financing by relief funds.

The amount of the provision is calculated using the acturial methods based on guidelines by Klaus Heubeck (Germany) or the AVÖ 1999 (Austria). This is based on a discounting rate of 4.75 % (2004: 5.25 %) for provisions for severance pay and pensions and a salary increase of 2.00 % (2004: 2.00 %) in the case of salary-related commitments. For future pension increases, a rate of escalation is set dependent on the contractual adaptation terms.

With reference to the company agreement concerning the old-age-part-time settlement, which had initially affected the operative German companies in the STRABAG Group in 2000, further additional obligations for retirement indemnity payments incurred. These obligations have been transferred to the STRABAG Unterstützungskasse GmbH, Cologne. The old-age-part-time indemnity payments are determined using the same basic principles as for the pension provisions. They are included in the group as a result of the full consolidation of the STRABAG Unterstützungskasse GmbH, Cologne.

The development of the **pension provisions** is shown below:

	2005 T€	**2004 T€**
Present value of the defined benefit obligation (pension) on 1 January	141,688	142,531
Changes in basis of consolidation	113,874	-174
Service costs	1,019	1,511
Interest costs	7,138	7,521
Pension payments	-11,829	-11,968
Actuarial gains	5,505	2,267
Present value of the defined benefit obligation (pension) on 31 December	**257,395**	**141,688**

The construction-related provisions include other warranty obligations, costs of the contract execution and subsequent costs of invoiced contracts, as well as impending losses from projects pending which are not accounted for elsewhere. The personnel-related provisions essentially include anniversary bonus obligations, contributions to occupational accident funds as well as costs of the old-age-part-time scheme and personnel downsizing measures.

(19) Liabilities

The liabilities can be represented as follows:

	31.12.2005 Total T€	31.12.2005 short-term T€	31.12.2005 long-term T€	31.12.2004 Total T€	31.12.2004 short-term T€	31.12.2004 long-term T€
Financial Liabilities:						
Bonds	225,000	0	225,000	150,000	0	150,000
Liabilities to banks	651,241	330,335	320,906	514,529	137,173	377,356
Liabilities from finance leases	61,920	8,899	53,021	38,423	4,618	33,805
Other liabilities, accruals and deferred income	3,703	0	3,703	0	0	0
	941,864	**339,234**	**602,630**	**702,952**	**141,791**	**561,161**
Liabilities from trade payables and payables for services rendered:						
Liabilities from construction contracts	-1,846,721	-1,846,721	0	-655,308	-655,308	0
Payments received from these	2,239,086	2,238,141	945	866,294	866,294	0
Other liabilities from trade payables and payables for services rendered	1,341,139	1,317,007	24,132	882,312	826,368	55,944
Liabilities to special partnerships	213,972	213,972	0	127,912	127,912	0
	1,947,476	**1,922,399**	**25,077**	**1,221,210**	**1,165,266**	**55,944**
Other Liabilities:						
Liabilities to associates	39,741	39,741	0	26,479	24,304	2,175
Liabilities to companies with which there is an investment relation	18,035	18,035	0	29,034	29,034	0
Other liabilities, accruals and deferred income	414,682	403,534	11,148	263,782	257,358	6,424
	472,458	**461, 310**	**11,148**	**319,295**	**310,696**	**8,599**

In order to secure liabilities to banks, real securities amounting to € 440.642 m (2004: € 212.700 m) have been booked.

(20) Contingent Liabilities

The company has accepted the following guarantees:

	31.12.2005 T€	31.12.2004 T€
Guarantees	68,212	179,888

Furthermore, as is usual in the industry, joint liability exists with the other partners in special partnerships in which companies of STRABAG SE participate.

(21) Notes to the Consolidated Cash Flow Statement

The representation of the cash flow statement was made according to the indirect method and separated into the payment streams resulting from operating, investment and financing activities. The cash and cash equivalents include exclusively cash in hand, cash at banks and short-term securities. Any effects of changes in consolidation were eliminated and represented in the cash-flow from investment activities.

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

	31.12.2005 T€	31.12.2004 T€
Securities	10,236	1,499
Cash in hand	2,302	1,663
Cash at banks	543,319	209,237
	555,857	**212,399**

(22) Financial Instruments

The financial instruments basically include primary and derivative financial instruments. Financial assets, trade receivables and receivables for services rendered, cash at banks, financial liabilities and liabilities arising from trade and services rendered form the most significant basis for the existing primary group financial instruments. The amount of primary financial instruments arises from the balance sheet.

Derivative instruments are exclusively used to secure existing risks in changes of currency and interest rates. The use of derivative financial instruments in the group is subject to the appropriate authorization and supervision processes. The connection to a mainstay business is a must, trading is not permissible.

STRABAG SE agreed a medium-term note programme of € 500 m in the 2001 business year. The first 3 tranches of € 50 m each were issued by STRABAG SE between 2002 and 2004. In June 2005, FIMAG Finanz Industrie und Management AG issued a 5-year € 75 m bond with an annual coupon of 4.25 %. Borrowing via the capital markets will become increasingly significant in the future. According to the market situation on the capital markets, further bonds are planned within the scope of the medium-term note programme. The corporate bond improves the matching of maturities in the financing structure.

Interest Risk

The financial instruments bear variable interest rates on the assets side, on the liabilities side there are both variable and fixed interest obligations. The risk of financial instruments bearing variable interest rates consists of increasing interest charges and sinking interest revenue resulting from an unfavourable change in market interest rates. Fixed interest liabilities/obligations mainly result from the tranches of the bonds issued by STRABAG SE and FIMAG Finanz und Industrie Management AG amounting to a total of € 225 m as well as from the derivative interest instruments.

As of 31 December 2005, the following hedging transactions existed:

	2005		**2004**	
	Nominal value T€	**Market value T€**	**Nominal value T€**	**Market value T€**
Interest Swaps	135,000	-795	135,000	-2,078
	0	0	10,000	46
		-795		**-2,032**

The amount of cash at and liabilities to banks according to currency – giving the average interest rate at balance sheet date – is represented as follows:

Cash at banks

Currency	**Book Value T€**	**Weighted average interest rate 2005**
EUR	394,068	2.05
CZK	75,600	1.07
PLN	39,859	2.88
HUF	10,328	4.37
Other	23,464	1.46
	543,319	

Liabilities to banks

Currency	**Book Value T€**	**Weighted average interest rate 2005**
EUR	588,453	3.84
HUF	44,611	6.56
USD	8,185	5.32
PLN	5,743	5.40
Other	4,249	4.03
	651,241	

Currency Translation Risk

Due to the decentralized nature of the group, characterized by local companies in the respective countries, mainly closed currency positions appear in the balance sheet. This means that accounts receivable and liabilities from business activities mainly offset each other in the same currency.

Loan financing and investments were predominantly made by the group companies in the respective country's local currency. In order to secure the remaining currency risk, derivative financial instruments, above all forward exchange deals, were transacted. The respective term is under one year.

On 31 December 2005 following hedging transactions existed:

		2005		2004	
	Currency	**Nominal Value**	**Market Value T€**	**Nominal Value**	**Market Value T€**
Currency Swaps					
	TCZK	934,000	-109	600,000	-38
	THUF	0	0	2,931,917	13
	THUF	0	0	331,776	0
	TPLN	120,175	8	13,600	9
	TSKK	65,000	1	0	0
	THRK	57,200	6	0	0
			-94		**-16**
Forward Exchange Transactions					
	THUF	0	0	13,140,000	1,169
	THUF	0	0	710,000	-9
	TPLN	151,366	2,525	419,204	9,624
	TPLN	0	0	50,787	-57
			2,525		**10,727**
			2,431		**10,711**

Development of the significant group currencies:

Currency	**Exchange Rate 31.12.2005 1 € =**	**Average Rate 2005 1 € =**	**Exchange Rate 31.12.2004 1 € =**	**Average Rate 2004 1 € =**
HUF	252.6650	248.6283	245.7727	250.5533
CZK	28.9900	29.7575	30.3900	31.8950
SKK	37.8700	38.5742	38.7300	40.0258
PLN	3.8686	4.0329	4.0877	4.5286
HRK	7.3625	7.3928	7.6600	7.4893
CHF	1.5555	1.5476	1.5437	1.5442

Credit Risk

The risk for accounts receivable from clients can, due to the wide dispersion and a constant creditworthiness check, be rated as very low.

The risk of default for other primary financial instruments shown on the assets side can also be regarded as low, as the contract partners are exclusively financial institutions with the highest level of creditworthiness. The maximum risk of default is the book values of each financial asset in the balance sheet.

Market Values

The market value of the financial assets and liabilities are depicted under the respective items. The market value of the derivate financial instruments was calculated on the basis of the recognised evaluation methods.

(23) Segment Reporting

The segments are presented according to business fields (primary segment reporting) and regions (secondary segment reporting). The segmentation according to business fields corresponds to the internal group reporting. Assets and liabilities as well as expenditure and income were attributed to the individual segments only in as far as they could be attributed directly or by applying an allocation according to the principle of causation to the respective segment. Items not attributed in this way are shown under Miscellaneous. This segment primarily includes group management, commercial administration, IT and machine management. The settlement between the single segments is made at arm's-length prices.

Primary Segment Reporting

The primary segment reporting comprises the following business fields:

Road Construction

This business field mainly comprises road construction in the group's relevant country markets. In addition to the work in asphalt and concrete road construction, all other services attributable to civil engineering, such as earth work, waste water and pipe construction, small-to-medium-sized civil-engineering-related concrete structures as well as the production of asphalt, concrete and raw materials, are included in the performance spectrum. As opposed to civil engineering, the services in this business field are carried out by smaller local organizational units. These organizational units work a limited regional market in their business as independent profit centres.

Building Construction

Classical building services, as well as turnkey building construction projects, were executed within the framework of the mainstay business.

The business field ranges from residential construction to commercial and industrial building over the erection of office and administrative buildings to the construction of hotel and leisure complexes covering all possible types of utilization. The medium-sized and major projects in particular – predominantly for private clients – form the core of the business activities.

Regional organizational units work the respective local markets and are active as self-contained and independent profit centres.

Other Construction Segments

This business field primarily comprises major projects in tunnelling and civil engineering and are managed and executed worldwide by Austrian or, in the case of tunnelling, Swiss organizational units. Civil engineering mainly comprises major bridge construction, power plants and dams as well as other major civil-engineering-related concrete constructions. In the tunnelling field, tunnels for traffic purposes as well as such for other uses applying the varying technologies were erected.

Project development is another pillar of this business field.

This comprises those worldwide contracts which include all the integrated services such as financing, operation, marketing and utilization, as well as the usual construction services, within the framework of a value-added chain in an all-round project.

In addition to infrastructure projects (traffic, energy), building projects utilized as offices, for commercial purposes or hotels are executed.

The **operating result** can be broken down as follows:

	2005 **T€**	**2004** **T€**
Earnings before financial result and taxes	155,508	95,131
Earnings from investments in associates	5,424	7,897
Earnings from investments	2,197	8,673
Operating Result	**163,129**	**111,701**

The revenues and expenditures from investments as well as from associated companies concern business-induced investments which form an important component of the group's operating activity.

2005 Segment Report

BUSINESS FIELD	Road Construction 2005 T€	Road Construction 2004 T€	Building Construction 2005 T€	Building Construction 2004 T€	Other construction fields 2005 T€	Other construction fields 2004 T€	Miscellaneous and Consolidation 2005 T€	Miscellaneous and Consolidation 2004 T€	Total 2005 T€	Total 2004 T€
Construction volume	4,171,527	3,064,120	3,287,370	2,115,323	1,694,096	665,311	161,854	118,776	9,314,847	5,963,530
Revenue	3,655,248	2,653,630	2,335,106	1,860,319	938,304	697,164	27,139	11,792	6,955,797	5,222,905
Inter-segment revenue	132,900	130, 725	63,985	18,427	2,326	0	357,533	369,757		
Operating income	75,828	106, 690	31,610	16,695	55,053	-14,175	638	2,491	163,129	111,701
of this, profit of associates	1,250	8,512	0	0	4,174	-615	0	0	5,424	7,897
Segment assets	1,197,796	857,431	1,013,745	756,004	1,246,506	470,735	1,668,880	1,569,087	5,126,927	3,653,257
of this, assets of associates	48,670	39,581	0	0	16,172	5,914	0	0	64,842	45,495
Segment liabilities	1,038,264	669,240	1,066,524	875,828	1,088,282	252,675	1,028,387	1,053,258	4,221,457	2,851,001
Investments in tangible and intangible assets	0	0	0	0	7,220	32,631	297,611	174,859	304,831	207,490
Depreciation on tangible and intangible assets	0	3,461	0	521	9,502	71,797	169,175	133,110	178,677	208,889
of this, extraordinary depreciation	0	0	0	0	0	61,104	15,590	564	15,590	61,668
Employees	21,937	19,126	12,738	9,051	6,004	2,203	3,834	2,907	44,513	33,287

Secundary Segment

REGION	Germany 2005 T€	Germany 2004 T€	Austria 2005 T€	Austria 2004 T€	Rest of Europe 2005 T€	Rest of Europe 2004 T€	Rest of World and Consolidation 2005 T€	Rest of World and Consolidation 2004 T€	Total 2005 T€	Total 2004 T€
Revenue	2,357,768	1,650,908	2,191,931	1,603,841	2,296,245	1,915,083	109,853	53,073	6,955,797	5,222,905
Segment assets	2,107,896	1,154,275	1,402,424	1,322,357	1,517,738	1,157,442	98,869	19,183	5,126,927	3,653,257
Investments in tangible and intangible assets	38,105	33,192	71,205	51,111	142,806	122,152	52,715	1,035	304,831	207,490

(24) Notes on Related Parties

The shareholders of FIMAG Finanz Industrie Management AG are the Haselsteiner and Lerchbaumer families, as well as the UNIQA Versicherung AG Group and the Raiffeisen-Holding NÖ-Wien Group, with whom arm's-length business relations exist.

In past business years, the FIMAG Group transferred real estate project companies against the granting of participation rights to IDAG Immobilienbeteiligung u.-Development GmbH which is held by third parties. It is the business purpose of IDAG Immobilienbeteiligung u.-Development GmbH to develop real estate and to participate in real estate projects.

In the 2001 business year, all shares in IDAG Immobilienbeteiligung u. -Development GmbH as well as all the participation rights held by STRABAG SE and by STRABAG AG, were acquired by ATLAS Immobilien & Development Privatstiftung. In November 2002 50% of the shares and participation rights of IDAG Immobilienbeteiligung u.-Development Aktiengesellschaft were transferred by ATLAS Immobilien & Development Privatstiftung to ARION Immobilien & Development Privatstiftung.

IDAG Immobilienbeteiligung u. Development GmbH is essentially employed as investor in real estate projects. Within the framework of typical arm's-length business relations, the FIMAG Group takes over the development of real estate as well as the construction work for the project companies of the IDAG Immobilienbeteiligung u.-Development GmbH. Furthermore, IDAG Immobilienbeteiligung u.-Development GmbH has transferred tasks of financial matters and accounting within the framework of an arm's-length contract to the BRVZ Bau-, Rechen-u. Verwaltungszentrum Gesellschaft m.b.H.

In the 2005 financial year, turnover of around € 6 m were generated with IDAG Immobilienbeteiligung u.–Development GmbH. On the balance sheet date of 31 December 2005, the FIMAG Group had receivables amounting to around € 93 m from IDAG Immobilienbeteiligung u.-Development GmbH, ATLAS Immobilien & Development Privatstiftung and ARION Immobilien & Development Privatstiftung and their subsidiary enterprises.

Raiffeisen evolution project development GmbH, a joint project development company, was founded in September 2003 together with Raiffeisen Zentralbank Austria, Raiffeisen-Holding Niederösterreich-Wien and UNIQA.

Raiffeisen evolution project development GmbH bundles project developments in building construction activities of the shareholders (without Germany and Benelux). The FIMAG Group is employed in the construction work on the basis of arm's-length contracts.

The shareholders of the Raiffeisen evolution project development GmbH have basically agreed to proportionally accept any obligations arising from the project developments.

(25) Notes on the Management and Supervisory Boards and the Employees

Board of Management

Dr. Hans Peter HASELSTEINER (Chairman)

Supervisory Board

Dr. Christian KONRAD (Chairman)
Komm.Rat Herbert SCHIMETSCHEK (Vice Chairman)
Mag. arch Julius EBERHARDT
Mag. Erwin HAMESEDER
Dr. Gottfried WANITSCHEK

The salary expenses include the total salaries of the members of the board (including STRABAG SE) with € 5.580 m (2004: € 4.834 m).

The severance costs of € 421,000 affect the members of the board.

No remuneration was paid to members of the supervisory board. Neither the members of the management board nor the members of the supervisory board of FIMAG Finanz Industrie Management AG received advances or loans.

(26) Significant Events After Balance Sheet Date

Significant events after the closure of the business year are described in the management report.

(27) Earnings Per Share

The earnings per share are calculated by dividing the group result by the weighted number of the ordinary shares outstanding and participation rights during the year.

	2005	**2004**
Net consolidated profits for the period in thousands of €	49,938	35,499
Weighted number of shares in circulation	6,742,240	6,742,240
Profit per share in €	7.41	5.27

Board of Management

Dr. Hans Peter Haselsteiner

Spittal an der Drau, 26 April 2006

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS AS OF 31 DECEMBER 2005

	Acquisition and Production Costs								Accumulated Write-Downs							Carrying Values	
	Balance on 31.12.2004 T€	Changes is Basis of Consolidation T€	Currency Translation T€	Balance on 1.1.2005 T€	Additions T€	Transfers T€	Disposals T€	Balance on 31.12.2005 T€	Balance on 31.12.2004 T€	Changes is Basis of Consolidation T€	Currency Translation T€	Additions [1] T€	Transfers T€	Disposals [2] T€	Balance on 31.12.2005 T€	31.12.2005 T€	31.12.2004 T€
I. Intangible Assets:																	
1. Concessions; industrial property rights and similar rights, advantages and licences	25,680	4,804	39	30,523	2,407	36	761	32,205	17,641	5,053	-34	2,988	22	826	24,844	7,361	8,039
2. Goodwill	53,801	155	0	53,956	50,143	0	5,362	98,737	29,297	0	0	15,188	0	5,362	39,123	59,614	24,504
3. Pre-payments made	7	0	0	7	115	-12	0	110	0	0	0	0	0	0	0	110	7
	79,488	**4,959**	**39**	**84,486**	**52,665**	**24**	**6,123**	**131,052**	**46,938**	**5,053**	**-34**	**18,176**	**22**	**6,188**	**63,967**	**67,085**	**32,550**
II. Tangible Assets:																	
1. Real estate; land rights equivalent to real property; buildings including buildings on third-party property (real estate value T€ 195,107; 2004: T€ 210,511)	876,940	45,243	2,955	925,138	23,731	264	29,461	919,672	322,446	-8,286	190	25,176	-429	11,240	327,857	591,815	554,494
2. Technical installations and machinery	804,436	164,702	5,707	974,845	138,358	5,743	45,264	1,073,682	545,891	114,754	2,968	82,536	1,804	36,921	711,032	362,650	258,545
3. Other facilities, industrial and business equipment/ furnishings	373,180	70,927	3,473	447,580	63,476	-1,097	38,624	471,335	251,877	53,268	2,151	52,789	-1,397	32,778	325,910	145,425	121,303
4. Pre-payments made and facilities under construction	21,565	2,142	490	24,197	26,601	-4,934	9,887	35,977	0	0	0	0	0	0	0	35,977	21,565
	2,076,121	**283,014**	**12,625**	**2,371,760**	**252,166**	**-24**	**123,236**	**2,500,666**	**1,120,214**	**159,736**	**5,309**	**160,501**	**-22**	**80,939**	**1,364,799**	**1,135,867**	**955,907**
	2,155,609	**287,973**	**12,664**	**2,456,246**	**304,831**	**0**	**129,359**	**2,631,718**	**1,167,152**	**164,789**	**5,275**	**178,677**	**0**	**87,127**	**1,428,766**	**1,202,952**	**988,457**

[1] of this amount, extraordinary write-downs of T€ 15,590 (previous year T€ 61,668);

[2] of this amount, reversal of write-downs of T€ 0 (previous year T€ 5,710)

Appendix 1/2
to Notes

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS AS OF 31 DECEMBER 2004

	Acquisition and Production Costs								Accumulated Write-Downs							Carrying Values	
	Balance on 31.12.2003 T€	Changes in Basis of Consolidation T€	Currency Translation T€	Balance on 1.1.2004 T€	Additions T€	Transfers T€	Disposals T€	Balance on 31.12.2004 T€	Balance on 31.12.2003 T€	Changes in Basis of Consolidation T€	Currency Translation T€	Additions [1] T€	Transfers T€	Disposals [2] T€	Balance on 31.12.2004 T€	31.12.2004 T€	31.12.2003 T€
I. Intangible Assets:																	
1. Concessions; industrial property rights and similar rights, advantages and licences	20,892	4,126	329	25,347	2,551	-13	2,205	25,680	14,492	1,009	-210	3,012	-5	657	17,641	8,039	6,400
2. Goodwill	54,032	0	0	54,032	0	0	231	53,801	25,362	0	0	3,981	0	46	29,297	24,504	28,670
3. Pre-payments made	11	15	0	26	0	-4	15	7	0	0	0	0	0	0	0	7	11
	74,935	**4,141**	**329**	**79,405**	**2,551**	**-17**	**2,451**	**79,488**	**39,854**	**1,009**	**-210**	**6,993**	**-5**	**703**	**46,938**	**32,550**	**35,081**
II. Tangible Assets:																	
1. Real estate; land rights equivalent to real property; buildings including buildings on third-party property (real estate value T€ 210,511; 2003: T€ 178,703)	760,063	102,544	13,094	875,701	29,460	2,319	30,540	876,940	235,029	12,677	-2,283	83,643	-131	6,489	322,446	554,494	525,034
2. Technical installations and machinery	735,334	37,285	14,087	786,706	101,372	771	84,413	804,436	514,865	26,879	-8,221	72,425	-63	59,994	545,891	258,545	220,469
3. Other facilities, industrial and business equipment/ furnishings	330,228	24,206	4,602	359,036	58,693	844	45,392	373,180	226,632	20,855	-2,826	45,828	199	38,811	251,877	121,303	103,596
4. Pre-payments made and facilities under construction	8,601	3,008	407	12,016	15,414	-3,916	1,949	21,565	0	0	0	0	0	0	0	21,565	8,601
	1,834,226	**167,043**	**32,190**	**2,033,459**	**204,939**	**17**	**162,294**	**2,076,121**	**976,526**	**60,411**	**-13,330**	**201,896**	**5**	**105,294**	**1,120,214**	**955,907**	**857,700**
	1,909,161	**171,184**	**32,519**	**2,112,864**	**207,490**	**0**	**164,745**	**2,155,609**	**1,016,380**	**61,420**	**-13,540**	**208,889**	**0**	**105,997**	**1,167,152**	**988,457**	**892,781**

[1] of this amount, extraordinary write-downs of T€ 61,668 (previous year T€ 34,898);

[2] of this amount, reversal of write-downs of T€ 5,710 (previous year T€ 750)

Group Companies as of 31 December 2005

Companies	Headquarters	Type of consolidation[1)]	Interest %
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH"	Spittal an der Drau	VK	100.00
"Brema" Bau- und Spengler-Ges.m.b.H.	Wien	NK	100.00
"Daheim" Bau- und Wohnungseigentumsgesellschaft m.b.H.	Wien	VK	100.00
"DOMIZIL" Bauträger GmbH	Wien	VK	100.00
"ETG" elektrotechnische Anlagen Gesellschaft m.b.H.	Wien	NK	100.00
"Filmforum am Bahnhof " Errichtungs- und Betriebsgesellschaft m.b.H.	Wien	VK	100.00
"Geschäfts- und Bürohaus Sterneckstraße Errichtungs- und Betriebs GmbH"	Wien	VK	100.00
"Granite Mining Industries" Spolka z.o.o.	Wroclaw	NK	100.00
"Haus Markgraf " Appartements Projekt-Beteiligungs G.m.b.H.	Bad Saarow-Pieskow	NK	100.00
"Health Care Company" KRANKENHAUS BETRIEBSFÜHRUNGS-Aktiengesellschaft	Wien	NK	24.00
"Hochbau Consult" Bauplanungs- und Kontroll-GmbH	Wien	VK	100.00
"Kabelwerk" Bauträger GmbH	Wien	NK	25.00
"LSH"-Fischer Baugesellschaft m.b.H.	Linz	NK	100.00
"MATRA OAZIS" Oktatasi, Üdültetesi es Vendeglato Közkereseti Tarsasag	Gyöngyöstarjan	NK	53.37
"Mineral 2000" EOOD	Sofia	NK	100.00
"PERGERKÖ" Kereskedelmi es Szolgaltato Korlatolt Felelössegü Tarsasag	Baszi	NK	100.00
"Projekt Ödenburgerstraße" Bauträger GmbH.	Wien	NK	100.00
"Ring" Körutepitö Közkereseti Tarsasag	Budapest	NK	50.00
"SBS Strabag Bau Holding Service GmbH"	Spittal an der Drau	VK	100.00
"Schöner Wohnen in Klosterneuburg" Bauträger GmbH	Wien	NK	100.00
"Solar City Zentrum" Errichtung GmbH	Linz	NK	100.00
"Wiener Heim" Wohnbaugesellschaft m.b.H.	Wien	VK	100.00
"Wohngarten Sensengasse" Bauträger GmbH	Wien	NK	55.00
"Zentrum Puntigam" Errichtungs- und Betriebsgesellschaft m.b.H.	Wien	NK	50.00
A.H.I-BAU Allgemeine Hoch- und Ingenieurbau-GmbH	Köln	VK	100.00
A.S.T. Bauschuttverwertung GmbH	Klagenfurt	NK	66.67
A.S.T. Bauschuttverwertung GmbH & Co KG	Klagenfurt	NK	66.67
A2 Bau-Development GmbH	Spittal an der Drau	NK	50.00
ABN Asphalt-Beteiligungsgesellschaft Neustrelitz mbH	Berlin	NK	25.00
ABN Asphalt-Betriebsgesellschaft Neustrelitz mbH & Co. KG	Berlin	NK	25.00
ABO Asphalt-Bau Oeynhausen GmbH	Oeynhausen	NK	22.50
ABR Abfall Behandlung und Recycling Schwadorf GmbH	Schwadorf	VK	100.00
AET-Asfalt-emulsni technologie s.r.o.	Litomerice/Tschechien	NK	95.00
AGS Asphaltgesellschaft Stuttgart GmbH & Co.Kommanditgesellschaft	Stuttgart	NK	40.00
AGS Asphaltgesellschaft Stuttgart Verwaltungs-GmbH	Stuttgart	NK	40.00
AKA Alföld Koncesszios Autopalya Reszvenytarsasag	Budapest	NK	25.12
Alfa Beteiligungs a.s.	Budweis	VK	100.00
AM Haßberge GmbH	Haßfurt	NK	24.90
AM Königsbrunn GmbH	Königsbrunn	NK	45.00
AM Rhön GmbH	Rötlen	NK	24.90
AMA Asphaltmischwerke GmbH	Augsburg	NK	45.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	Zistersdorf-Maustrenk	NK	40.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.& Co.KG	Zistersdorf	NK	40.00
AMG Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	Linz	NK	33.33
AMG-Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co.KG	Linz	NK	33.33
AMH Asphaltmischwerk Hafen GmbH & Co.KG, Hamburg	Hamburg	NK	50.00
AMH Asphaltmischwerk Hafen Verwaltungs GmbH	Hamburg	NK	50.00
AMH Asphaltmischwerk Hellweg GmbH	Erwitte	EK	30.50
AML – Asphaltmischwerk Limberg Gesellschaft m.b.H.	Limberg	NK	50.00
AML – Asphaltmischwerke GmbH Leipzig	Taucha	NK	20.00
AMN Asphaltmischwerk KG Straßenbaustoffe Nonnendamm GmbH & Co.	Berlin	NK	33.10
AMS-Asphaltmischwerk Süd Gesellschaft m.b.H.	Linz	NK	35.00
AMSS Asphaltmischwerke Sächsische Schweiz GmbH & Co. KG	Dresden	NK	24.00
AMSS Asphaltmischwerke Sächsische Schweiz Verwaltungs GmbH	Dresden	NK	24.00
AMW Asphaltmischwerk Hinzenbach GmbH	Linz	NK	24.00
AMW Asphaltmischwerk Hinzenbach GmbH & Co KG	Linz	NK	24.00
AMW Asphaltmischwerk Westhafen GmbH	Berlin	NK	49.00
AMW Asphaltmischwerke Weimar GmbH & Co KG	Weimar	NK	16.65
AMWE-Asphaltmischwerke GmbH	Schwerin	NK	49.00
AMWE-Asphaltmischwerke GmbH & Co. KG	Schwerin	NK	49.00
ANLAGENTECHNIK GMBH	Thalgau	VK	100.00
Anton Beirer Hartsteinwerke Gesellschaft m.b.H.	Pinswang	NK	50.00
Appartementhaus Scharmützel Projekt-Beteiligungs G.m.b.H.	Bad Saarow-Pieskow	NK	100.00
Arab Consult GmbH	Wien	NK	30.00
Asamer & Hufnagl Baustoff Holding Wien GmbH	Wien	NK	30.00
Asamer & Hufnagl Baustoff Holding Wien GmbH & Co.KEG	Wien	NK	30.00
ASB Transportbeton GmbH & CO.KG	Osterweddingen	NK	50.00
ASF Frästechnik GmbH	Kematen	NK	50.00
ASF Frästechnik GmbH & Co KG	Kematen	NK	50.00
ASG INVEST N.V.	Genk	NK	49.98
ASIA Center Kft.	Budapest	VK	100.00
Asphalt & Beton GmbH	Lendorf	VK	100.00
ASPHALT & BETON GmbH Nfg OHG	Spittal an der Drau	VK	100.00
Asphalt Gesellschaft Riegler GmbH & Co KG	Klagenfurt	NK	50.00
Asphalt Gesellschaft Riegler GmbH.	Klagenfurt	NK	50.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.	Rauchenwarth	NK	20.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	Rauchenwarth	NK	20.00
Asphaltmischwerk Düsseldorf GmbH & Co.KG	Düsseldorf	EK	24.50
Asphaltmischwerk Düsseldorf Verwaltungs GmbH	Düsseldorf	NK	24.50
Asphaltmischwerk Greinsfurth GmbH	Amstetten	NK	25.00
Asphaltmischwerk Greinsfurth GmbH & Co.	Amstetten	NK	25.00
Asphaltmischwerk Mötschendorf Gesellschaft m.b.H.	Graz	NK	100.00
Asphaltmischwerk Rieder Vomperbach GmbH	Innsbruck	NK	60.00
Asphaltmischwerk Rieder Vomperbach GmbH & Co KG	Innsbruck	NK	60.00
Asphaltmischwerk Steyregg GmbH	Steyregg	NK	60.00
Asphaltmischwerk Steyregg GmbH & Co KG	Linz	NK	60.00
Asphaltmischwerk Zeltweg Gesellschaft m.b.H.	Steyr	NK	100.00

Companies	**Headquarters**	**Type of consolidation**[1)]	**Interest %**
ASTRA-BAU Gesellschaft m.b.H. Nfg. OHG	Kalsdorf	NK	50.00
AStrada Development SRL	Bukarest	NK	70.00
ATG Annaberger Transportbeton GmbH	Annaberg-Buchholz	NK	50.00
August & Jean Hilpert GmbH & Co. KG	Nürnberg	VK	100.00
Aurora Verwaltungsges. mbH	München	NK	40.00
AUT Grundstücksverwaltungsgesellschaft mbH	Stuttgart	NK	40.00
Autocesta Zagreb-Macelj d.o.o.	Zagreb	NK	51.00
A-WAY Holding und Finanz AG	Spittal/ Drau	VK	100.00
A-WAY Toll Systems GmbH	Wien	NK	80.00
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	Graz	NK	50.00
AWM Asphaltwerk Mötschendorf GmbH & Co.KG	Graz	NK	50.00
B+R Baustoff-Handel und- Recycling Köln GmbH	Köln	NK	100.00
BA-CA-GebäudevermietungsgmbH	Wien	NK	50.00
Baltic Business Centre	Gdynia	NK	38.00
Basalt-Közepko Kobanyak Kft	Budapest	NK	25.14
Basaltwerk Pauliberg GmbH	Eisenstadt	NK	35.00
Basaltwerk Pauliberg GmbH & CO KG.	Eisenstadt	NK	35.00
Bau Holding Beteiligungs AG	Spittal an der Drau	VK	100.00
Bauer Deponieerschließungs- und Verwertungsgesellschaft m.b.H.	Fischamend	NK	100.00
Baugesellschaft “Negrelli” Ges.m.b.H.	Wien	NK	100.00
Bau-Immobilien GmbH	Chemnitz	NK	100.00
Baumann & Burmeister GmbH	Halle/Saale	VK	100.00
Baupartner GmbH	Stuttgart	NK	100.00
Bautest CZ sr.o.	Prag	NK	100.00
BAUTRÄGERGESELLSCHAFT OLANDE MBH	Hamburg	NK	51.00
BauXund Forschung und Beratung GmbH	Wien	NK	100.00
BeTePe Bau Gesellschaft m.b.H.	Wien	NK	100.00
Betobeja Empreendimentos Imobiliarios, Lda	Beja	NK	74.00
Betolojas-Sociedade de Construcao Reparacao e Comercializacao de Imoveis, Lda	Lissabon	NK	90.00
Beton AG	Bürglen	NK	64.80
Beton Pisek spol. s.r.o.	Pisek	NK	50.00
Betonuepitö Rt. es Tarsai M.3. Autoalyaepitö PJT	Budapest	NK	77.82
BHG a.s.	Budweis	VK	100.00
BHG Bitumen Adria drustvo s ogranicenom odgovornoscu za graditeljstvo	Zagreb	NK	100.00
BHG Bitumen Kereskedelmi Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
BHG SK s.r.o.	Bratislava	NK	100.00
Bitumen Handelsgesellschaft m.b.H.	Wien	NK	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG	Loosdorf	VK	100.00
Bitumenka-Asfalt d.o.o. i.L.	Sarajevo/Bosnien	NK	51.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
Bitunova Romania SRL	Bukarest	NK	95.00
BITUNOVA UKRAINA GmbH	Brovary	NK	60.00
Bitupol SP z.o.o.	Warschau	VK	60.00
BKB AG Weinfelden	Weinfelden	NK	100.00
BL-Baulogistik GmbH	Stuttgart	VK	100.00
Blees-Kölling-Bau GmbH	Köln	VK	76.00
BML-Baumaschinen Leipzig GbR	Leipzig	NK	35.00
BMTI – Baumaschinentechnik International GmbH	Köln	VK	100.00
BMTI – gradevinski strojevi international d.o.o.	Zagreb	VK	100.00
BMTI – Tehnica Utilajelor Pentru Constructii SRL	Bucaresti	VK	100.00
BMTI CR s.r.o.	Brünn	VK	100.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
BMTI GmbH	Erstfeld	VK	100.00
BMTI Nemzetközi Epitögepeszeti Kft.	Budapest	VK	100.00
BMTI Polska sp.z.o.o.	Pruszkow	VK	100.00
BMTI SK, s.r.o.	Bratislava	VK	100.00
BMTI-Baumaschinentechnik International GmbH	Trumau	VK	100.00
Bohemia Bitunova, spol s.r.o.	Jihlava	VK	100.00
Bohemia Projekt CB Center s.r.o.	Budweis	NK	50.00
BOT BÖRNER Oberflächentechnik GmbH & Co. KG	Ritschenhausen	NK	50.00
BOT BÖRNER Oberflächentechnik Verwaltungs- und Beteiligungs GmbH	Ritschenhausen	NK	50.00
Brnenska Obalovna, s.r.o.	Brünn	NK	50.00
BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
BRVZ Bau-, Rechen- und Verwaltungszentrum AG	Erstfeld	VK	100.00
BRVZ Bau-Rechen- und Verwaltungszentrum GmbH	Köln	VK	100.00
BRVZ center za racunovodstvo in upravljanje d.o.o.	Laibach	VK	100.00
BRVZ EOOD	Sofia	VK	100.00
BRVZ s.r.o.	Budweis	VK	100.00
BRVZ s.r.o.	Bratislava	VK	100.00
BRVZ SERVICII & ADMINISTRARE SRL	Bukarest	VK	100.00
BRVZ SP z.o.o.	Warschau	VK	100.00
BRVZ-Contabilidade, Organizacao, Representacao e Administracao de Empresas, S.U., Lda	Lissabon	NK	100.00
BRVZ-gradevinski-, racunovodstveni- i upravni centar d.o.o.	Zagreb	VK	100.00
BRW Baustoff-Recycling GmbH & Co KG	Wesseling	NK	25.00
BS Baugeräteservice Verwaltungs GmbH	Augsburg	NK	25.00
BSB Betonexpress Verwaltungsges.mbH	Berlin	NK	100.00
BSB Bodensanierung Bischofswerda GmbH	Bischofswerda	NK	40.00
BSL Tunnel- und Montanbau GmbH	Bad Frankenhausen	NK	100.00
BSS Tunnel- und Montanbau GmbH	Bern	NK	100.00
BT-Plan Gesellschaft für bautechnisches Planen mbH	Köln	NK	100.00
Büro Center Ruppmannstraße GmbH	Stuttgart	NK	50.00
Bürozentrum Honauerstraße Projektentwicklungsgesellschaft m.b.H.	Wien	NK	100.00
BUSINESS BOULEVARD Errichtungs- und Betriebs GmbH	Wien	VK	100.00
BVHS Betrieb und Verwaltung von Hotel- und Sportanlagen GmbH	Berlin	NK	100.00
C.S. Bitunova spol. s.r.o.	Zvolen	VK	100.00
CAG Cottbuser Asphaltgesellschaft mbH & Co. KG	Cottbus	NK	100.00
Carb SA Brasov	Brasov	VK	99.47
Carl Sattler GmbH	Köln	NK	100.00
CASINO MILLENNIUM a.s.	Prag	NK	50.00
China Harbour Engineering & Co. GmbH	Duisburg	NK	50.00
Clubdorf Sachrang GmbH	Köln	NK	100.00
CMO-Ceske a moravske obalovny s.r.o.	Sobeslav	VK	100.00
Colonius Carré Entwicklungsgesellschaft mbH	Köln	VK	51.00
Constrovia Construcao Civil e Obras Publicas Lda.	Lissabon	NK	95.00
Cottbuser Asphaltgesellschaft mbH	Cottbus	NK	100.00
Cottbuser Frischbeton GmbH	Cottbus	NK	100.00
CSE Centrum-Stadtentwicklung GmbH	Köln	NK	50.00
Czechotec Engineering spol. s r.o.	Chomutov	NK	100.00
D Development Senica, a.s.	Bratislava	NK	41.00
d+p Ingenieurgesellschaft für Straßendaten und Baustoffprüfungen GmbH	Berlin	NK	49.91

Companies	Headquarters	Type of consolidation[1)]	Interest %
D-47 Holding Company B.V.	Amsterdam	NK	47.50
Dalnicni stavby Praha, a.s.	Prag	VK	100.00
Dalnicni stavby Slovensko, s.r.o.	Bratislava	NK	100.00
Damm BV	AK Den Haag	NK	100.00
DBR Döbelner Baustoff und Recycling GmbH	Taucha	NK	50.00
De Brand 1 BV	AK Den Haag	NK	100.00
De Brand 2 BV	AK Den Haag	NK	100.00
De Brand 3 BV	AK Den Haag	NK	100.00
DEUTAG GmbH & Co. KG	Linz am Rhein	EK	49.00
DEUTAG Verwaltung GmbH	Linz am Rhein	NK	49.00
Deutsche Asphalt GmbH	Köln	NK	100.00
Deutsche Asphalt Polska Sp.z.o.o.	Olawa	NK	100.00
Deutsche Immobilien Kurhaus-Hotel Travemünde GmbH & Co. KG	Rostock	NK	50.00
Dimmoplan Verwaltungs GmbH	Tübingen	NK	100.00
DIRECTROUTE (FERMOY) CONSTRUCTION LIMITED	Dublin	EK	25.00
Dordrecht Diensten B.V.	Dordrecht	NK	100.00
Dreßler Bauträger GmbH & Co. “Erlenbach”-Objekt KG	Aschaffenburg	NK	50.00
DRUMCO S.A. Timisoara	Timisoara	VK	70.00
DRUMURI SI PODURI SA	Buzau	NK	100.00
Drustveno preduzece za puteve “Zajecar”	Zajecar	NK	70.00
DUF Rent Ingatlanhasznosító és Szolgáltató Korlátoli Felelösségü Társaság	Budapest	NK	30.00
Dyckerhoff & Widmann (India) Private Limited	Maharashtra	NK	100.00
Dyckerhoff & Widmann AG and Partner LLC	Oman	VK	100.00
Dywidag (Malaysia) Sdn. Bhd. (ehem. Walter Group International Infra (M) Sdn. Bhd.	Kuala Lumpur	NK	100.00
DYWIDAG Bau GmbH	München	VK	100.00
DYWIDAG Construction GmbH	Dresden	NK	100.00
Dywidag Insaat Limited Sirketi	Ankara	NK	100.00
DYWIDAG International GmbH	Aschheim	VK	100.00
Dywidag LNG Korea Chusikhoesa	Seoul	NK	100.00
DYWIDAG Romania S.R.L	Bukarest	NK	100.00
Dywidag Saudi Arabia Limited	Riyadh, Saudi Arabia	VK	100.00
DYWIDAG Schlüsselfertig und Ingenieurbau GmbH	München	VK	100.00
DYWIDAG-Holding GmbH	Köln	VK	100.00
E.B.C. Bitunova SRL	Bukarest	NK	85.00
E.B.M. Bitunova SRL	Bukarest	NK	99.27
E.S.-Erdbau GmbH	Innsbruck	NK	100.00
Eberhard Pöhner Unternehmen für Hoch- und Tiefbau GmbH	Bayreuth	VK	100.00
Eberhardt Bau-Gesellschaft mbH	Berlin	VK	100.00
EBERHARDT Bau-GmbH	Wien	NK	100.00
Eckstein Holding GmbH	Kennelbach	NK	24.00
Ed. Züblin AG	Stuttgart	VK	53.60
Edenstrasser GmbH.	Wörgl	VK	100.00
Edificio Bauvorbereitungs- und Bauträgergesellschaft mb.H.	Wien	NK	100.00
Eggstein AG	Kriens	VK	100.00
Egolf AG Strassen- und Tiefbau (Zürich)	Wallisellen	NK	100.00
Egolf AG Weinfelden	Weinfelden	VK	100.00
Egolf Baustoffe AG	Bürglen	VK	100.00
Egolf Bauunternehmungen AG	Weinfelden	VK	100.00
Eisenkappler Edelsplittwerk Gesellschaft m.b.H.	Eisenkappel-Vellach	NK	100.00
Elmbaurent Beteiligungs-GmbH Schöningen	Schöningen	NK	33.26

Companies	**Headquarters**	**Type of consolidation**[1)]	**Interest %**
Elmbaurent GmbH & Co.KG Schöningen	Schöningen	NK	28.00
Emprese Constructora, Züblin Peru S.A.C.	Lima	NK	100.00
Epsilon Beteiligungs a.s.	Budweis	VK	100.00
ERA Epitö Kft.	Budapest	NK	100.00
ERA-Stav s.r.o.	Prag	NK	100.00
Eraproject Immobilien-, Projektentwicklung und Beteiligungsverwaltung GmbH	Berlin	VK	100.00
Erlaaer Straße Liegenschaftsverwertungs-GmbH	Wien	NK	99.72
ERMATEC Maschinen Technische Anlagen Gesellschaft m.b.H.	Wien	VK	100.00
Erschließungsgesellschaft “Am Schloßberg” Pantelitz mbH	Neubrandenburg	VK	100.00
Euro Services GmbH, Möhrfelden-Walldorf	Möhrfelden-Walldorf	NK	100.00
EUROPARK Wien Garagen- Errichtungs- und Verwertungsgesellschaft m.b.H.	Wien	NK	30.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG	Eggendorf	VK	100.00
Fachmarktzentrum Arland Errichtungs- und Vermietungsgesellschaft mbH	Wien	VK	100.00
Fachmarktzentrum Kielce Projekt GmbH	Berlin	NK	100.00
Facility Management Austria GmbH	Spittal an der Drau	VK	100.00
FACILITY MANAGEMENT Croatia drustvo s ogranicenom odgovoroscu za odrzavanje i upravljanje nekretninama	Zagreb	NK	100.00
Facility Management Hungaria Kft.	Budapest	NK	100.00
Facility Management o.o.o.	Moskau	NK	100.00
Facility Management Polska Sp.z.o.o.	Warschau	VK	100.00
FACILITY MANAGEMENT Romania SRL	Bukarest	NK	100.00
Frischbeton Wachau GmbH & CO.KG	Wachau	NK	45.00
FTG Fuchsmühlen Transportbeton GmbH	Freiberg	NK	70.00
FUSSENEGGER Hochbau und Holzindustrie GmbH	Dornbirn	VK	100.00
G.P.O. Beheer B.V.	AK Den Haag	NK	100.00
Gama Beteiligungs a.s	Budweis	VK	100.00
Gama Strabag Construction limited	Dublin	NK	40.00
Gartensiedlung Lackenjöchel Liegenschaftsverwertungs GmbH	Wien	NK	99.73
Gesellschaft für Umweltanalytik mbH	Chemnitz	NK	100.00
Gesundheitszentrum Bremen-Findorff GbR	Bremen	NK	50.00
GFR remex Baustoffaufbereitung GmbH & Co. KG, Krefeld	Krefeld	NK	100.00
GFR remex Baustoffaufbereitung Verwaltungs-GmbH Krefeld	Krefeld	NK	50.00
Goldeck – Flug Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
Goldeck Bergbahnen GmbH	Spittal an der Drau	VK	100.00
GRADBENO PODJETJE IN KAMNOLOM GRASTO d.o.o.	Laibach	VK	99.85
Grand Hotel Interests Limited	Guernsey	NK	75.00
Grandemar S.A.	Cluj-Napoca	NK	40.52
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H.	Wien	NK	51.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H. & Co. KG.	Wien	NK	52.00
GVD Versicherungsvermittlungen – Dienstleistungen GmbH	Köln	VK	100.00
GWP Steinbruch Ges.m.b.H.	Oberpetersdorf	NK	100.00
H. Westerthaler Baugesellschaft m.b.H.	Bischofshofen	VK	100.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
H.I.C. Gesellschaft für Projektierung und Bau von sozialen Einrichtungen mbH	Bremen	NK	98.00
Havlickova 3 s.r.o.	Prag	NK	100.00
HAW-Hürtherberg Asphaltwerke Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft	Köln	NK	35.00
HEILIT + WOERNER Bau GmbH	München	VK	100.00
HEILIT + WOERNER Budowlana Sp. z o.o.	Breslau	VK	100.00
HEILIT Umwelttechnik GmbH	Düsseldorf	VK	100.00
HEILIT+WOERNER Bau GmbH	Wien	NK	100.00
Helmus Beteiligungsgesellschaft mit beschränkter Haftung	Vechta	NK	100.00
Helmus Straßen-Bau-Gesellschaft mbH und Co. KG	Vechta	VK	100.00
HILU Leitungsbau GmbH	Nürnberg	NK	100.00
HOTEL VIA Kft.	Keszthely	NK	43.00
H-PROJEKT II.Ingatlanfejlesztö Korlatolt Felelössegü Tarsasag	Budapest	NK	100.00
Hrusecka Obalovna s.r.o.	Hrusky	NK	80.00
H-TPA Innovacios es Minösegvizsgalo Kft.	Budapest	VK	100.00
Hürtherberg Asphaltwerke Gesellschaft mit beschränkter Haftung	Köln	NK	35.00
IBV-Immobilien Besitz- und Verwaltungsgesellschaft mbH Werder	Köln	VK	99.00
Ilbau GmbH Deutschland	Cottbus	VK	100.00
Ilbau Liegenschaftsverwaltung GmbH	Spittal an der Drau	VK	100.00
Ilbau Liegenschaftsverwaltung GmbH	Dahlwitz-Hoppegarten	VK	100.00
Ilbau Plzen a.s.	Budweis	VK	100.00
Ilbau S.r.l.	Bozen	NK	100.00
Ilbau spol s.r.o.	Prag	VK	100.00
Ilbau-Kirchner A4 Motorway Construction S.C.	Opole	NK	50.00
IMOPROJEKT Immobilienentwicklungsgesellschaft mbH	Freiburg	NK	100.00
IMOTAVIRA – Promocao Imobiliaria S.A.	Lissabon	NK	50.00
Incipit AG	Anit/Zug	NK	100.00
Industrial Engineering and Contracting Co. S.A.R.L. i.L.	Beirut	NK	50.00
Industrial Engineering and contracting NV	Genk	NK	50.00
Industrielles Bauen Betreuungsgesellschaft GmbH	Stuttgart	VK	100.00
Industrija Gradevnog materijala ostra drustvo s ogranicenom odgovornoscu za proizvodnju	Zagreb	NK	51.00
InfoSys Informationssysteme GmbH	Spittal an der Drau	VK	100.00
INGSTROY SOFIA AD	Sofia	VK	75.00
Innerebner Baustahl GmbH	Wiener Neustadt	VK	100.00
INSOND Gesellschaft m.b.H.	Wien	VK	100.00
Institut zvarania a kvality, s.r.o.	Bratislava	NK	30.00
Inter Eco Bitunova SRL	Bukarest	NK	85.00
J + O Alsterfleet Grundstücks GmbH	Hamburg	VK	94.00
JAB Tarnava SP z.o.o.	Bobrovice	NK	50.00
Jafrem-Sociedade de Construcoes, Lda	Matosinhos	NK	75.00
Jihoceská Obalovna spol. s.r.o.	Budweis	NK	66.67
Josef Riepl Unternehmen für Hoch- und Tiefbau GmbH	Regensburg	VK	100.00
Jumbo Betonpumpen GmbH & Co. KG	Chemnitz	NK	50.00
Jumbo Betonpumpen Verwaltungs GmbH	Chemnitz	NK	50.00
KAB Kärntner Abfallbewirtschaftung GmbH	Klagenfurt	NK	36.25
KAB Straßensanierung GmbH	Spittal an der Drau	NK	50.60
KAB Straßensanierung GmbH & Co KG	Spittal an der Drau	VK	50.60
Kaiserebersdorfer Straße Liegenschaftsverwertungs GmbH	Wien	NK	99.73
Kamenolomy CR Herous s.r.o.	Lhota Rapotina	NK	100.00

Companies	**Headquarters**	**Type of consolidation[1)]**	**Interest %**
KAMENOLOMY CR s.r.o.	Ostrava – Svinov	VK	100.00
Kanzel Steinbruch Dennig Gesellschaft mit beschränkter Haftung	Gratkorn	VK	75.00
Karlovarske silnice, a.s.	Karlovy Vary	NK	81.75
Kies Mittelthur AG	Bürglen	NK	100.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Grube Grafing KG	Geretsried	NK	50.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Grube Leitzinger Au KG	Geretsried	NK	50.00
Kiesabbau Gämmerler-Hütwohl Verwaltungs-GmbH	Königsdorf	NK	50.00
Kieswerk Diersheim GmbH, Sand- und Edelsplittwerke	Rheinau-Diersheim	NK	60.00
Kieswerk Hohenwarthe GmbH	Hohenwarthe	NK	51.00
Klinik für Psychosomatik und psychiatrische Rehabilitation Gmbh	Spittal/Drau	NK	100.00
KÖKA Kö-es Kavicsbanyaszati Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
Königswall Invest B.V.	AK Den Haag	NK	100.00
Kopalnia Granitu Mikoszow Sp. z o.o.	Strzelin	VK	100.00
Kopalnie Melafiru w Czarnym Borze Sp. z o.o.	Czerny Bor	VK	99.23
KOVOTOPOL’, spol. s.r.o.	Topol'cany	NK	70.33
KSR – Kamenolomy SR, s.r.o.	Zvolen	VK	100.00
Leitner Gesellschaft m.b.H.	Hausmening	VK	100.00
Leonhard Moll Hoch- und Tiefbau GmbH	München	VK	100.00
Leonhard Moll Tiefbau GmbH	München	VK	100.00
Les Tuyaux Centrifugés du Rhin S.A.R.L.	Kilstett/Frankreich	NK	100.00
Liberecka Obalovna s.r.o.	Liberec	NK	50.00
Lieferasphalt Gesellschaft m.b.H.	Wien	NK	50.00
Lieferasphalt Gesellschaft m.b.H. & Co. OHG	Maria Gail	NK	60.00
Lieferasphalt Gesellschaft m.b.H. & Co,Viecht	Viecht	NK	66.50
Lieferasphalt Gesellschaft m.b.H. & Co.OHG, Zirl	Wien	NK	50.00
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	Linz	NK	33.33
LISAG Linzer Splitt- und Asphaltwerk GmbH.	Linz	NK	50.00
LISAG Linzer Splitt- und Asphaltwerk GmbH. & CO KG	Linz	NK	50.00
LRD AM GmbH & Co. KG	Weimar	NK	50.00
Lumirova EP, spol s.r.o.	Prag	NK	100.00
M – Z Baugesellschaft mbH	Wien	NK	100.00
Magyar Aszfalt Kft.	Budapest	VK	100.00
Magyar Bau Holding Rt.	Budapest	NK	100.00
MAV Mineralstoff-Aufbereitung und -Verwertung GmbH	Krefeld	VK	50.00
MBSZ Magyar Betonpumpa Szolgaltato Kft.	Budapest	NK	100.00
MD Mörteldienst GmbH & Co. KG	Würzburg	NK	33.00
MELYGARAZS 2000 Epitö, Szervezö, Lebonyolito es Uzemeltetö KFT	Budapest	VK	100.00
Meyerhans AG Amriswil	Amriswil	VK	100.00
Meyerhans AG, Strassen- und Tiefbau Uzwil	Uzwil	VK	100.00
MIGU-Asphalt-Baugesellschaft m.b.H.	Lustenau	NK	50.00
Millonig + Schuster GmbH	Freistritz an der Drau	NK	56.00
MIL-MERT Epitö Közkereseti Tarsasag	Budapest	NK	50.00
MINERAL IGM dionicko drustvo za proizvodnju i trgovinu gradevnim materijalom	Benkovac	VK	95.44
MINERAL K. S. K. drustvo s ogranicenom odgovornoscu	Rijeka	NK	100.00
MINERAL ROM S.R.L.	Brasov	NK	100.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
Mineral Trading sp.z o.o.	Szczawno Zdroj	NK	100.00
Mischek Arbeiterwohnheim GmbH	Wien	NK	100.00
Mischek Leasing eins Gesellschaft m.b.H.	Wien	VK	100.00
MISCHEK SLOVAKIA spol. s.r.o.	Bratislava	NK	100.00
Mischek Systembau GmbH	Wien	VK	100.00
Miskolci Shopping Center Kft.	Budapest	NK	100.00
Mister Recrutamento Lda.	Lissabon	NK	100.00
Mitteldeutsche Braunkohle Strukturförderungsgesellschaft mbH (MBS)	Espenhain	NK	35.00
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H.	Ilz	NK	33.33
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. & Co.KG	Ilz	NK	52.67
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. und Co KG	Pinkafeld	NK	47.00
Murer SA Sedrun	Erstfeld	NK	100.00
Murer-Strabag AG	Erstfeld	VK	100.00
MUSIKVIERTEL Grundstücksentwicklung GmbH	Köln	NK	100.00
N.R.C.S., a.s.	Zilina	NK	100.00
N.V. STRABAG Belgium S.A.	Antwerpen	VK	100.00
N.V. STRABAG Benelux S.A.	Antwerpen	VK	100.00
Na belidle spol s.r.o.	Prag	VK	100.00
NEGUS LTD ZAO	Moskau	NK	100.00
Neubau Augasse 9 Errichtungs- und Vermietungsgesellschaft m.b.H.	Wien	EK	50.00
NEUE REFORMBAU Gesellschaft m.b.H.	Wien	NK	100.00
Niersberger Gebäudemanagement GmbH & Co. KG	Erlangen	VK	75.00
NOAG Autobahnerrichtungs AG	Wien	NK	32.00
Nordostlabor Beteiligungsgesellschaft m.b.H. Nievelt Polen	Stockerau	NK	30.00
Nordpark Errichtungs- und Betriebs GmbH	Innsbruck	VK	100.00
Novy Urengoy Bau- und Montage GmbH	München	NK	100.00
NR Bau-u. Immobilienverwertung GmbH	Berlin	NK	100.00
OAT – Bohr- und Fugentechnik Gesellschaft m.b.H.	Spittal an der Drau	VK	51.00
OAT s.r.o.	Prag	VK	80.00
OAT spol. s.r.o.	Bratislava	VK	100.00
OAT Uszczelnianie i Obrobka Betonu Sp.z o.o.	Warschau	NK	49.00
OAT-Diamanttechnika	Budapest	VK	100.00
Obit spol. s.r.o.	Prag	NK	100.00
ODRA-ASFALT Sp. z o.o.	Szeczecin	NK	33.33
OFIM HOLDINGS LIMITED	Cardiff	NK	46.25
Ökröshegy 2001. Kereskedelmi es Szolgaltato Korlatolt Felelössegü Tarsasag	Budaörs	NK	98.00
Ontwikkeling Combinatie Laakcenter (O.C.L.) B.V.	AK Den Haag	NK	100.00
ONTWIKKELINGSCOMBINATIE MAASMECHELEN N.V.	Antwerpen	NK	50.00
Ooms-Ittner-Hof GmbH	Köln	VK	100.00
OOO A-WAY	Moskau	NK	100.00
OOO Züblin Ural	Ufa	NK	100.00
OSKEP JSC	Kiew	NK	40.00
Ostsächsische Brücken- und Ingenieur-Tiefbau GmbH	Neustadt/Sachsen	NK	100.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH	Lavant i. Osttirol	VK	80.00
Otto Rohr GmbH	Helmstedt	VK	100.00
Pagitz Metalltechnik GmbH	Spittal an der Drau	VK	100.00
PAM Pongauer Asphaltmischanlagen GmbH	St. Johann i.Pongau	NK	50.00
PAM Pongauer Asphaltmischanlagen GmbH & Co KG	St. Johann i. Pongau	NK	50.00
Park Service Hüfner GmbH & Co.KG	Stuttgart	NK	47.10

Companies	Headquarters	Type of consolidation[1)]	Interest %
Parking Bowling Green GmbH	Stuttgart	NK	100.00
Parkolas Kft	Budapest	NK	100.00
Passivhaus Kammelweg Bauträger GmbH	Lauterbach	NK	25.00
Patrona Versicherungsvermittlungs-GmbH	Stuttgart	NK	100.00
Philman Holdings Company, Inc.	Makati City	NK	20.00
PL-Bitunova SP z.o.o.	Bierawa	VK	95.00
PLINIUS VASTGOED N.V.	Hasselt	NK	43.48
Plzenská obalovna spol. s.r.o.	Pilsen	NK	100.00
Poduzece ZA Ceste Split d.d.	Split	VK	86.39
POLSKI ASFALT Sp. z o.o.	Warschau	NK	100.00
PP Prottelith GmbH i.L.	Hamburg	NK	100.00
PP Prottelith Produktionsgesellschaft mbH	Liebenfels	NK	52.00
PPP Management GmbH	Köln	NK	100.00
PPP SchulManagement Witten GmbH & Co. KG	Köln	VK	100.00
PREFABRIKAT, a.s.	Vel'ké Leváre	VK	100.00
PREZIPP, s.r.o.	Chrudim	NK	50.00
PRO Liegenschaftsverwaltungs- und Verwertungsgesellschaft m.b.H.	Wien	VK	100.00
Projekta Bauvorbereitungsgesellschaft m.b.H. Nfg.KG	Wien	EK	50.00
PRO-Lassallestraße-Grundstücksverwertungsgesell-schaft m.b.H.	Wien	NK	50.00
PROTECTA Gesellschaft für Oberflächenschutzschichten mbH	Düsseldorf	VK	75.00
PROTTELITH Zlín, s.r.o.	Napajedla	NK	100.00
PWG-Bau Pfersee Wohn- und Gewerbebauträger GmbH & Co.KG	München	NK	50.00
PWG-Bau Pfersee Wohn- und Gewerbebauträger Verwaltungs GmbH	München	NK	50.00
Pyhrn Concession Holding GmbH	Köln	VK	100.00
Pyhrn Motorway GmbH	Aschheim	VK	100.00
RAE Recycling-Asphaltwerk Eisfeld GmbH & Co.KG	Eisfeld	NK	25.00
RAE Recycling-Asphaltwerk Eisfeld Verwaltungs GmbH	Eisfeld	NK	25.00
Raiffeisen evolution project development GmbH	Wien	EK	20.00
RAM Regensburger Asphalt-Mischwerke GmbH & Co KG	Barbing	NK	44.33
Rathaus-Carrée Saarbrücken Grundstücksentwicklungs Gesellschaft mbH	Köln	NK	24.97
Rathaus-Carrée Saarbrücken Grundstücksentwicklungsgesellschaft mbH & Co.KG	Köln	NK	25.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H.	Linz	VK	100.00
RE Wohnungseigentumserrichtungs GmbH	Wien	NK	75.00
Regensburger Asphalt-Mischwerke GmbH	Barbing	NK	44.33
REMEX Coesfeld Gesellschaft für Baustoffaufbereitung mbH	Dülmen-Buldern	NK	50.00
RFM Asphaltmischwerk GmbH & Co KG	Traiskirchen	NK	33.33
RFM Asphaltmischwerk GmbH.	Wienersdorf-Oeynhausen	NK	33.33
Rhein-Regio Neuenburg Projektentwicklung GmbH	Neuenburg am Rhein	VK	90.00
Rieder Asphaltgesellschaft m.b.H.	Ried im Zillertal	NK	50.00
Rieder Asphaltgesellschaft m.b.H. & Co. KG.	Ried im Zillertal	NK	50.00
RKB Rohrleitungs- und Kanalbau GmbH	Berlin	VK	100.00
RKH Rheinkies Hitdorf GmbH & Co. KG	Bergheim	NK	33.33
RKH Rheinkies Hitdorf Verwaltungs GmbH	Bergheim	NK	33.33
Roba AM Berlin-Brandenburg GmbH	Berlin	NK	74.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
Roba AM Düsseldorf GmbH	Düsseldorf	NK	60.00
Roba AM Hohenlimburg GmbH	Hohenlimburg	NK	100.00
Roba Asphalt GmbH	Augsburg	NK	100.00
Roba Baustoff GmbH	Augsburg	NK	100.00
Roba Baustoff Leipzig GmbH	Leipzig	NK	100.00
Roba Kieswerk Merseburg GmbH	Merseburg	NK	100.00
Roba Quarzsolittwerk Profen GmbH	Profen	NK	100.00
Roba Transportbeton GmbH	Augsburg	NK	100.00
Rodinger Ingenieurbau GmbH	Roding	VK	100.00
Rombeton s.r.l.	Cluj-Napoca	NK	100.00
RVE Gesellschaft für Reststoffverwertung und Entsorgung mbH	Lünen	EK	50.00
S.C. Züblin Romania S.R.L.	Bukarest	NK	100.00
S.U.S. Abflussdienst Gesellschaft m.b.H.	Wien	NK	100.00
Saale Asphalt GmbH & Co. KG	Dehlitz/Lösau	NK	24.50
Saale Asphalt Verwaltungs GmbH	Dehlitz/Lösau	NK	24.60
Sächsische Bauprüf- und Kontrollgesellschaft mbH	Chemnitz	NK	100.00
Salgo Shopping Center Kft	Budapest	NK	100.00
Salzburger Lieferasphalt OHG	Sulzau	NK	20.00
SAM Sächsische Asphaltmischwerke GmbH & Co. KG	Dresden	NK	50.00
SAM Sächsische Asphaltmischwerke Verwaltung GmbH	Dresden	NK	50.00
SAO BRVZ Ltd	Moskau	VK	100.00
SAT s.r.o.	Prag	VK	100.00
SAT Sp. z o.o.	Olawa	VK	100.00
SAT Straßensanierung GmbH	Horhausen	VK	100.00
SAV Südniedersächsische Aufbereitungs- und Verwertungsgesellschaft mbH	Hildesheim	NK	50.00
SBR Verwaltungs GmbH	Kehl	NK	100.00
Schlackenkontor Bremen GmbH	Bremen	NK	50.00
SCHOTTERWERK EDLING GESELLSCHAFT M.B.H.	Klagenfurt	NK	74.00
Schotterwerk Schmohlhöhe GmbH	Bobritzsch	NK	100.00
Servis Kadr sp.z.o.o.	Wrochlaw	NK	100.00
SF – Bau Ploiesti srl	Ploiest	NK	100.00
SF Cologne Ingenieurs Cameroun S.A.	Yaounde	NK	100.00
SF Consultants Nigeria	Lagos	NK	60.00
SF-Ausbau GmbH	Freiberg	VK	100.00
SF-BAU Drei Vermögensverwaltung GmbH	Wien	NK	100.00
SF-BAU Gesellschaft für Projektentwicklung und schlüsselfertiges Bauen mbH	Leipzig	VK	100.00
SF-BAU Grundstücksgesellschaft “ABC-Bogen” mbH	Köln	VK	100.00
SF-BAU Projektentwicklung GmbH	Köln	NK	100.00
SF-Immobilienfonds Beteiligungs-GmbH & Co.Nr.1 KG	Köln	NK	100.00
Siroki Brijek	Mostar	NK	49.00
Slask Sp.z.o.o.	Katovice	VK	51.00
Slovasfalt, spol.s.r.o.	Bratislava	VK	100.00
SOWI – Investor – Bauträger GmbH	Innsbruck	NK	33.33
SPK – Errichtungs-und Betriebsges.m.b.H.	Spittal an der Drau	NK	100.00
Spolecne obalovny, s r.o.	Prag	NK	50.00
Sportstättenservice Gesellschaft m.b.H.	Niederleis	NK	100.00
Stadtbaumeister Architekt Franz Böhm GmbH	Wien	VK	100.00
Stahl + Verbundbau Gesellschaft für industrielles Bauen m.b.H.	Dreieich-Dreieichenhain	NK	30.00
Stalexport Autostrada Slaska S.A.	Katowice	NK	25.00
Stavebni technologie, spol. s r.o.	Humpolec	NK	100.00

Companies	Headquarters	Type of consolidation[1]	Interest %
Steinbruch Mauterndorf Gesellschaft m.b.H.	Mauterndorf im Lungau	NK	50.00
Stephan Beratungs-GmbH	Linz am Rhein	NK	30.00
STR Lakasepitö Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
Strabag a.s.	Prag	VK	100.00
STRABAG ABU DHABI LLC	Abu Dhabi	NK	100.00
STRABAG AG	Köln	VK	65.85
STRABAG AG	Spittal an der Drau	VK	100.00
STRABAG Bau.S.L.	Madrid	NK	100.00
STRABAG Beograd d.o.o.	Belgrad	VK	100.00
STRABAG Beton GmbH & Co. KG	Berlin	VK	100.00
Strabag BiH, d.o.o.	Mostar	NK	100.00
STRABAG BMTI Benelux	Antwerpen	VK	100.00
STRABAG Bouw en Ontwikkeling B.V.	Dortrecht	VK	100.00
STRABAG BRVZ Bau-Rechen- und Verwaltungszentrum GmbH	Köln	VK	100.00
STRABAG BRVZ BENELUX	Antwerpen	VK	100.00
STRABAG Construction Nigeria	Ikeja	NK	99.99
Strabag d.o.o.	Zagreb	VK	100.00
Strabag Domodedovo OOO	Moskauer Gebiet	NK	100.00
STRABAG Dubai LLC	Dubai	NK	100.00
STRABAG EAST AFRICA Ltd.	Nairobi	NK	100.00
Strabag Epitö Zartköruen Muködo Reszvenytarsasag	Budapest	VK	100.00
Strabag Eta Group a.s.	Brünn	VK	98.32
STRABAG gradbene storitve d.o.o.	Laibach	VK	100.00
STRABAG Imobilija d.o.o.	Laibach	VK	100.00
Strabag Inc.	Toronto	VK	100.00
Strabag International Benin SARL	Benin	NK	100.00
Strabag International GmbH	Köln	VK	100.00
Strabag Kiew	Kiew	NK	100.00
STRABAG Kommunal-Entwicklung GmbH & Co. KG	Köln	NK	100.00
Strabag Liegenschaftsverwaltung GmbH	Linz	VK	100.00
STRABAG OMAN	Muscat	VK	100.00
Strabag OOO	Moskau	NK	100.00
STRABAG Projektentwicklung GmbH	Köln	VK	100.00
Strabag Qatar W.L.L.	Qatar	NK	100.00
STRABAG s.r.o.	Bratislava	VK	100.00
STRABAG SE	Villach	VK	59.94
Strabag Sibe Group a.s.	Beroun	VK	100.00
Strabag Sp. z o.o. Kirchner Gorzow Bypass spolka jawna	Gorzow	NK	49.00
STRABAG Sp.z o.o.	Warschau	VK	100.00
STRABAG Sportstättenbau GmbH	Dortmund	VK	100.00
Strabag srl	Bukarest	VK	100.00
STRABAG Straßen- und Tiefbau Verwaltung GmbH	Spergau	NK	100.00
STRABAG Trappenkamp GmbH	Trappenkamp	NK	100.00
STRABAG Unterstützungskasse GmbH	Köln	VK	100.00
STRABAG Vermögensverwaltungs GmbH	Köln	NK	100.00
Strabag z.a.o.	Moskau	VK	100.00
Strabag-Mert Épitö Közkereseti Társaság	Budapest	NK	50.00
STRABAG-PROJEKT Sp. z o.o.	Warschau	NK	100.00
Straßenbau Thüringen GmbH	Gotha	EK	50.00
Straßenbaustoffe Nonnendamm GmbH	Teltow	NK	33.10
Stratebau GmbH	Regensburg	EK	50.00
Stratebau Konsortium GbR	Regensburg	NK	50.00
STRAVIA Emulziogyarto es Utfenntarto Kft.	Budapest	NK	25.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
STRIBA Protonentherapiezentrum Essen GmbH	Köln	NK	50.00
Stuag Bau Development GmbH	Cottbus	NK	100.00
SVG Stoll Gesellschaft für Vermietung und Verpachtung GmbH	Berlin	NK	100.00
Syrena Immobilien Holding Aktiengesellschaft	Spittal an der Drau	NK	50.00
Szamito-es Ügyviteli Központ Kft.	Budapest	VK	100.00
Szentesi Vasutepitö Kft.	Budapest	VK	100.00
TBG Ceske Budejovice spol. s.r.o.	Budweis	NK	33.33
TBG – STRABAG drustvo s ogranicenom odgovornoscu za proizvodnju i distribuciju betona	Zagreb	NK	50.00
TBG Frissbeton Betongyarto Kft.	Pecs	NK	50.00
Tek Ermolino Sao	Moskau	NK	25.00
Tek Tunoschna Sao	Moskau	NK	25.00
Territorium Bauprojektentwicklungs-GmbH	Stuttgart	NK	100.00
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH	Apfelstädt	EK	33.33
Tiefbautechnik Gesellschaft m.b.H.	Linz	NK	100.00
Tiefbautechnik Gesellschaft m.b.H. & Co OHG	Linz	NK	100.00
Towarystwo z obmeshenoju widpowidalnistju “Dywidag Ukraina GmbH”	Kiew	NK	99.00
TPA CR s.r.o.	Beroun	VK	100.00
TPA EOOD	Sofia	VK	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Köln	VK	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Wien	VK	100.00
TPA Instytut Badan Technicznych sp.z.o.o.	Pozan	VK	100.00
TPA odrzavanje kvaliteta i inovacija d.o.o.	Zagreb	VK	100.00
TPA s.r.o.	Bratislava	VK	100.00
TPA Societate pentru asigurarea calitatii si inovatii SRL	Bukarest	VK	100.00
Transkipper sp.z o.o.	Szczawno Zdroj	NK	100.00
Treuhandbeteiligung		VK	100.00
Treuhandbeteiligung M		NK	100.00
UND-FRISCHBETON s.r.o.	Kosice	NK	75.00
UNI-BAU Wohnungseigentumserrichtungs GmbH	Wien	NK	100.00
UNIPROJEKT Bau- und Innenbau GmbH	Wien	VK	100.00
Universitätszentrum Althanstraße Erweiterungsgesellschaft m.b.H.	Wien	NK	100.00
Unterstützungseinrichtung für die Angestellten der ehemaligen Bau-Aktiengesellschaft “Negrelli” GesellschaftmbH	Wien	NK	50.00
VAB d.o.o.	Varazdin	NK	34.50
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H.	Linz	NK	75.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co.KG	Linz	VK	75.00
VCO – Vychodoceska obalovna, s r.o	Hradec Kralove	NK	33.33
Verbundplan Birecik Isletme Ltd.	Birecik	NK	25.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	Spittal an der Drau	NK	50.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	Spittal an der Drau	VK	50.00
VIALIT-ASPHALT Podjetje za asfaltiranje in trgovino, d.o.o.	Laibach	NK	50.00
Viamont DSP a.s.	Aussig	EK	50.00
VIANOVA – Bitumenemulsionen GmbH	Fürnitz	NK	24.90
Villacher Parkgaragen Gesellschaft m.b.H. & Co. KG	Spittal an der Drau	NK	100.00
VKG-Valentiner Kieswerk Gesellschaft m.b.H.	Linz	NK	50.00
VULKANKÖ Banyaszati es Kereskedelmi Kft.	Keszthely	NK	50.39

Companies	Headquarters	Type of consolidation[1)]	Interest %
WALTER DYWIDAG CONSTRUCTION CORPORATION	Vancouver	NK	100.00
Walter-Heilit/EpkerEpitöipari Kft.	Nyigegyhaza	NK	50.00
WARSZAWSKIE ASFALTY Sp.z.o.o	Warschau	NK	100.00
WE Pro Bauträger Gesellschaft m.b.H.	Wien	NK	25.00
Welfentor GmbH & Co.KG	Darmstadt	NK	94.00
WIBAU Holding GmbH	Linz	NK	24.80
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	Zistersdorf	NK	33.33
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	Zistersdorf	NK	33.33
Wohn + Industriebau-Planungsgruppe GmbH	Spittal an der Drau	NK	100.00
Wohnbau Tafelgelände Beteiligungs-GmbH	Nürnberg	NK	25.00
Wohnbau Tafelgelände GmbH & Co. KG	Nürnberg	NK	25.00
Wohnbauträgergesellschaft Objekt “Freising – Westlich der Jagdstraße” mbH	Köln	VK	100.00
WWOM Projektentwicklung GmbH	Wien	NK	87.50
Xaver Bachner Gesellschaft m.b.H.	Straubing	NK	100.00
Z.I.P.O.S. d.o.o.	Antunovac	NK	50.00
Z-Bau GmbH	Magdeburg	VK	100.00
Zentrum Rennweg S-Bahn Immobilienentwicklung GmbH	Wien	VK	99.00
ZIPP BRATISLAVA spol. sr.o.	Bratislava	VK	100.00
ZIPP Brno s.r.o.	Brünn	NK	50.00
ZIPP CZ	Prag	NK	100.00
ZIPP GECA, s.r.o.	Geca	NK	100.00
ZIPP PRAHA, s.r.o.	Prag	VK	100.00
ZIPP REAL, a.s.	Brünn	NK	50.00
ZIPP SKALICA, spol.s.r.o.	Skalica	NK	46.00
Züblin Construction Consulting Co, Ltd.	Shanghai	NK	100.00
Züblin Baugesellschaft m.b.H.	Wien	VK	100.00
Züblin Bulgaria EOOD	Sofia	NK	100.00
Züblin Chile Ingeneria y Construcciónes Ltd.	Santiago	NK	100.00
Züblin Facility Management GmbH	Stuttgart	NK	100.00
Züblin Ground & Civil Engineering (L.L.C.)	U.A.E. Dubai	NK	100.00
Züblin Grundstücksverwaltungsgesellschaft mbH	Stuttgart	NK	100.00
Züblin Holding Ges. mbH	Wien	VK	100.00
Züblin Hrvatska d.o.o.	Zagreb	VK	100.00
Züblin International GmbH	Stuttgart	VK	100.00
Züblin International Chile Ltda.	Santiago	VK	100.00
Züblin International Malaysia Sdn.Bhd	Kuala Lumpur	VK	100.00
Züblin International Qatar LLC	Doha Qatar	NK	49.00
Züblin K.F.T	Budapest	VK	100.00
Züblin Logistik und Informationssysteme GmbH	Stuttgart	NK	100.00
Züblin Maschinen-und Anlagenbau GmbH	Kehl	NK	100.00
Züblin Project Management China Ltd	Hong Kong	NK	67.00
Züblin Projektentwicklung GmbH	Stuttgart	VK	100.00
Züblin Rohrvertriebs-GmbH	Kehl	NK	100.00
Züblin Rohrwerke Schermbeck GmbH	Schermbeck	NK	100.00
Züblin Scandinavia AB	Sollentuna	VK	100.00
Züblin Scandinavia A/S	Viby	VK	100.00
Züblin Services GmbH	Stuttgart	NK	100.00
Züblin Shanghai Changjiang Construction Engineering Co. Ltd.	Shanghai	VK	75.00
Züblin Slovensko	Bratislava	NK	100.00
Züblin Sp.z.o.o.	Poznan	VK	100.00
Züblin Spezialtiefbau GmbH	Stuttgart	VK	100.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
Züblin spol s.r.o.	Prag	VK	100.00
Züblin Stahlbau GmbH	Hosena	VK	100.00
Züblin Umwelttechnik GmbH	Stuttgart	VK	100.00
ZUBLINCON S.R.L.	Bukarest	NK	51.00
Züblin-Strabag AG	Zürich	VK	100.00
ZUCOTEC Sociedade de Construções, Lda.	Lissabon	VK	100.00
Zuidermeent B.V.	AK Den Haag	NK	100.00
Z-zwo Verwaltungsgesellschaft mbH & Co. KG	Stuttgart	NK	100.00

1) VK…Full consolidation
EK…Equity method
NK…No consolidation

UNQUALIFIED AUDIT CERTIFICATE

To the Board of Management and the members of the Supervisory Board of FIMAG Finanz Industrie Management AG, Vienna:

We have audited the German version of the consolidated financial statement of FIMAG Finanz Industrie Management AG, Spittal an der Drau, for the financial year ending 31 December 2005.

The company's management is responsible for the drawing up and for the content of these financial statements in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the European Union, and under application of the rules stipulated by the Austrian Commercial Code. On the basis of our audit, it is our responsibility to express an opinion on these financial statements and whether the management report is consistent with the financial statements.

We have conducted our audit in accordance with the Austrian legal requirements and standards governing the establishment of an orderly audit of annual accounts and under application of the International Standards on Auditing (ISA). These standards require that we plan and perform the audit in order to obtain reasonable assurance that the financial statements are free of material misstatement and that an opinion can be made whether the management report is consistent with the financial statements.

The audit takes into consideration information concerning business activity, the economic and legal framework of the company and expectations of possible errors. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has resulted in no objections to the annual report. As a result of the insight gained from our audit, it is our opinion that the consolidated financial statements are conform with the legal requirements and that they present fairly, in all material respects, the financial position of the company as of 31 December 2005, as well as the results of its operations and its cash flows for the year ended, in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union.

The management report is consistent with the financial statements.

Vienna/Linz, 26 April 2006

T & A
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft mbH

KPMG Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

/s/ Rudolf Kraus
Mag. Rudolf Kraus
Wirtschaftsprüfer
und Steuerberater
(Austrian Chartered
Accountant)

/s/ Herbert F. Maier
Dkfm. Herbert F. Maier
Wirtschaftsprüfer
und Steuerberater
(Austrian Chartered
Accountant)

/s/ Rudolf Kraus
Mag. Rudolf Kraus
Wirtschaftsprüfer
und Steuerberater
(Austrian Chartered
Accountant)

/s/ Helge Löffler
Dr. Helge Löffler
Wirtschaftsprüfer
und Steuerberater
(Austrian Chartered
Accountant)

The consolidated financial statements with our audit certificate may only be published or circulated in the form certified by us. For variant versions (e.g. summaries or translations) the requirements of Article 281 Paragraph 2 of the Austrian Commercial Code (HGB) apply.

This report is a translation of the original report in German.

Audited IFRS Consolidated Financial Statements for Financial Year Ended December 31, 2004 (FIMAG Finanz Industrie Management AG)

FINANCIAL STATEMENT 2004

CONSOLIDATED INCOME STATEMENT FOR THE 2004 BUSINESS YEAR

	Notes	2004 T€	2003 T€
Sales	(1)	5,222,905	4,532,006
Change in inventories		38,884	33,954
Own work capitalised		11,727	60,549
Other operational income	(2)	136,967	123,001
Cost of material and services purchased	(3)	-3,609,458	-2,990,972
Personnel expenditure	(4)	-1,189,958	-1,199,097
Depreciation	(5)	-208,889	-173,356
Other operational expenditure	(6)	-311,496	-303,730
Earnings before financial result and taxes		**90,682**	**82,355**
Result from participations in associated companies	(7)	7,897	11,174
Result from participations	(8)	8,673	7,371
Other financial result	(9)	-20,351	-18,085
Financial result		**-3,781**	**460**
Earnings before taxes		**86,901**	**82,815**
Income tax	(10)	-24,897	-30,171
Net income		**62,004**	**52,644**
Minority interest		-28,334	-26,460
Net profit for the period		**33,670**	**26,184**
Earnings per share (in €)	(29)	4.99	4.59

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2004

Assets

	Notes	31.12.2004 T€	31.12.2003 T€
Fixed assets			
Intangible assets	(11)	32,550	35,081
Tangible assets	(11)	955,907	857,700
Shares in associated companies	(12)	45,495	39,093
Other financial assets	(12)	264,016	232,851
		1,297,968	**1,164,725**
Current assets			
Inventories	(13)	540,856	374,648
Accounts receivable and other assets	(14)	1,500,919	1,356,758
Cash and cash equivalents	(15)	212,399	318,976
		2,254,174	**2,050,382**
Deferred taxes	(16)	**92,161**	**89,394**
Accruals and deferrals	(17)	**8,954**	**4,373**
		3,653,257	**3,308,874**

Equity and Liabilities

	Notes	31.12.2004 T€	31.12.2003 T€
Group equity			
Share capital		53,938	53,938
Capital reserves		163,800	163,800
Retained earnings		237,380	186,039
		455,118	403,777
Minority interest	(18)	347,138	356,339
		802,256	**760,116**
Provisions	(19)	**605,697**	**592,993**
Long-term interest bearing liabilities	(20)	**561,161**	**314,772**
Other liabilities	(20)	**1,680,383**	**1,633,242**
Deferred taxes	(16)	**1,847**	**5,094**
Accruals and deferrals	(21)	**1,913**	**2,657**
		3,653,257	**3,308,874**

CONSOLIDATED CASH-FLOW STATEMENT FOR THE 2004 BUSINESS YEAR

	Notes	2004 T€	2003 T€
Net income		62,004	52,644
Deferred taxes		784	5,306
Non cash effective results from associated companies		3,529	-3,919
Depreciation / write-ups		210,355	178,005
Change in long term provisions		6,456	-11,321
Profit / loss from sale / disposal of plants		-20,177	-24,162
Cash-flow from profits		**262,951**	**196,553**
Change in items:			
– Inventories		-40,340	-69,570
– Receivables from trade, construction contracts and consortia		-64,364	-126,267
– Group receivables and receivables from companies with whom a participation relationship exists		-11,788	8,614
– Other assets		6,355	-13,836
– Liabilities from trade, construction contracts and consortia		-68,852	101,138
– Group liabilities and liabilities from companies with whom a participation relationship exists		18,222	12,500
– Other liabilities		18,373	-36,834
– Short-term provisions		-16,459	5,455
Cash-flow from operating activities		**104,098**	**77,753**
Acquisition of financial assets		-65,175	-90,522
Acquisition of fixed assets		-207,490	-244,001
Profit / loss from sale / disposal of plants		20,177	24,162
Reduction from fixed assets (book value)		75,741	50,416
Change in other receivables from cash clearing		28,598	6,476
Change in consolidation circle minus acquired cash and cash equivalents		-13,061	-2,409
Exchange rate differences in fixed assets		0	671
Cash-flow from investing activities		**-161,210**	**-255,207**
Change in bank liabilities		-43,768	-42,161
Change in loans		50,000	50,000
Change in liabilities from finance leases		-7,493	-7,999
Change in other liabilities from cash clearing		113	-37,130
Other neutral changes in share capital		0	-8,610
Distribution and withdrawals from partnerships		-51,846	-13,817
Cash-flow from financing activities		**-52,994**	**-59,717**
Cash-flow from operating activities		104,098	77,753
Cash-flow from investing activities		-161,210	-255,207
Cash-flow from financing activities		-52,994	-59,717
Net change in cash and cash equivalents		**-110,106**	**-237,171**
Cash and cash equivalents at the start of the year		318,976	568,634
Change in cash and cash equivalents due to exchange rate differences		3,529	-12,487
Cash and cash equivalents at the end of the year	(23)	**212,399**	**318,976**
Interest paid		36,064	35,713
Interest received		28,259	28,383
Taxes paid		31,206	21,826

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital reserves	Participation rights capital	Retained earnings	Currency translation differences	Total
	T€	T€	T€	T€	T€	T€
Balance at 1.1.2003	**40,040**	**91,673**	**4,616**	**187,151**	**-2,065**	**321,415**
Conversion Participation rights capital	4,616	0	-4,616	0	0	0
Contribution in kind with capital increase	9,282	72,127	0	0	0	81,409
Differences arising from currency translation	0	0	0	0	-19,649	-19,649
Net profit for the period	0	0	0	26,184	0	26,184
Dividends on minority interest results	0	0	0	-5,582	0	-5,582
Balance at 31.12.2003 =						
Balance at 01.01.2004	**53,938**	**163,800**	**0**	**207,753**	**-21,714**	**403,777**
Differences arising from currency translation	0	0	0	0	11,378	11,378
Net profit for the period	0	0	0	33,670	0	33,670
Contribution	0	0	0	637	0	637
Hedging reserve	0	0	0	5,656	0	5,656
Distribution of dividends	0	0	0	0	0	0
Balance at 31.12.2004	**53,938**	**163,800**	**0**	**247,716**	**-10,336**	**455,118**

NOTES TO THE 2004 CONSOLIDATED FINANCIAL STATEMENTS

FIMAG Finanz Industrie Management AG, Spittal/Drau

Basic Principles

The consolidated financial statement of the FIMAG Finanz Industrie Management AG, under application of § 245a of the Austrian Commercial Code, has been drawn up as of 31st December 2004 in accordance with the "International Financial Reporting Standards" ("IFRS") stipulations issued by the International Accounting Standards Board ("IASB") and including the interpretations of the "International Financial Reporting Interpretations Committees" ("IFRIC") which had to be applied on deadline date. It stands in accordance with the guidelines of the European Union on consolidated accounting principles (Guideline 83/349/EWG).

As well as the consolidated profit and loss account and the consolidated balance sheet, a consolidated cash-flow statement in accordance with IAS 7 will be drawn up and the changes in equity will be shown (IAS 1).

The group notes will also comprise segment reporting in accordance with IAS 14.

In order to improve the clarity of the representation various items in the consolidated balance sheet and the consolidated profit and loss account have been combined. These items have been shown separately and explained in the group notes. The consolidated profit and loss account has been drawn up in accordance with the classification of expenses by nature.

Representation According to IFRS

The accounting- evaluation and consolidation methods in accordance with IFRS essentially differ from the HGB stipulations (Austrian Commercial Code) in the following accounting items:

Intangible assets

Goodwill in the capital consolidation is capitalised in accordance with IFRS 3 and undergoes an annual Impairment Test, but is no longer amortised regularly as of 31.3.2004. In accordance with HGB (Austrian Commercial Code), the offsetting of reserves, which has no effect on the net profit or capitalisation using straight line depreciation, are possible.

Self-constructed intangible assets must be capitalised under IFRS.

Tangible assets

Due to the now stricter interpretation of the allocation criteria concerning economic ownership in accordance with the IFRS and contrary to the Austrian Commercial Code, leasing contracts for real estate and machines were classified as finance leases in as far as these fulfilled the criteria. The leased tangible assets are capitalised in the amount of the attributed current market value or the lower present value of the leasing instalments and depreciated in the straight line method over the estimated useful life or if necessary over shorter contract times. Payment obligations resulting from future leasing instalments are accrued as a liability with the present value.

Accounts receivable from the completion of contracts

According to the Austrian Commercial Code sales and profits from construction contracts are realised only on completion (Completed Contract Method), whereas according to IFRS, the Percentage of Completion Method is applied for such contracts which corresponds to the performance progress. The performance progress is determined according to the performance actually brought to date.

Securities / Derivative financial instruments

The long and short term securities available for sale are accounted at the market-to-market price on balance sheet date or at repurchase price. The changes in market values are directly accounted for in the profit and loss account or without affecting the profit and loss account recognised as equity (Hedging Reserve). Thus as opposed to the Austrian Commercial Code, re-valuations exceeding the purchase costs are permissible according to the IFRS.

Deferred taxes

In accordance with the Austrian Commercial Code deferred tax liabilities are only to be provided for in as far as temporary differences have arisen, with effect on the result, while the option to capitalise exists for deferred tax assets. The general opinion is that no deferred tax assets can be provided for losses carried forward.

In accordance with the IFRS stipulations deferred taxes are to be recognised for all temporary differences when applying a currently applicable or given tax rate. This also applies to tax losses carried forward, in as far as these can probably be offset against future tax profits.

Provisions for severance pay and pensions

In accordance with the Austrian Commercial Code provisions for pensions and severance payments are primarily formed in accordance with the concern value approach, without taking salary changes into consideration. In accordance with IFRS the evaluation of the pension obligations is based on the Projected Unit Credit Method.

Foreign currency translation

In accordance with the Austrian Commercial Code only non-capitalised losses resulting from the deadline date evaluation of foreign currency amounts are accounted due to the imparity principle. In accordance with the IFRS non-capitalised exchange gains are also to be taken into account.

Consolidated Group

As well as FIMAG Finanz Industrie Management AG, all the important domestic and foreign subsidiaries are included in the consolidated financial statement of 31.12.2004, in which FIMAG Finanz Industrie Management AG has the direct or indirect majority of votes. Important associated companies are accounted in accordance with the Equity Method.

The financial statements of all fully-consolidated important companies or domestic and foreign companies, which are obliged to be audited according to national law, were audited by independent auditors and awarded the unqualified stamp of confirmation.

170 (previous year 133) affiliated companies were not included, as their influence on the group assets-, financial and earnings situation is immaterial. The building output of the subsidiaries, which are not included, is less than 1 per cent of the group building output.

The companies included in the 2004 consolidated financial statement can be seen in the list of participations.

The business year for all the consolidated and associated companies is the calendar year.

The consolidated group developed as follows in the 2004 financial year:

	Full consolidation	**Equity valuation**
Situation on 31.12.2003	173	7
Initial inclusion in the year under report	31	4
Merged in the year under report	-4	0
Removed in the year under report	-15	0
Situation on 31.12.2004	**185**	**11**

The following companies were included in the consolidated group at the balance sheet date for the first time:

Company	Currency	Nominal capital	Share %	Date of acquisition
– A-Way Holding und Finanz AG, Spittal an der Drau	T€	3,000	100.00%	01.01.2004
– "A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH", Spittal an der Drau	T€	35	100.00%	03.05.2004
– BHG Bitumen Kereskedelmi Korlatolt Felelössegü Tarsasag, Budaörs	THUF	3,000	100.00%	20.01.2004
– BMTI GmbH, Erstfeld	TCHF	20	100.00%	01.01.2004
– BMTI Romania s.r.l, Bucarest	MROL	284	100.00%	26.02.2004
– BRVZ center za racunovodstvo in upravljanje d.o.o., Ljubljana	TSIT	2,100	100.00%	16.11.2004
– "Daheim" Bau- und Wohnungseigentumsgesellschaft m.b.H., Vienna	T€	36	100.00%	15.11.2004
– Dipl. Ing. H.K. Mischek Gesellschaft m.b.H., Vienna	T€	36	100.00%	15.11.2004
– "DOMIZIL" Bauträger GmbH, Vienna	T€	727	100.00%	15.11.2004
– DRUMCO S.A. Timisoara, Timisoara	MROL	129,568	70.00%	01.01.2004
– Edenstrasser GmbH, Wörgl	TATS	500	100.00%	03.05.2004
– Eggstein AG, Kriens	TCHF	1,850	100.00%	30.06.2004
– Egolf AG Weinfelden, Weinfelden	TCHF	3,000	100.00%	15.10.2004
– Egolf Baustoffe AG, Bürglen	TCHF	1,200	100.00%	15.10.2004
– Egolf Bauunternehmungen AG, Weinfelden	TCHF	7,070	100.00%	15.10.2004
– FUSSENEGGER Hochbau und Holzindustrie GmbH, Dornbirn	T€	43	100.00%	14.09.2004
– Goldeck - Flug Gesellschaft m.b.H., Spittal an der Drau	TATS	2,000	100.00%	30.08.2004
– "Hochbau Consult" Bauplanungs- und Kontoll-GmbH, Vienna	T€	36	100.00%	15.11.2004
– Meyerhans AG, Amriswil, Amriswil	TCHF	2,500	100.00%	15.10.2004
– Meyerhans AG, Strassen- und Tiefbau Uzwil, Uzwil	TCHF	100	100.00%	15.10.2004
– Mischek Bau AG, Vienna	T€	1,000	100.00%	15.11.2004
– Mischek Systembau, Vorfertigungs u. Logistik GmbH, Vienna	T€	36	100.00%	15.11.2004
– PPP SchulManagement Witten GmbH & Co. KG, Cologne	T€	10	100.00%	02.07.2004
– PREFABRIKAT a.s., Velke Levare	TSKK	199,164	100.00%	01.01.2004
– Shopping Center d.o.o., Zagreb	THRK	20	100.00%	21.12.2004
– STRABAG BMTI Benelux, Antwerp	T€	19	100.00%	01.01.2004
– TPA održavanje kvaliteta i inovacija d.o.o., Zagreb	THRK	20	100.00%	29.06.2004
– "Wiener Heim" Wohnbaugesellschaft mbH, Vienna	T€	741	100.00%	15.11.2004
– ZIPP BRATISLAVA spol. s.r.o., Bratislava	TSKK	4,000	100.00%	01.01.2004
– ZIPP PRAHA s.r.o., Prague	TCZK	17,100	100.00%	01.01.2004
– Züblin-Strabag AG, Zurich	TCHF	13,450	100.00%	30.06.2004

The initial consolidations concern new foundations, as well as the acquisition of shares, whose purchase price is comprised of cash amounts and the taking on of debts. There were therefore insignificant differying amounts, which were depreciated in the 2004 business year and recognised in the profit and loss account.

As of 31.12.2004 the following companies were no longer included in the consolidated group:

– A.D.T. Abwasser- und Deponietechnik GmbH, Burghausen	Merger with Josef Riepl Unternehmen für Hoch-und Tiefbau GmbH, Regensburg
– Bauer Deponieerschließungs- und Verwertungsgesellschaft m.b.H., Fischamend	Reduction of business activity
– Bau-Teszt Minösegvizsgalo Kft, Budapest	Merger with H-TPA Innovacios es Minösegvizsgalo Kft, Budapest
– BVHS Betrieb- und Verwaltung von Hotel- und Sportanlagen GmbH, Berlin	Reduction of business activity
– Eberhardt Bau-Gesellschaft mbH, Suhl	Reduction of business activity
– EBERHARDT Bau-GmbH, Vienna	Reduction of business activity
– Hrusecka Obalovna s.r.o., Hrusky	Reduction of business activity
– Lieferasphalt Gesellschaft m.b.H. & Co, Viecht	Reduction of business activity
– Lieferasphalt Gesellschaft m.b.H. & Co OHG, Maria Gail	Reduction of business activity
– Lumirova EP, spol s.r.o., Prague	Reduction of business activity
– MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. & Co.KG, Ilz	Reduction of business activity
– NEUE REFORMBAU Gesellschaft m.b.H., Vienna	Reduction of business activity
– Ostsächsische Brücken- und Ingenieur- Tiefbau GmbH, Neustadt/ Sachsen	Reduction of business activity
– “Schöner Wohnen in Klosterneuburg” Bauträger GmbH, Vienna	Reduction of business activity
– STRABAG-PROJEKT sp. z o.o., Warsaw	Reduction of business activity
– STRABAG Nederland B.V., Dordrecht	Reduction of business activity
– Unterstützungskasse Deutsche Asphalt GmbH, Frankfurt am Main	Merger with STRABAG Unterstützungskasse GmbH, Cologne
– Unterstützungskasse der Scheidt Straßenbaugesellschaft m.b.H., Limburg an der Lahn	Merger with STRABAG Unterstützungskasse GmbH, Cologne
– Wohn + Industriebau- Planungsgruppe GmbH, Spittal an der Drau	Reduction of business activity

The consolidation of companies included for the first time was made at the point of acquisition or at the near balance sheet date in as far as no significant effects arose from the inclusion at the point of acquisition.

The effects in the financial situation of the changes in the consolidated group (without considering consolidation bookings) are represented as follows:

	Zipp Group	**Mischek Group**	**Egolf Group**	**Züblin-Strabag AG/ Eggstein AG**	**Shopping Center d.o.o.**	**Other Initial Consoli-dations**	**Initial Con-solidations**	**Total**
	T€	**T€**	**T€**	**T€**	**T€**	**T€**	**T€**	**T€**
Fixed assets	13,782	18,238	19,283	10,321	51,800	20,785	-9,776	**124,433**
Current assets	80,443	174,205	4,725	24,461	1,928	17,051	-86,040	**216,773**
Equity	25,334	4,718	11,586	8,825	1,600	6,500	-10,385	**48,178**
Provisions	1,454	16,007	727	1,336	534	1,788	-2,454	**19,392**
Liabilities	67,437	171,718	11,695	24,621	51,594	29,548	-82,977	**273,636**

When assuming a fictive initial consolidation date of 1.1.2004 for all additions in the business year, group sales would amount to T€ 5,436,506.

Consolidation Methods

The financial statements of the domestic and foreign companies included in the consolidation are drawn up in accordance with uniform accounting and valuation principles. The annual financial statements of the domestic and foreign group companies are adapted accordingly; insignificant deviations remain unchanged.

The capital consolidation is made up to 31.3.2004 according to the book value method, whereby the proportional equity at the point of the initial inclusion is offset by the respective participation book value. Following the allocation, the remaining differying amounts on the assets side are capitalised (as of 1.1.1995) as goodwill and amortised in the straight line method. Differying amounts arising beforehand on the assets side were offset with the retained earnings.

For acquisitions from 31.3.2004 capital consolidation is made in accordance with the stipulations in IFRS 3. All assets and debts of the subsidiaries are recorded at the accompanying values. The proportional equity thereby determined is offset by the participation book value. Differying amounts on the assets side, which are allotted to special, identifiable intangible assets, which were acquired within the framework of the business combination, are recognised separately from the goodwill. If a useful life can be allocated to these assets, the planned amortisation is made over the projected useful life. Intangible assets with an undefined useful life are tested annually for their intrinsic value and amortised if necessary on the basis of an impairment test.

Any remaining differying amounts on the assets side are capitalised as goodwill and amortised on the basis of an impairment test in accordance with IAS 36. There is no planned depreciation of goodwill resulting from acquisitions after 31.3.2004.

No goodwill was capitalised in 2004.

Differying amounts on the liabilities side in the capital consolidation are recorded immediately as affecting the profit and loss account. In the 2004 business year differying amounts on the liabilities side of T€ 2 were recognised under other operational income.

The same principles of capital consolidation are applied to participations included under the Equity-Method as in the case of fully-consolidated companies, whereby the respective last available financial statement serves as the basis for the equity consolidation. In the case of companies recognised under the equity method the local valuation principles are kept only in case of insignificant differences.

A goodwill of € 4.8 m in the account balance results from the initial equity evaluation of the newly acquired companies. If the companies were acquired before 1.4.2004, then the goodwill is amortised for the last time in the 2004 business year. The new stipulations in IFRS 3 “Business Combinations”, IAS 36 “Impairment of Assets” (revised 2004) and IAS 38 “Intangible Assets” (revised 2004) are applied for goodwill of companies, which were acquired after 31.3.2004.

Within the framework of debt consolidation, receivables from trade, loans as well as other receivables are rounded up with the corresponding liabilities and provisions among the subsidiaries included in the financial statement.

Expenditure and income from internal-group trade have been eliminated. Interim results incurred from internal-group trade transactions in the fixed- and current assets have been cancelled, as far as they are not of minor importance.

Minority interests in the equity and in the result of the companies, which are controlled by the parent company, are shown separately in the consolidated financial statement.

The necessary tax deferrals are made for consolidation procedures affecting the profit and loss account.

Currency Translation

The group currency is the euro. The financial statements for the foreign companies are converted into euros according to the concept of the working currency. In all companies this is the respective local currency.

All balance sheet items are converted at the mean foreign exchange rate at the balance sheet date. Expenditure- and income items are converted at the average annual rate.

In the business year exchange rate differences of T€ 11,378 are recognised in the equity with no effect on the operating result in the course of the capital consolidation. The currency translation differences between the cut off date within the balance sheet and the average price within the profit and loss account are allocated to equity.

The inclusion of currency transactions (hedging transactions) which do not affect the profit and loss account increased the retained earnings by T€ 5,656.

Re-statements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economics) were not made due to immateriality.

Accounting and Valuation Principles

Intangible Assets and Tangible Assets

Acquired intangible assets and tangible assets are recognised at their historical or production price, minus planned and unplanned depreciation. Both the direct and the appropriate parts of overhead costs for the self-constructed plants are included in the production costs.

The planned depreciation of the depreciable fixed assets is made according to the straight line method in accordance with the forseeable useful life, whereby in the case of utilisation over a six month period of an asset acquired in the financial year the depreciation is recognised at the full annual amount, in the case of a shorter utilisation period at half the annual amount. Should there be indications of impairment in the case of assets and should the market value of the future cash surpluses be under the market values, then an impairment is made according to IAS 36 to the lower accompanying value.

The following useful lives were assumed in the determination of the rate of depreciation:

	Useful life in years	
	from	**to**
Intangible assets		
Inventory rights	5	20
Software	2	5
Patents, Licenses	3	10
Goodwill	3	15
Tangible assets		
Buildings	10	50
Investments in external buildings	5	40
Machinery	3	18
Furniture and fixtures	3	15
Vehicles	4	10

Subsidies and investment allowances are deferred from the respective asset value and appropriated as planned according to the useful life.

Leasing contracts on assets, on which all the chances and risks essentially lie with the company, are treated as finance leases. The fixed assets underlying these leasing agreements are capitalised at the present value of the minimum payments at the beginning of leasing relations and depreciated over the forseeable useful life or over shorter contract terms. These are offset by the liabilities arising from future leasing payments, whereby the former are recognised at the present value of the outstanding obligations at the balance sheet date.

In addition there are leasing agreements for tangible assets, which are regarded as operating leases. Leasing payments resulting from these contracts are recognised as expenditure.

Financial Assets

In accordance with IAS 28 shares in associated companies are evaluated at equity – in as far as they are not shares of minor significance. For purpose of transition to IFRS the financial statements of the significant companies evaluated in accordance with the equity method are to be adapted to IFRS in terms of accounting and valuation. The revaluation will be made on the basis of estimations, if the companies to be valued at equity do not draw up financial statements in accordance with IFRS.

Subsidiaries, which are not consolidated, and participations, which are not reported at equity, are reported at their historical cost or with the accompanying fair value in accordance with IAS 39 in as far as this value can be reliably determined.

Interest-bearing loans are, as long as no value deductions are necessary, reported at nominal value. Interest-free or low interest-bearing loans are discounted to their present value.

All the securities in the fixed assets are classified in accordance with IAS 39 as available-for-sale. They are reported at cost at the date of acquisition and evaluated in later periods at the respective market value. The ensuing value adjustments are recognised in the respective year in the profit and loss account as affecting the current-period result. The market values of the securities result from the official price at the balance sheet date.

The majority of the securities is held to cover the provisions for severance payments and pensions.

Inventories

Inventories are evaluated at historical cost or production cost or at the lower market value or a lower accompanying value.

The production costs include all direct costs as well as appropriate parts of overheads arising in the production. Distribution costs as well as costs for general administration are not included in the production costs.

The interest on borrowing in connection to the production is not capitalised.

Accounts Receivable and Other Assets

Receivables from trade and other receivables are evaluated at their nominal value minus valuation adjustments for realisable individual risks. Graduated valuation adjustments are formed according to risk groups in order to take general loan risks on customer receivables into consideration.

Non-interest bearing and low-interest bearing receivables are discounted. Foreign currency receivables are evaluated on balance sheet date at the valid exchange rate or in the case of hedging at the hedged rate.

In the case of receivables from construction contracts the results are realised according to the Percentage of Completion Method. The output actually attained by the balance sheet date serves as a benchmark for the degree of completion. Threatening losses from the further construction process are accounted for by means of appropriate depreciations.

When the performance to be evaluated, which was provided within the framework of a construction contract, exceeds the payments received for it, then this is shown on the assets side under receivables from construction contracts. In the reverse case this is reported on the liabilities side under liabilities from construction contracts.

The results, in the case of construction contracts, which are carried out in consortia, are realised according to the Percentage of Completion Method in accordance with the degree of completion on balance sheet date. Threatening losses arising from further construction work are accounted for by means of appropriate depreciations. Receivables from or liabilities to consortia include the proportional contract result as well as capital contributions, in- and outpayments and charges resulting from services.

The valuation of other assets is made at historical cost minus extraordinary depreciation.

Short-term Securities

All securities are classified as available-for-sale. Their valuation is made at the point of entry at historical cost, in later periods at the respective current market value. Changes in value of securities are recognised in the financial result as affecting the profit and loss, even if it is valued over the historical acquisition cost. The market values of the securities result from the listed price on balance sheet date.

Deferred Taxes

The determination of tax deferral is made according to the Balance Sheet Liability Method for all temporary differences between the carrying value of the balance sheet items in the IFRS consolidated financial statement and their existing tax values in the individual companies. Furthermore the tax advantage which can probably be realised from existing losses carried forward is included in this process. Differing amounts from non-tax deductible goodwill are exceptions to this extensive tax deferral.

Deferred tax assets are only recognised if it is probable that the included tax advantage is realisable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal in their value difference.

Provisions

Provisions for severance pay are created as a result of statutory regulations. The group is obliged to pay a one-off severance payment to employees of domestic subsidiaries in the case of dismissal or at retirement age.

This depends on the number of years at the company and amount due at the time of severance and amounts to 2 to 12 monthly salaries. A provision is made for this obligation.

The provision for severance payments is determined by using the actuarial expertise. Here the future claim over the length of employment of the employees is collected while taking any future pay rises into consideration. The present value of the partly earned partial-claims on deadline day is recognised as the provision.

The change in value of the determined provision amount as a result of changes in the calculation parameter (= actuarial profit or loss) is immediately recognised as a whole in the profit and loss account.

Pension provisions are calculated according to the Projected Unit Credit Method. In this method the discounted pension claim acquired up to balance sheet date is determined. Due to the commitment of fixed pensions it is not necessary to consider expected salary rises in future as part of the actuarial parameters.

The effect in value of the change to these assumptions is recognised as an actuarial profit and loss and is in total immediately recognised in the profit and loss account. Service costs are recognised in the personnel expenditure, the proportion of the interest in the allocation of provisions in the financial result.

The old-age-part-time indemnity payments are determined according to the same principles as the pension provisions.

The conditions applied in calculating the severance pay – and pension provisions for discounting, pay rises as well as fluctuation vary according to the economic situation of the country. Life expectancy is calculated according to the respective country's statistics.

The other provisions take into consideration all realisable risks and uncertain obligations. They are recognised at the respective amount, which is necessary at the balance sheet date according to commercial judgement, in order to cover future payment obligations, realisable risks and uncertain obligations within the group. Hereby the respective amount is recognised, which arises as the most probable on careful examination of the facts. Long-term provisions are, in as far as they are not immaterial, accounted at their discounted discharge amount on balance sheet date. The discharge amount also includes the cost increases to be considered on balance sheet date. Provisions, which arise from the obligation to recultivate gravel sites, are allocated according to the rate of utilisation.

Liabilities

Liabilities are basically recognised at the repayment amount. Foreign currency liabilities are evaluated at the mean foreign currency rate at balance sheet date. Interest free liabilities especially those from financial leasing liabilities, are accounted at the present value of the repayment obligation.

The costs of issue connected with the corporate bond are capitalised in the year of issue and portionately deducted over the term.

Contingent Liabilities

Contingent liabilities are possible or existing obligations, with which an outflow of resources is not probable. They are not recognised in the balance sheet.

The reported obligation volumes of the contingent liabilities correspond to the extent of liability on the balance sheet date.

Notes on the Items in the Consolidated Profit and Loss Account

(1) Sales

Sales of T€ 5,222,905 (previous year T€ 4,532,006) are attributed in particular to revenue from construction contracts, sales revenue of own projects, trade to consortia, other services as well as proportionally acquired profits from consortia. Sales from construction contracts, which contain the periodical part of profits according to the level of completion of the respective contract (Percentage of Completion Method), amount to T€ 4,675,048 (previous year T€ 4,112,248).

Sales according to business fields and regions are represented individually in the segment information.

Sales only reflect an incomplete picture of the output achieved in the business year. Therefore the total output of the group is additionally represented, which includes the proportional output of consortia and participations.

	2004 **€ m**	**2003** **€ m**
Germany	1,970	2,115
Austria	1,568	1,545
Hungary	678	548
Czech Republic	504	384
Poland	276	297
Slovakia	219	59
Benelux	196	205
Switzerland	183	115
Other countries	370	369
	5,964	**5,637**

(2) Other Operational Income

	2004 **T€**	**2003** **T€**
Income from disposal and write-up of fixed assets excluding financial assets	24,845	22,218
Income from reversal of provisions	9,208	4,726
Others	102,914	96,057
	136,967	**123,001**

The other remaining operational income includes revenues from letting and leasing, insurance compensation, appropriation of valuation adjustments, revenue from re-charging and exchange rate differences.

(3) Cost of Material and Services Purchased

	2004 T€	2003 T€
Cost of materials	1,185,929	1,059,176
Cost of services	2,423,529	1,931,796
	3,609,458	**2,990,972**

Cost for services are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, machine rentals and third-party repairs.

(4) Personnel Expenditure

	2004 T€	2003 T€
Wages	485,651	508,225
Salaries	453,376	425,904
Social security payments and expenditure for support	225,924	232,755
Expenditure for severance payments and contributions to company mutual benefit funds for employees	8,870	11,925
Expenditure for pensions and similar obligations	6,257	6,928
Other social expenditure	9,880	13,360
	1,189,958	**1,199,097**

The expenditure for severance pay and contributions to company mutual benefit funds for employees and pensions and similar obligations include expenditure for service costs and the actuarial profits and losses as well as rights to indemnity payments resulting from old-age-part-time claims in the business year.

The proportion of interest included in the expenditure for severance payments as well as for pensions and other obligations are recognised under the financial result.

The average number of employees with the proportional inclusion of all the participations developed as follows:

	2004	2003
Salaried employees	12,207	11,456
Labourers	21,080	21,243
	33,287	**32,699**

(5) Depreciation

The planned and extraordinary depreciation of intangible assets and tangible assets are represented in the consolidated development of fixed assets.

(6) Other Operational Expenditure

The other operational expenditure of T€ 311,496 (previous year T€ 303,730) mainly includes administrative costs, travel-and advertising costs, insurance premiums, proportional transfer of losses from consortia, devaluation of receivables, the account balance from the allocation and utilisation of provisions, legal-and advisory costs, rental-and lease costs and losses from the sale of items in the assets (not including financial assets). Other taxes amounting to T€ 26,704 (previous year T€ 19,743) are included.

Expenditure for research and development incurred in various technical special proposals, in connection with concrete competitive projects and the introduction of building processes and products onto the market, was therefore recognised in total in the profit and loss account.

(7) Results from Participations in Associated Companies

	2004 T€	2003 T€
Income from participations in associated companies	11,282	12,328
Expenditure on participations in associated companies	-3,385	-1,154
	7,897	**11,174**

Income from participations in associated companies primarily include DEUTAG GmbH & Co.KG, Linz am Rhein.

(8) Result from Participations

	2004 T€	2003 T€
Income from participations (of this from affiliated companies T€ 8,557; previous year T€ 1,764)	22,365	12,812
Expenditure on participations (of this from affiliated companies T€ 7,568; previous year T€ 1,933)	-11,116	-4,498
Income from the sale and write up of participations	4,768	4,313
Depreciation of participations (of this of affiliated companies T€ 3,879; previous year T€ 2,048)	-7,045	-5,206
Expenditure from the disposal of participations	-299	-50
	8,673	**7,371**

The income from the sale and write-up of participations of T€ 4,758 (previous year: T€ 750) concern write-ups from the evaluation of participations acquired in the business year with the accompanying fair value as well from the revaluation of the participations which had been accounted for in the previous year at the fair values in accordance with IAS 39. Furthermore within the framework of evaluation under IAS 39, depreciation was made for the remaining participations.

(9) Other Financial Result

	2004 T€	2003 T€
Interest and similar income (of this from affiliated companies T€ 1,203; previous year T€ 1,325)	29,175	28,057
Interest and similar expenditure (of this from affiliated companies T€ 924; previous year T€ 1,177)	-50,890	-48,458
Net interest income	**-21,715**	**-20,401**
Other financial income	2,569	2,673
Other financial expenditure	-1,205	-357
Other financial result	**1,364**	**2,316**
	-20,351	**-18,085**

Included in interest and similar expenditure are interest components from the allocation of severance payment- and pension provisions amounting to T€ 10,008 (previous year T€ 10,479).

(10) Income Tax

Taxes paid in the individual companies, as well as the taxes owed on income and revenue and deferred taxes, as well as the expenditure for additional tax payments resulting from tax audits are recognised as income tax.

	2004 T€	2003 T€
Tax expenditure	24,113	24,865
Deferred taxes	784	5,306
	24,897	**30,171**

The Austrian National council has passed a resolution on the lowering of the corporate tax from 34% to 25% within the framework of the 2005 tax reform, which is to be initially applied from the 2005 tax assessment. In accordance with IAS 12.47 deferred tax accruals in Austria are already evaluated at the new tax rate.

The reasons for the difference between the Austrian corporate income tax rate of 34 % valid in 2004 and the recognised overall group tax ratio are represented as follows:

	2004 T€	2003 T€
Earnings before taxes	86,901	82,815
Theoretical tax expenditure 34%	29,546	28,157
Differences from foreign tax rates	-12,923	-1,044
Non-tax deductible expenditure	1,337	975
Tax-free earnings	-22,682	-3,531
At equity effects	7,858	-631
Amortization of company goodwill	-768	1,771
Tax back payment	0	930
Change in tax rate	17,608	0
Others	-4,574	-3,621
Change of valuation adjustment on deferred tax assets	9,495	7,165
Recognised income tax expenditure	**24,897**	**30,171**

Notes on Items in the Consolidated Balance Sheet

Fixed Assets

The composition and changes in the fixed assets is represented in the table "Consolidated development of fixed assets".

(11) Intangible Assets and Tangible Assets

On the balance sheet date the following book values are included in the tangible assets due to existing finance leasing contracts:

	31.12.2004 T€	31.12.2003 T€
Real estate leasing	32,059	33,298
Machinery leasing	7,891	14,135
	39,950	**47,433**

Offset against these are liabilities from the present value of leasing obligations amounting to T€ 38,423 (previous year T€ 45,916).

The terms of the finance leases for real estate are between 5 and 20 years, while those for the machine leases are between 2 and 5 years.

In subsequent business years the following liabilities will arise from leases:

	31.12.2004 T€	31.12.2003 T€
Term up to one year	9,371	11,293
Term between one and five years	17,659	19,930
Term over five years	21,409	21,731
	48,439	**52,954**

As well as the finance leases there are also operating leases for the utilisation of technical plants and machines. The expenditure from these contracts is recognised as affecting the profit and loss. The payments made for the 2004 business year amount to T€ 32,905 (previous year T€ 14,576).

Payment obligations arising from operating lease agreements in subsequent business years are represented as follows:

	31.12.2004 T€	31.12.2003 T€
Term up to one year	16,810	16,310
Term between one and five years	39,061	43,961
Term over five years	62,668	70,759
	118,539	**131,030**

In the 2004 business year extraordinary depreciation of buildings amounting to T€ 61,668 (previous year T€ 33,936) and of machines amounting to T€ 0 (previous year T€ 962) was made due to insufficient, economic possible use. This is reported in the consolidated profit and loss account under depreciation.

Mortgages of € 98.2 m (previous year € 96.0 m) are registered for grounds within the group, which serve as collateral for bank guarantee credit lines and for a project financing. The participation in Deutag GmbH & Co. KG is also included in this collateral.

On balance sheet date there are no significant liabilities concerning the acquisition of tangible assets, which have not been considered in the financial statement.

(12) Financial Assets

Detailed information on the group participations (shares of more than 20 %) can be found in the list of participations. Changes in the book value of participations, which are listed as associated companies, are recognised in the consolidated development of fixed assets under additions and disposals.

Securities in the fixed assets amounting to T€ 29,567 (previous year T€ 26,847) primarily serve to cover domestic provisions for severance payments and pensions.

(13) Inventories

	31.12.2004 T€	31.12.2003 T€
Undeveloped grounds	66,166	52,727
Finished work (buildings, grounds)	107,864	103,816
Unfinished work (buildings, ground)	258,021	147,050
Raw materials and supplies	97,463	57,396
Payments rendered	11,342	13,659
	540,856	**374,648**

(14) Accounts Receivable and Other Assets

	31.12.2004 Total T€	31.12.2004 Of this remaining term over 1 year T€	31.12.2003 Total T€	31.12.2003 Of this remaining term over 1 year T€
Receivables from construction contracts	1,914,069	0	1,635,395	0
Payments rendered on these	-1,385,805	0	-1,290,820	0
	528,264	0	344,575	0
Other accounts receivable from trade	596,694	99,563	604,197	85,936
Accounts receivable from consortia	131,751	0	141,662	0
Accounts receivable from affiliated companies	40,038	5,159	26,089	2,387
Accounts receivable from companies with whom a participation relationship exists	36,584	3,802	38,745	4,478
Other accounts receivable and other assets	167,588	101,709	201,490	42,151
	1,500,919	**210,233**	**1,356,758**	**134,952**

Accounts receivable from construction contracts are represented as follows:

	31.12.2004 T€	31.12.2003 T€
(all contracts not invoiced for at balance sheet date)		
Costs incurred to balance sheet date	2,612,891	2,465,477
Profits arising to balance sheet date	72,243	65,045
Accumulated losses	-115,757	-104,733
Minus accounts receivable recognised under liabilities	-655,308	-790,394
	1,914,069	**1,635,395**

Receivables from construction contracts amounting to T€ 655,308 (previous year T€ 790,394) are recognised under liabilities, as payments received from these exceed the accounts receivable.

As usual in the branch the customer has the contractual right to retain part of the total amount of the invoice. These retainers are, however, redeemed as a rule by security (bank- or group guarantees).

The amount of group receivables from the Republic of Iraq resulting from the two building projects Expressway No.1 / Lot 11 and Basrah International Airport remained unchanged at € 57.1 m and are recognised in the long-term receivables.

At the end of November 2004 the so-called “Paris Club” passed a resolution on the framework of conditions for the debt restructuring of Iraq. The affected group receivables from the Republic of Iraq resulting from the two building projects Expressway No.1 / Lot 11 and Basrah International Airport increased as of 31.12.2004 in comparison to the previous year from € 416 m to € 450.8 m due to interest effects. The resolution on the framework of conditions passed by the “Paris Club” lead to discounts due to the amount of interest and the interest term. The receivables related to the debt restructuring thus decrease to € 417.2 m. € 194.0 m of the accounts receivable are subject to legal, interest-bearing securities which were gained by litigation at Germany courts and which have a period of limitation of 30 years. No verdict has yet been reached on a further € 32.0 m of accounts receivable, for which the period of limitation was also suspended in the previous year after filing a lawsuit.

The framework of conditions set out by the “Paris Club” must, however, be implemented by every creditor state bilaterally in a debt restructuring agreement with the debtor state.

Based on the information received to date on this agreement the group remains of the assumption that the valued receivables of approx. € 57.1 m will at least be covered.

Individual value adjustments were made in groups for accounts receivable from trade amounting to T€ 11,994 (previous year T€ 14,244).

(15) Cash and Cash Equivalents

	31.12.2004 T€	31.12.2003 T€
Securities	1,499	1,958
Cash in hand	1,663	1,234
Cash at banks	209,237	315,784
	212,399	**318,976**

T€ 2,734 (previous year T€ 3,183) of the cash and cash equivalents are pledged to secure guarantees.

(16) Deferred Taxes

Temporary differences in amounts stated in the IFRS financial statement and the respective tax amounts stated affect the tax accruals and deferrals recognised in the balance sheet as follows:

	31.12. 2004		31.12.2003	
	Assets T€	Liabilities T€	Assets T€	Liabilities T€
Intangible and tangible assets	7,853	-9,718	1,464	-8,202
Financial assets	1,891	-507	220	0
Accounts receivable	30,929	-43,694	27,957	-37,845
	40,673	-53,919	29,641	-46,047
Provisions	54,699	-5,383	37,129	0
Tax losses carried forward	54,244	0	63,577	0
Deferred tax assets / liabilities	**149,616**	**-59,302**	**130,347**	**-46,047**
Netting out of deferred tax assets and liabilities to the same tax authorities	-57,455	57,455	-40,953	40,953
Deferred taxes netted out	**92,161**	**-1,847**	**89,394**	**-5,094**

Based on the currently valid tax regulations it can be assumed that the majority of the differying amounts between the tax related participation value and the proportional equity of the subsidiaries included in the consolidated financial statement, which arises in the profits received, remains tax-free. Therefore there was no accrual or deferral of taxes.

Deferred taxes on losses carried forward were capitalised, as these can probably be offset with future taxable profits. No deferred tax assets were made for differences in book value on the assets side and tax losses carried forward of T€ 399,282 (previous year T€ 353,630), as their effectiveness as final tax relief is not sufficiently assured.

In Austria the resolved lowering of the corporate tax rate from 34 % to 25 % leads to a decrease in deferred tax assets of about € 17.6 m. This effect has already been accounted for in the present financial statement in accordance with the IFRS stipulations.

(17) Accruals and Defferals

The deferred charges primarily include advance payments for rent and insurance premiums as well as the costs of procuring money.

(18) Group Equity

The fully-paid share capital amounts to € 59,937,920.00 and is split into 6,742,240 no par value shares.

The retained earnings include currency translation differences and the statutory and mandatory retained earnings, the hedging reserve, the profit for the period as well as the result brought forward from previous periods of FIMAG Finanz Industrie Management AG and its included subsidiaries, in as far as these were not eliminated by the capital consolidation.

Details on the equity of the FIMAG-Group can be found in the development of equity (See Page 39).

(19) Provisions

	Balance on 1.1.2004 T€	Currency differences T€	Changes in consolidation T€	Allocation T€	Appro-priation T€	Utilisation T€	Balance on 31.12.2004 T€
Provisions for severance pay	44,957	0	3,007	6,902	0	5,876	48,990
Provisions for pensions	142,531	0	-174	11,299	0	11,968	141,688
Provisions for taxes	17,956	-210	66	1,349	0	8,298	10,863
Other provisions:							
Construction-related provisions	202,545	-369	8,168	59,435	3,866	58,087	207,826
Personnel-related provisions	101,237	-701	4,086	106,092	270	91,610	118,834
Other provisions	83,767	-1,174	4,006	18,601	5,072	22,632	77,496
	592,993	**-2,454**	**19,159**	**203,678**	**9,208**	**198,471**	**605,697**

Provisions with a term of up to one year refer to tax provisions as well as other provisions amounting to T€ 283,895 (previous year T€ 273,250).

Provisions for severance pay show the following development:

	31.12.2004 T€	31.12.2003 T€
Present value of the defined benefit obligation (severance pay) on 1.1.	44,957	45,493
Changes in consolidation	3,007	-327
Service costs	2,233	2,238
Interest costs	2,487	2,595
Severance payments	-5,876	-8,799
Actuarial profit/loss	2,182	3,757
Present value of the defined benefit obligation (severance pay) on 31.12.	**48,990**	**44,957**

The provisions for pensions are formed for obligations from the right to future pension payments and current payments to present and past employees and their dependents. The obligations primarily refer to retirement pensions. The individual commitments are generally determined according to the employment conditions of the employee at the time of the commitment (and length of service, salary of employee). Basically no new commitments have been awarded since 1999.

The company pension plan consists of a non fund-financed and performance-oriented pension system. In the case of performance-oriented pension systems the company is obliged to fulfill payment commitments to present and past employees. There are no contribution-oriented pension systems in the form of financing by relief funds.

The amount of the provision is calculated using the acturial methods based on Dr. Klaus Heubeck's guideline (Germany) or the AVÖ 1999 (Austria). This is based on a discounting rate of 5.25 % for provisions for severance payments (previous year 5.5 %) and 5.25 % (previous year: 5 % Austria and 5.5 % Germany) for pension provisions respectively and in the case of salary-related commitments, a salary increase of 2.8 % (previous year 1.5 %). For future pension increases a rate of escalation, dependent on the contractual adaptation terms of between 1.5 % and 3 % (previous year: 1.5 % and 3 %), is set.

With reference to the company agreement concerning the old-age part time settlement, which have affected the operative German companies in the STRABAG Group in 2000 initially, further additional obligations for retirement indemnity payments incurred. These obligations have been transferred to the STRABAG Unterstützungskasse GmbH, Cologne. The old-age part time indemnity payments are determined using the same basic principles as for the pension provisions. They are included in the group as a result of the full consolidation of the STRABAG Unterstützungskasse GmbH, Cologne.

The development of the **pension provisions** is represented as follows:

	31.12.2004 T€	31.12.2003 T€
Present value of the defined benefit obligation (pension) on 1.1.	142,531	121,167
Changes in consolidation circle	-174	18,028
Service costs	1,511	1,291
Interest costs	7,521	7,884
Pension payments	-11,968	-9,479
Actuarial profit/loss	2,267	3,640
Present value of the defined benefit obligation (pension) on 31.12.	**141,688**	**142,531**

The construction-related provisions include for example other warranty obligations, costs of the contract execution and subsequent costs of invoiced contracts, as well as threatening losses from pending projects which are not accounted for anywhere else. The personnel-related provisions essentially include anniversary payment obligations, contributions to profession-related funds, outstanding employee holidays and costs of the old-age part time scheme as well as personnel downsizing measures.

(20) Liabilities

The liabilities can be represented as follows:

	31.12.2004	Of this remaining term		31.12.2003	Of this remaining term	
	Total T€	over 1 year T€	over 5 years T€	Total T€	over 1 year T€	over 5 years T€
Bonds	150,000	150,000	0	100,000	100,000	0
Liabilities to banks	514,529	170,525	206,831	391,856	92,416	84,806
Liabilities from finance leases	38,423	12,593	21,212	45,916	14,764	22,786
Liabilities from construction contracts	-655,308	0	0	-790,394	0	0
Payments received from these	866,294	0	0	1,005,940	0	0
	210,986	0	0	215,546	0	0
Other liabilities from trade	882,312	35,979	19,965	819,954	14,402	24,402
Liabilities to consortia	127,912	0	0	138,342	0	0
Liabilities to affiliated companies	26,479	2,175	0	20,331	2,164	0
Liabilities to companies with whom a participation relationship exists	29,034	0	0	16,960	0	0
Other liabilities	261,869	5,336	1,088	199,109	1,810	233
– of these from tax	85,486	0	0	62,851	0	0
– of these within the framework of social security	40,328	0	0	39,313	0	0
	2,241,544	**376,608**	**249,096**	**1,948,014**	**225,556**	**132,227**

In order to secure liabilities to banks real securities amounting to T€ 212,700 (previous year T€ 203,046) have been booked.

(21) Accruals and Deferrals

Accruals and deferrals primarily concern advance payments for rent.

(22) Contingent Liabilities

The company has accepted the following guarantees:

	31.12.2004 T€	31.12.2003 T€
Guarantees	**179,888**	**154,210**

In the contingent liabilities recognised T€ 74,173 concern guarantees for the IDAG Immobilienbeteiligung u.-Development Aktiengesellschaft-Group and its shareholders.

Furthermore as is usual in the branch in the case of consortia, in which companies of the FIMAG Group participate, there is joint liability with the other partners.

(23) Notes on the Consolidated Cash-Flow Statement

The representation of the cash-flow statement was made according to the indirect method and separated into the payment streams resulting from operating, investing and financing activities. The cash and cash equivalents exclusively include cash in hand, cash at banks and short term securities. Any effects of changes in consolidation were eliminated and represented in the cash-flow from investing activities.

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

	31.12.2004 T€	31.12.2003 T€
Securities	1,499	1,958
Cash in hand	1,663	1,234
Cash at banks	209,237	315,784
	212,399	**318,976**

(24) Financial Instruments

The financial instruments basically include primary and derivative financial instruments. Financial assets, receivables from trade, cash at banks, financial liabilities and liabilities from trade form the most significant basis for the existing primary group financial instruments. The amount of primary financial instruments arises from the balance sheet.

Derivative instruments are exclusively used to secure existing risks in changes of currency- and interest rates. The use of derivative financial instruments in the group is subject to the appropriate authorisation- and supervision processes. The connection to a mainstay business is a must, trading is not permissible.

BAUHOLDING STRABAG SE agreed a medium term note programme of € 500 m in the 2001 business year. In June 2004 the third tranche amounting to € 50 m with a term of 5 years was issued. The annual coupon return of the third tranche is 5.5%. Borrowing via the capital market will become more significant in future. According to the market situation on the capital market further bonds from the medium term note programme are planned. The corporate bond improves the matching of maturities in the financing structure.

Interest risk

The financial instruments bear variable interest rates on the assets side, on the liabilities side there are both variable and fixed interest obligations. The risk of financial instruments bearing variable interest rates consists of increasing interest charges and sinking interest revenue, which result from an unfavourable change in market interest rates. Fixed interest liabilities/obligations mainly result from the tranches of the bond issued by BAUHOLDING STRABAG SE amounting to € 150 m and derivative interest instruments.

As of 31.12.2004 the following hedging transactions existed:

		2004		2003	
	Currency	**Nominal amount**	**Market value T€**	**Nominal amount**	**Market value T€**
Interest swap	T€	135,000	-2,078	0	0
	T€	10,000	46	0	0
			-2,032		**0**

The amount of cash at and liabilities to banks according to currency – giving the average interest rate at balance sheet date – is represented as follows:

Cash at banks

Currency	**Book value T€**	**Weighted average interest rate 31.12.2004**
EUR	148,816	1.59
CZK	31,065	0.91
PLN	11,004	5.04
HUF	9,253	7.21
Others	9,099	2.70
	209,237	

Liabilities to banks

Currency	**Book value T€**	**Weighted average interest rate 31.12.2004**
EUR	-464,576	3.79
HUF	-29,952	9.31
CHF	-12,603	3.55
Others	-7,398	6.77
	-514,529	

Currency conversion risk

Due to the decentral nature of the group, which is characterised by local companies in the respective countries, it is mainly closed currency positions which appear in the balance sheet. That means, accounts receivable and liabilities from business activities mainly offset each other in the same currency.

Loan financing and investments were predominantly made by the group companies in the respective country's local currency. In order to secure the remaining currency risk derivative financial instruments, above all forward exchange deals, were transacted. The respective term is under one year.

On 31.12.2004 the following hedging transactions existed:

		2004		2003	
	Currency	Nominal amount	Market value T€	Nominal amount	Market value T€
Currency swaps	TCZK	600,000	-38	500,000	57
	THUF	2,931,917	13	0	0
	THUF	331,776	0	0	0
	TPLN	13,600	9	4,474	-50
			-16		**7**
Forward exchange deals	THUF	13,140,000	1,169	0	0
	THUF	710,000	-9	0	0
	TPLN	419,204	9,624	0	0
	TPLN	50,787	-57	0	0
			10,727		**0**
			10,711		**7**

Development of the significant group currencies

Currency	**Market rate on reporting date 31.12.2004 1 € =**	**Average rate 2004 1 € =**	**Market rate on reporting date 31.12.2003 1 € =**	**Average rate 2003 1 € =**
HUF	245.7727	250.5533	262.1163	254.8033
CZK	30.3900	31.8950	32.5500	31.8833
SKK	38.7300	40.0258	41.1601	41.4517
PLN	4.0877	4.5286	4.7255	4.4568
HRK	7.6600	7.4893	7.6370	7.5688
CHF	1.5437	1.5442	1.5590	1.5230

Credit risk

The risk for accounts receivable from clients can, due to the wide dispersion and a constant creditworthiness check, be rated as very low.

The risk of default for other primary financial instruments shown on the assets side can also be regarded as low, as the contract partners are exclusively financial institutes with the highest level of creditworthiness. The maximum risk of default is the book values of each financial asset in the balance sheet.

Market value

The market value of the financial- assets and liabilities are depicted under the respective items. The market value of the derivate financial instruments was calculated on the basis of the recognised evaluation methods.

(25) Segment Reporting

The segments are presented according to business fields (primary segment reporting format) and regions (secondary segment reporting format). The segmentation according to business fields corresponds to the internal group reporting. Assets and liabilities as well as expenditure and income were attributed to the individual segments only in as far as they could be attributed directly or by applying an allocation according to the principle of causation to the respective segment. Items not attributed in this way are shown under "Miscellaneous and Consolidation". This segment primarily includes group management, commercial administration, IT and machine management. The settlement between the single segments is made at arm's length prices.

Primary segment reporting format

The primary segment reporting format comprises the following business fields:

Road Construction

This business field mainly comprises road construction in the group´s relevant country markets. As well as the work in asphalt- and concrete road construction all other services attributable to underground engineering are included such as earth work, waste water and pipe-construction, small to medium-sized civil-engineering related concrete edifices as well as the production of asphalt, concrete and raw materials are included in the performance spectrum.

As opposed to civil engineering, the services in this business field are carried out by smaller local organisational units. These organisational units work a limited regional market in their business as independent profit centres.

Building Construction

The usual master builder work, as well as turnkey building construction projects, were executed within the framework of the mainstay business. The business field ranges from residential construction to commercial- and industrial building, the erection of office- and administrative buildings to the construction of hotel- and leisure complexes which cover all possible types of utilisation. The medium-sized and major projects in particular – predominantly for private clients – form the core of the business activities. Regional organisational units work the respective local markets and are active as self-contained and independent profit centres.

Other Construction Fields

This business field primarily comprises major projects in tunnelling and civil engineering, which are managed and executed worldwide by Austrian or in the case of Tunnelling Swiss organisational units. Civil engineering mainly comprises major bridge construction, power plants and dams as well as other major civil-engineering related concrete constructions. In the tunnelling field tunnels for traffic purposes as well as such for other uses applying the varying technologies were erected.

Project development is a further column in this business field. This comprises those worldwide contracts, which include all the integrated services such as financing, operation, marketing and utilisation, as well as the usual construction services, within the framework of a value added chain in an all-round project. As well as infrastructural projects (traffic, energy) building projects in particular which are utilised as offices, for commercial purposes or hotels are executed.

The **operating result** is determined as follows:

	2004 T€	**2003 T€**
Earnings before financial result and taxes	90,682	82,355
Result form participations in associated companies	7,897	11,174
Result from participations	8,673	7,371
Operating result	**107,252**	**100,900**

The revenues and expenditures from participations as well as associated companies concern business induced participations which form a component of the group operative activity.

Segment Report 2004

BUSINESS FIELD	Road Construction		Building Construction	
	2004	2003	2004	2003
	T€	T€	T€	T€
Building output	3,064,120	3.077,652	2,115,323	1,844,999
Sales	2,393,225	2.426,278	2,120,724	1,703,845
Inter-segment sales	130,725	124,497	18,427	112,436
Operating result	104,404	68,789	15,117	26,346
of this result from participations in associated companies	8,512	8,303	0	0
Segment assets	857,431	738,807	756,004	437,620
of this participations in associated companies	39,581	33,871	0	0
Segment liabilities	669,240	552,613	875,828	624,973
Investments in tangible assets and intangible assets	0	2,503	0	0
Depreciation of tangible assets and intangible assets	3,461	6,835	521	508
of this extraordinary depreciation	0	0	0	0
Employees	19,126	19,657	9,051	7,600

REGION	Germany		Austria	
	2004	2003	2004	2003
	T€	T€	T€	T€
Sales	1,650,908	1,722,007	1,603,841	1,419,276
Segment assets	1,154,275	1,135,257	1,322,357	1,197,807
Investments in tangible assets and intangible assets	33,192	54,574	51,111	82,350

Other Construction Fields		Miscellaneous and Consolidation		Total	
2004	2003	2004	2003	2004	2003
T€	T€	T€	T€	T€	T€
665,311	609,886	118,776	104,758	5,963,530	5,637,295
697,164	394,034	11,792	7,849	5,222,905	4,532,006
0	0	369,757	349,120		
-14,671	7,472	2,402	-1,707	107,252	100,900
-615	2,871	0	0	7,897	11,174
470,735	592,977	1,569,087	1.539,470	3,653,257	3,308,874
5,914	5,222	0	0	45,495	39,093
252,675	385,929	1,053,258	985,243	2,851,001	2,548,758
32,631	43,678	174,859	197,820	207,490	244,001
71,797	46,606	133,110	119,407	208,889	173,356
61,104	33,963	564	935	61,668	34,898
2,203	2,634	2,907	2,808	33,287	32,699

Rest of Europe		Rest of World and Consolidation		Total	
2004	2003	2004	2003	2004	2003
T€	T€	T€	T€	T€	T€
1,915,083	1,356,823	53,073	33,900	5,222,905	4,532,006
1,157,442	957,724	19,183	18,086	3,653,257	3,308,874
122,152	106,250	1,035	827	207,490	244,001

(26) Notes on Related Parties

The shareholders of the FIMAG Finanz Industrie Management AG are the Haselsteiner- and the Lerchbaumer families as well as the UNIQA Versicherung AG Group and the Raiffeisen-Holding NÖ-Wien Group, with whom arm's length business relations exist.

In former business years the FIMAG Group transferred real estate project companies against the granting of participation rights to the IDAG Immobilien-beteiligung u. -Development Aktiengesellschaft held by third parties. It is the business purpose of the IDAG Immobilienbeteiligung u. -Development Aktiengesellschaft to develop real estate and to participate in real estate projects.

In the 2001 business year all the shares in the IDAG Immobilienbeteiligung u. Development Aktiengesellschaft as well as all the participation rights held by BAUHOLDING STRABAG SE and by STRABAG AG were acquired by the ATLAS Immobilien & Development Privatstiftung. In November 2002 50% of the shares and the participation rights of the IDAG Immobilienbeteiligung u. Development Aktiengesellschaft were transferred by the ATLAS Immobilien & Development Privatstiftung to the ARION Immobilien & Development Privatstiftung.

The IDAG Immobilienbeteiligung u. Development Aktiengesellschaft is essentially employed as investor in real estate projects. Within the framework of arm's length business relations the FIMAG Group takes over the development of real estate as well as construction work for the project companies of the IDAG Immobilienbeteiligung u. Development Aktiengesellschaft.

Furthermore IDAG Immobilienbeteiligung u. Development Aktiengesellschaft has transferred tasks of financial matters and accounting within the framework of an arm's length contract to the BRVZ Bau-, Rechen- u. Verwaltungszentrum Gesellschaft m.b.H.

In the 2004 business year a turnover of about € 27 m was achieved with the IDAG Group. On the balance sheet date of 31.12.2004 the FIMAG Group has receivables amounting to around € 132 m from the IDAG Group, the ATLAS Immobilien & Development Privatstiftung and the ARION Immobilien & Development Privatstiftung and their subsidiaries.

Together with Raiffeisen Zentralbank Austria, Raiffeisen-Holding Niederösterreich-Wien and UNIQA a joint project development company, the Raiffeisen evolution project development GmbH, was founded in September 2003.

Project developments in building construction activities of the shareholders (without Germany and Benelux) are bundled into the Raiffeisen evolution project development GmbH. The FIMAG Group is employed in the construction work on the basis of arm's length contracts.

The shareholders of the Raiffeisen evolution project development GmbH have basically agreed to proportionally accept any obligations arising from the project developments.

(27) Notes on the Managemant- and Supervisory Board and Employees

Management Board

Dr. Hans Peter HASELSTEINER (Chairman)
Dipl.-Ing. Nematollah FARROKHNIA (from 26.6.2003 to 29.2.2004)
Dipl.-Ing. Roland JURECKA (from 26.6.2003 to 29.2.2004)
Mag. Wolfgang MERKINGER (from 26.6.2003 to 29.2.2004)
Ing. Fritz OBERLERCHNER (from 26.6.2003 to 29.2.2004)
Mag. Hannes TRUNTSCHNIG (from 26.6.2003 to 29.2.2004)

Supervisory Board

Dr. Christian KONRAD (Chairman)
Komm.Rat Herbert SCHIMETSCHEK (Vice-Chairman)
Mag. arch Julius EBERHARDT
Mag. Erwin HAMESEDER
Dr. Gottfried WANITSCHEK

The expenses for severance payments and pensions including interest components for the group are comprised as follows:

	2004 T€	2003 T€
Board and management	10,066	11,690
Other employees	15,069	17,642
	25,135	**29,332**

No remuneration was paid to members of the supervisory board.

Neither the members of the management board nor the members of the supervisory board of FIMAG Finanz Industrie Management AG received advances or loans.

(28) Significant Events After the Balance Sheet Date

Significant events after the closure of the business year are described in the management report.

(29) Earnings Per Share

The earnings per share are calculated by dividing the group result by the weighted number of the ordinary shares outstanding and participation rights during the year.

	2004	2003
Net profit for the period in T€	33,670	26,184
Weighted number of shares in circulation	6,742,240	5,316,833
Weighted number of issued participation rights	0	384,667
Profit per share in €	4.99	4.59

Spittal/Drau, 27th April 2005

Appendix 1
to Notes

Consolidated Development of Fixed Assets as of 31ST December 2004

	Historical and production costs							
	Balance at 31.12.2003 T€	Changes in consolidation T€	Exchange rate differences T€	Balance at 1.1.2004 T€	Additions T€	Transfers T€	Disposals T€	Balance at 31.12.2004 T€
I. Intangible assets:								
1. Concessions, trade marks and similar rights, licences	20,892	4,126	329	25,347	2,551	-13	2,205	25,680
2. Goodwill	54,032	0	0	54,032	0	0	231	53,801
3. Prepayments	11	15	0	26	0	-4	15	7
	74,935	**4,141**	**329**	**79,405**	**2,551**	**-17**	**2,451**	**79,488**
II. Tangible assets:								
1. Real estate and equivalent rights, buildings on third party property (real estate value T€ 210,511 previous year: T€ 178,703)	760,063	102,544	13,094	875,701	29,460	2,319	30,540	876,940
2. Machinery and technical equipment	735,334	37,285	14,087	786,706	101,372	771	84,413	804,436
3. Other plant, furniture and fixtures	330,228	24,206	4,602	359,036	58,693	844	45,392	373,180
4. Prepayments and work in progress	8,601	3,008	407	12,016	15,414	-3,916	1,949	21,565
	1,834,226	**167,043**	**32,190**	**2,033,459**	**204,939**	**17**	**162,294**	**2,076,121**
III. Financial assets:								
1. Shares in affiliated companies	43,468	15,019	85	58,572	12,650	0	4,122	67,100
2. Loans to affiliated companies	783	0	0	783	0	0	57	726
3. Shares in associated companies	39,740	0	0	39,740	5,447	10,227	8,976	46,438
4. Participations	90,306	1,573	479	92,358	45,231	-10,227	10,402	116,960
5. Loans to companies with whom a participation relationship exists	5,102	0	0	5,102	3,042	0	1,168	6,976
6. Long term securities	27,045	4,619	4	31,668	447	0	2,635	29,480
7. Other loans	103,065	-15,890	0	87,175	3,804	0	236	90,743
	309,509	**5,321**	**568**	**315,398**	**70,621**	**0**	**27,596**	**358,423**
	2,218,670	**176,505**	**33,087**	**2,428,262**	**278,111**	**0**	**192,341**	**2,514,032**

Appendix 1
to Notes

Consolidated Development of Fixed Assets
as of 31ST December 2004

			Accumulated depreciation				Net book value	
Balance at 31.12.2003 T€	Changes in consolidation T€	Exchange rate differences T€	Additions 1) T€	Transfers T€	Disposals 2) T€	Balance at 31.12.2004 T€	Book value 31.12.2004 T€	Book value 31.12.2003 T€
14,492	1,009	-210	3,012	-5	657	17,641	8,039	6,400
25,362	0	0	3,981	0	46	29,297	24,504	28,670
0	0	0	0	0	0	0	7	11
39,854	**1,009**	**-210**	**6,993**	**-5**	**703**	**46,938**	**32,550**	**35,081**
235,029	12,677	-2,283	83,643	-131	6,489	322,446	554,494	525,034
514,865	26,879	-8,221	72,425	-63	59,994	545,891	258,545	220,469
226,632	20,855	-2,826	45,828	199	38,811	251,877	121,303	103,596
0	0	0	0	0	0	0	21,565	8,601
976,526	**60,411**	**-13,330**	**201,896**	**5**	**105,294**	**1,120,214**	**955,907**	**857,700**
17,097	11,276	112	3,879	0	1,918	30,446	36,654	26,371
783	0	0	0	0	57	726	0	0
647	0	0	0	296	0	943	45,495	39,093
10,578	0	0	3,166	-296	4,823	8,625	108,335	79,728
817	0	0	0	0	0	817	6,159	4,284
199	120	0	131	0	538	-88	29,568	26,846
7,443	0	0	0	0	0	7,443	83,300	95,622
37,564	**11,396**	**112**	**7,176**	**0**	**7,336**	**48,912**	**309,511**	**271,944**
1,053,944	**72,816**	**-13,428**	**216,065**	**0**	**113,333**	**1,216,064**	**1,297,968**	**1,164,725**

1) Thereof extraordinary depreciation T€ 61,668 (previous year T€ 34,898)
2) Thereof write ups T€ 5,710 (previous year T€ 750)

Group Companies as of 31 December 2004

Companies	Headquarters	Type of consolidation[1)]	Interest %
"A-WAY Infrastrukturprojektentwicklungs- und- betriebs GmbH"	Spittal an der Drau	VK	100.00
"Brema" Bau- und Spengler-Ges.m.b.H.	Wien	NK	100.00
"Daheim" Bau-und Wohnungseigentumsgesellschaft m.b.H.	Wien	VK	100.00
"DOMIZIL" Bauträger GmbH	Wien	VK	100.00
"ETG" elektrotechnische Anlagen Gesellschaft m.b.H.	Wien	NK	100.00
"Filmforum am Bahnhof" Errichtungs- und Betriebsgesellschaft m.b.H.	Wien	VK	100.00
"Geschäfts- und Bürohaus Sterneckstraße Errichtungs- und Betriebs GmbH"	Wien	NK	100.00
"Haus Markgraf" Appartements Projekt-Beteiligungs G.m.b.H.	Bad Saarow-Pieskow	NK	100.00
"Health Care Company" KRANKENHAUS BETRIEBSFÜHRUNGS-Aktiengesellschaft	Wien	NK	50.00
"Hochbau Consult" Bauplanungs- und Kontroll-GmbH	Wien	VK	100.00
"SBS Strabag Bau Holding Service GmbH"	Spittal an der Drau	VK	100.00
"Schöner Wohnen in Klosterneuburg" Bauträger GmbH	Wien	NK	100.00
"Solar City Zentrum" Errichtung GmbH	Linz	NK	100.00
"UT-TEST" "2000" Kft.	Budapest	NK	100.00
"Wiener Heim" Wohnbaugesellschaft mbH	Wien	VK	100.00
"Zentrum Puntigam" Errichtungs- und Betriebsgesellschaft m.b.H.	Wien	NK	50.00
A.H.I-BAU Allgemeine Hoch- und Ingenieurbau-GmbH	Köln	VK	100.00
A.S.T. Bauschuttverwertung GmbH	Klagenfurt	NK	66.67
A.S.T. Bauschuttverwertung GmbH & Co KG	Klagenfurt	NK	66.67
A2 Bau-Development GmbH	Spittal an der Drau	NK	50.00
ABN Asphalt-Beteiligungsgesellschaft Neustrelitz mbH	Berlin	NK	25.00
ABN Asphalt-Betriebsgesellschaft Neustrelitz mbH & Co. KG	Berlin	NK	25.00
ABO Asphalt-Bau Oeynhausen GmbH	Oeynhausen	NK	22.50
ABR Abfall Behandlung und Recycling Schwadorf GmbH	Schwadorf	VK	100.00
AET-Asfalt-emulsni technologie s.r.o.	Litomerice/Tschechien	NK	95.00
AGS Asphaltgesellschaft Stuttgart GmbH & Co.Kommanditgesellschaft	Stuttgart	NK	40.00
AGS Asphaltgesellschaft Stuttgart Verwaltungs-GmbH	Stuttgart	NK	40.00
AKA-HOLDING Alföld Koncesszios Autopalya Reszvenytarsasag	Budaörs	NK	25.12
Alfa Beteiligungs a.s.	Budweis	VK	96.66
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	Zistersdorf-Maustrenk	NK	40.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H. & Co.KG	Zistersdorf	NK	40.00
AMG Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	Linz	NK	33.33
AMG-Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co.KG	Linz	NK	33.33
AML – Asphaltmischwerk Limberg Gesellschaft m.b.H.	Limberg	NK	50.00
AML – Asphaltmischwerke GmbH Leipzig	Taucha	NK	20.00
AMS – Asphaltmischwerk Süd Gesellschaft m.b.H.	Linz	NK	35.00
AMSS Asphaltmischwerke Sächsische Schweiz GmbH & Co. KG	Dresden	NK	24.00
AMSS Asphaltmischwerke Sächsische Schweiz Verwaltungs GmbH	Dresden	NK	24.00
AMW Asphaltmischwerk Hinzenbach GmbH	Linz	NK	24.00

Companies	**Headquarters**	**Type of consolidation[1)]**	**Interest %**
AMW Asphaltmischwerk Hinzenbach GmbH & Co KG	Linz	NK	24.00
AMWE-Asphaltmischwerke GmbH	Schwerin	NK	49.00
AMWE-Asphaltmischwerke GmbH & Co. KG	Schwerin	NK	49.00
ANLAGENTECHNIK GMBH	Thalgau	VK	100.00
Anton Beirer Hartsteinwerke Gesellschaft m.b.H.	Pinswang	NK	50.00
Appartementhaus Scharmützel Projekt-Beteiligungs G.m.b.H.	Bad Saarow-Pieskow	NK	100.00
Arab Consult GmbH	Wien	NK	30.00
Asamer & Hufnagl Baustoff Holding Wien GmbH	Wien	NK	30.00
Asamer & Hufnagl Baustoff Holding Wien GmbH & Co.KEG	Wien	NK	30.00
ASB Transportbeton GmbH & CO.KG	Osterweddingen	NK	50.00
ASF Frästechnik GmbH	Kematen	NK	50.00
ASF Frästechnik GmbH & Co KG	Kematen	NK	50.00
ASG INVEST N.V.	Genk	NK	25.00
ASIA Center Kft.	Budapest	VK	100.00
Asphalt & Beton GmbH	Lendorf	VK	100.00
ASPHALT & BETON GmbH Nfg OHG	Spittal an der Drau	VK	100.00
Asphalt Gesellschaft Riegler GmbH & Co KG	Klagenfurt	NK	50.00
Asphalt Gesellschaft Riegler GmbH.	Klagenfurt	NK	50.00
Asphalt und Beton Moskau	Kupavna (Moskauer Region)	NK	50.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.	Rauchenwarth	NK	20.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	Rauchenwarth	NK	20.00
Asphaltmischwerk Düsseldorf GmbH & Co.KG	Düsseldorf	EK	24.50
Asphaltmischwerk Düsseldorf Verwaltungs GmbH	Düsseldorf	NK	24.50
Asphaltmischwerk Greinsfurth GmbH	Amstetten	NK	25.00
Asphaltmischwerk Greinsfurth GmbH & Co.	Amstetten	NK	25.00
Asphaltmischwerk Mötschendorf Gesellschaft m.b.H.	Graz	NK	100.00
Asphaltmischwerk Rieder Vomperbach GmbH	Ried im Zillertal	NK	60.00
Asphaltmischwerk Rieder Vomperbach GmbH & Co KG	Ried im Zillertal	NK	60.00
Asphaltmischwerk Steyregg GmbH	Steyregg	NK	60.00
Asphaltmischwerk Steyregg GmbH & Co KG	Linz	NK	60.00
Asphaltmischwerk Zeltweg Gesellschaft m.b.H.	Steyr	NK	100.00
ASTRA-BAU Gesellschaft m.b.H. Nfg. OHG	Kalsdorf	NK	50.00
AStrada Development SRL	Bucharest	NK	70.00
August & Jean Hilpert GmbH & Co. KG	Nürnberg	VK	100.00
AUT Grundstücksverwaltungsgesellschaft mbH	Stuttgart	NK	40.00
A-WAY Holding und Finanz AG	Spittal an der Drau	VK	100.00
A-WAY LKW-Maut Betriebsgesellschaft m.b.H.	Wien	NK	100.00
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	Graz	NK	50.00
AWM Asphaltwerk Mötschendorf GmbH & Co.KG	Graz	NK	50.00
B+R Baustoff-Handel und- Recycling Köln GmbH	Köln	NK	100.00
BA-CA-GebäudevermietungsgmbH	Wien	NK	50.00
Baltic Business Centre	Gdynia	NK	38.00
Basalt-Közepko Kobanyak Kft	Budapest	NK	25.14
Basaltwerk Pauliberg GmbH	Eisenstadt	NK	35.00
Basaltwerk Pauliberg GmbH & CO KG.	Eisenstadt	NK	35.00
Bau Holding Beteiligungs AG	Spittal an der Drau	VK	100.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
Bauer Deponieerschließungs- und Verwertungsgesellschaft m.b.H.	Fischamend	NK	100.00
Baugesellschaft "Negrelli" Ges.m.b.H.	Wien	NK	100.00
Bauholding Strabag SE	Spittal an der Drau	VK	59.94
Baumann & Burmeister GmbH	Hamburg	VK	100.00
BAUTEST CZ s.r.o.	Prag	VK	100.00
BauXund Forschung und Beratung GmbH	Wien	NK	100.00
Belgian Merchandising & Club Company Avenue de Heliotrops 32	Brüssel	NK	100.00
BeTePe Bau Gesellschaft m.b.H.	Wien	NK	100.00
Betobeja Empreendimentos Imobiliarios, Lda	Beja	NK	74.00
Betolojas-Sociedade de Construcao Reparacao e Comercializacao de Imoveis, Lda	Lissabon	NK	90.00
Beton AG	Bürgler	NK	64.80
Beton Pisek spol. s.r.o.	Pisek	NK	50.00
BHG a.s.	Budweis	VK	98.95
BHG Bitumen Kereskedelmi Korlatolt Felelössegü Tarsasag	Budaörs	VK	100.00
BHG SK s.r.o.	Bratislava	NK	100.00
BHK Krakow Joint Venture Sp.z.o.o.	Warschau	NK	100.00
Bitumen Handelsgesellschaft m.b.H.	Wien	NK	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG	Loosdorf	VK	100.00
Bitumenka-Asfalt d.o.o. i.L.	Sarajevo/Bosnien	NK	51.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
BITUNOVA UKRAINA GmbH	Brovary	NK	60.00
Bitupol SP z.o.o.	Warschau	VK	60.00
Blees-Kölling-Bau GmbH	Köln	VK	76.00
BML – Baumaschinen Leipzig GbR	Leipzig	NK	35.00
BMTI – Baumaschinentechnik International GmbH	Köln	VK	100.00
BMTI – gradevinski strojevi international d.o.o.	Zagreb	VK	100.00
BMTI CR s.r.o.	Brünn	VK	100.00
BMTI GmbH	Erstfeld	VK	100.00
BMTI Nemzetközi Epitögepeszeti Kft.	Budapest	VK	100.00
BMTI Polska sp.z.o.o.	Warschau	VK	100.00
BMTI Romania S.R.L.	Bukarest	VK	100.00
BMTI SK s.r.o.	Bratislava	VK	100.00
BMTI – Baumaschinentechnik International GmbH	Trumau	VK	100.00
Bohemia Bitunova spol. s.r.o.	Jihlava	VK	100.00
Bohemia Projekt CB Center s.r.o.	Budweis	NK	50.00
BOT BÖRNER Oberflächentechnik GmbH & Co. KG	Ritschenhausen	NK	50.00
BOT BÖRNER Oberflächentechnik Verwaltungs- und Beteiligungs GmbH	Ritschenhausen	NK	50.00
Brnenska Obalovna s.r.o.	Brünn	NK	50.00
BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
BRVZ Bau-, Rechen- und Verwaltungszentrum AG	Erstfeld	VK	100.00
BRVZ Bau-Rechen-und Verwaltungszentrum GmbH	Dahlwitz/Hoppegarten	VK	100.00
BRVZ center za racunovodstvo in upravljanje d.o.o.	Ljubljana	VK	100.00
BRVZ EOOD	Sofia	VK	100.00
BRVZ ROMANIA S.R.L.	Bukarest	VK	100.00
BRVZ s.r.o.	Budweis	VK	100.00
BRVZ SP z.o.o.	Warschau	VK	100.00
BRVZ spol. s.r.o.	Bratislava	VK	100.00
BRVZ z.a.o.	Moskau	VK	100.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
BRVZ-Contabilidade, Organizacao,Representacao e Administracao de Empresas, S.U., Lda	Lissabon	NK	100.00
BRVZ-gradevinski- ,racunovodstveni- i upravni centar d.o.o.	Zagreb	VK	100.00
BRW Baustoff-Recycling GmbH & Co KG	Wesseling	NK	20.00
BSB Betonexpress GmbH & CO.KG	Berlin	VK	100.00
BSB Betonexpress Verwaltungsges.mbH	Berlin	NK	100.00
BSV-LUNGAUER BAUSCHUTTVERWERTUNG GmbH	Unternberg	NK	20.00
BT-Plan Gesellschaft für bautechnisches Planen mbH	Köln	NK	100.00
Bürozentrum Honauerstraße Projektentwicklungsgesellschaft m.b.H.	Wien	VK	100.00
BUSINESS BOULEVARD Errichtungs- und Betriebs GmbH	Wien	VK	100.00
BVHS Betrieb und Verwaltung von Hotel- und Sportanlagen GmbH	Berlin	NK	100.00
C.S. Bitunova spol. s.r.o.	Zvolen	VK	100.00
CAG Cottbuser Asphaltgesellschaft mbH & Co. KG	Vetschau	NK	49.00
Carb SA Brasov	Brasov	VK	99.47
Carl Sattler GmbH	München	NK	100.00
CASINO MILLENIUM a.s.	Prag	NK	50.00
Clubdorf Sachrang GmbH	Köln	NK	100.00
CMO-Ceske a moravske obalovny s.r.o.	Budweis	VK	100.00
Colonius Carré Entwicklungsgesellschaft mbH	Köln	VK	51.00
Constrovia Construcao Civil e Obras Publicas Lda.	Lissabon	NK	95.00
Cottbuser Asphaltgesellschaft mbH	Vetschau	NK	49.00
Cottbuser Frischbeton GmbH	Cottbus	VK	100.00
CSE Centrum-Stadtentwicklung GmbH	Köln	EK	50.00
D Development Senica, a.s.	Bratislava	NK	41.00
d+p Ingenieurgesellschaft für Straßendaten und Baustoffprüfungen GmbH	Berlin	NK	49.91
D-47 Holding Company B.V.	Amsterdam	NK	47.50
Damm BV	AK Den Haag	NK	100.00
DBR Döbelner Baustoff und Recycling GmbH	Taucha	NK	50.00
De Brand 1 BV	AK Den Haag	NK	100.00
De Brand 2 BV	AK Den Haag	NK	100.00
De Brand 3 BV	AK Den Haag	NK	100.00
DEUTAG GmbH & Co. KG	Linz am Rhein	EK	49.00
DEUTAG Verwaltung GmbH	Linz am Rhein	NK	49.00
Deutsche Asphalt GmbH	Köln	NK	100.00
Deutsche Asphalt Polska Sp. z o.o.	Olawa	NK	100.00
Deutsche Immobilien Kurhaus-Hotel Travemünde GmbH & Co. KG	Rostock	NK	50.00
Dipl. Ing. H.K. Mischek Gesellschaft m.b.H.	Wien	VK	100.00
DIRECTROUTE (FERMOY) CONSTRUCTION LIMITED	Dublin	NK	25.00
Dreßler Bauträger GmbH & Co. "Erlenbach"-Objekt KG	Aschaffenburg	NK	50.00
DRUMCO S.A.Timisoara	Timisoara	VK	70.00
E.S.-Erdbau GbmH	Innsbruck	NK	100.00
Eberhard Pöhner Unternehmen für Hoch- und Tiefbau GmbH	Bayreuth	VK	100.00
Eberhardt Bau-Gesellschaft mbH	Suhl	NK	100.00
EBERHARDT Bau-GmbH	Wien	NK	100.00
Edenstrasser GmbH.	Wörgl	VK	100.00
Edificio Bauvorbereitungs- und Bauträgergesellschaft mb.H.	Wien	NK	100.00
Eggstein AG	Kriens	VK	100.00
Egolf AG Strassen- und Tiefbau	Wallisellen	NK	100.00
Egolf AG Weinfelden	Weinfelden	VK	100.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
Egolf Baustoffe AG	Bürglen	VK	100.00
Egolf Bauunternehmungen AG	Weinfelden	VK	100.00
Eisenkappler Edelsplittwerk Gesellschaft m.b.H.	Eisenkappel-Vellach	NK	50.00
Elmbaurent Beteiligungs-GmbH Schöningen	Schöningen	NK	33.26
Elmbaurent GmbH & Co.KG Schöningen	Schöningen	NK	28.00
Entwicklungsgesellschaft "Eichenallee" mbH	Hamburg	NK	51.00
Epsilon Beteiligungs a.s.	Budweis	VK	97.54
ERA Epitö Kft.	Budapest	NK	100.00
ERA Stav s.r.o.	Prag	NK	100.00
Eraproject Immobilien-, Projektentwicklung und Beteiligungsverwaltung GmbH	Berlin	VK	100.00
Erlaaer Straße Liegenschaftsverwertungs-GmbH	Wien	NK	99.72
ERMATEC Maschinen Technische Anlagen Gesellschaft m.b.H.	St. Pölten	VK	100.00
Erschließungsgesellschaft "Am Schloßberg" Pantelitz GmbH	Neubrandenburg	VK	100.00
EUROPARK Wien Garagen- Errichtungs- und Verwertungsgesellschaft m.b.H.	Wien	NK	30.00
EVVG Einkaufs-, Verkaufs- und Vergabe-GmbH	Wien	NK	100.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG	Wiener Neustadt	VK	100.00
Fachmarktzentrum Arland Errichtungs- und Vermietungsgesellschaft mbH	Wien	VK	100.00
Fachmarktzentrum Kielce Projekt GmbH	Berlin	NK	100.00
Facility Management Austria GmbH	Spittal an der Drau	VK	100.00
FACILITY MANAGEMENT drustvo s ogranicenom odgovoroscu za odrzavanje i upravljanje nekretninama	Zagreb	NK	100.00
Facility Management Hungaria Kft.	Budapest	NK	100.00
Facility Management Polska Sp.z.o.o.	Warschau	VK	100.00
Frischbeton Wachau GmbH & CO.KG	Wachau	NK	45.00
FUSSENEGGER Hochbau und Holzindustrie GmbH	Dornbirn	VK	100.00
G.P.O. Beheer B.V.	AK Den Haag	NK	100.00
Gama Beteiligungs a.s	Budweis	VK	99.33
Gama Strabag Construction limited	Dublin	NK	40.00
Gartensiedlung Lackenjöchel Liegenschaftsverwertungs GmbH	Wien	NK	99.73
GFR remex Baustoffaufbereitung GmbH & Co. KG	Krefeld	NK	100.00
GFR remex Baustoffaufbereitung Verwaltungs-GmbH Krefeld	Krefeld	NK	50.00
Goldeck – Flug Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
Goldeck Bergbahnen GmbH	Spittal an der Drau	VK	100.00
Gradbeno stanovanjsko podjetje GRASTO d.o.o.	Domzale	VK	99.85
Grand Hotel Interests Limited	Guernsey	NK	75.00
Grandemar S.A.	Cluj-Napoca	NK	32.28
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H.	Wien	NK	51.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H. & Co. KG	Wien	NK	52.00
GVD Versicherungsvermittlungen – Dienstleistungen GmbH	Köln	VK	100.00
GWP Steinbruch Ges.m.b.H.	Oberpetersdorf	NK	100.00
H. Westerthaler Baugesellschaft m.b.H.	Bischofshofen	VK	100.00
H.I.C. Gesellschaft für Projektierung und Bau von sozialen Einrichtungen mbH	Bremen	VK	98.00
Havlickova 3 s.r.o.	Prag	NK	100.00
HAW-Hürtherberg Asphaltwerke Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft	Köln	NK	35.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
Helmus Beteiligungsgesellschaft mit beschränkter Haftung	Vechta	NK	100.00
Helmus Straßen-Bau-Gesellschaft mbH & Co. KG	Vechta	VK	100.00
HILU Leitungsbau GmbH	Nürnberg	NK	100.00
HOTEL VIA Közkereseti Tarsasag	Keszthely	NK	43.00
H-Projekt II.Ingatlanfejlesztö Korlatolt Felelössegü Tarsasag	Budapest	NK	100.00
Hrusecka Obalovna s.r.o.	Hrusky	NK	80.00
H-TPA Innovacios es Minösegvizsgalo Kft.	Budapest	VK	100.00
Hürtherberg Asphaltwerke Gesellschaft mit beschränkter Haftung	Köln	NK	35.00
HYDROSTAV Construction, a.s.	Bratislava	NK	60.00
IBV-Immobilien Besitz- und Verwaltungsgesellschaft mbH Werder	Köln	VK	99.00
IGM dionicko drustvo za proizvodnju i trgovinu gradevnim materijalom	Benkovac	VK	95.44
Ilbau Bohemia spol s.r.o.	Prag	VK	100.00
Ilbau GmbH Deutschland	Cottbus	VK	100.00
Ilbau Kirchner S.C.	Warschau	NK	50.00
Ilbau Liegenschaftsverwaltung GmbH	Dahlwitz-Hoppegarten	VK	100.00
Ilbau Liegenschaftsverwaltung GmbH	Spittal an der Drau	VK	100.00
Ilbau Plzen a.s.	Budweis	VK	100.00
Ilbau S.r.l.	Bozen	NK	100.00
Ilbau-Kirchner A4 Motorway Construction S.C.	Opole	NK	50.00
IMOPROJEKT Immobilienentwicklungsgesellschaft mbH	Freiburg	NK	100.00
IMOTAVIRA – Promocao Imobiliaria S.A.	Lissabon	NK	50.00
Incipit AG	Anit/Zug	NK	100.00
Industrial Engineering and contracting NV	Genk	NK	50.00
InfoSys Informationssysteme GmbH	Spittal an der Drau	VK	100.00
INGSTROY SOFIA AD	Sofia	VK	75.00
Innerebner Baustahl GmbH	Wiener Neustadt	VK	100.00
Institut zvarania a kvality, s.r.o.	Bratislava	NK	30.00
J + O Alsterfleet Grundstücks GmbH	Hamburg	VK	94.00
JAB Tarnava SP z.o.o.	Bobrovice	NK	50.00
Jafrem-Sociedade de Construcoes,Lda	Matosinhos	NK	75.00
Jihoceska Obalovna spol. s.r.o.	Budweis	NK	33.33
Josef Riepl Unternehmen für Hoch- und Tiefbau GmbH	Regensburg	VK	100.00
K.S. Kamenolom d.o.o.	Rijeka	NK	100.00
KAB Kärntner Abfallbewirtschaftung GmbH	Klagenfurt	NK	36.25
KAB Straßensanierung GmbH	Spittal an der Drau	NK	50.60
KAB Straßensanierung GmbH & Co KG	Spittal an der Drau	VK	50.60
Kaiserebersdorfer Straße LiegenschaftsverwaltungsgmbH	Wien	NK	99.73
Kamenolomy CR Herous s.r.o.	Lhota Rapotina	NK	100.00
KAMENOLOMY CR s.r.o.	Ostrava – Svinov	VK	100.00
Kanzel Steinbruch Dennig Gesellschaft mit beschränkter Haftung	Gratkorn	VK	75.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Grube Grafing KG	Geretsried	NK	50.00
Kiesabbau Gämmerler-Hütwohl GmbH&Co. Grube Leitzinger Au KG	Geretsried	NK	50.00
Kiesabbau Gämmerler-Hütwohl Verwaltungs- GmbH	Königsdorf	NK	50.00
Kieswerk Hohenwarthe GmbH	Hohenwarthe	VK	51.00
Klinik für Psychosomatik und psychiatrische Rehabilitation GmbH	Spittal an der Drau	NK	100.00

Companies	**Headquarters**	**Type of consolidation[1)]**	**Interest %**
KÖKA Kö-es Kavicsbanyaszati Korlatolt Felelösségü Tarsasag	Budapest	VK	100.00
Königswall Invest B.V.	Den Haag	NK	100.00
Kopalnia Granitu Mikoszow Sp. z o.o.	Strzelin	VK	100.00
Kopalnie Melafiru w Czarnym Borze Sp. z o.o.	Czerny Bor	VK	99.23
KOVOTOPOL', spol.s.r.o.	Topol'cany	NK	70.33
KSR – Kamenolomy SR, s.r.o.	Zvolen	VK	100.00
Leitner Gesellschaft m.b.H.	Hausmening	VK	100.00
Leonhard Moll Hoch- und Tiefbau GmbH	München	VK	100.00
Leonhard Moll Tiefbau GmbH (vorm.GmbH & Co KG)	München	VK	100.00
Liberecka Obalovna s.r.o.	Liberec	NK	50.00
Lieferasphalt Gesellschaft m.b.H.	Wien	NK	50.00
Lieferasphalt Gesellschaft m.b.H. & Co.OHG	Maria Gail	NK	60.00
Lieferasphalt Gesellschaft m.b.H.& Co,Viecht	Viecht	NK	66.50
Lieferasphalt Gesellschaft m.b.H.& Co.OHG, Zirl	Wien	NK	50.00
LIMET Beteiligungs GmbH & Co. Objekt Berlin KG	München	VK	99.00
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	Linz	NK	33.33
LISAG Linzer Splitt- und Asphaltwerk GmbH.	Linz	NK	50.00
LISAG Linzer Splitt- und Asphaltwerk GmbH. & CO KG	Linz	NK	50.00
'LSH'-Fischer Baugesellschaft m.b.H.	Linz	NK	100.00
Lumirova EP, spol s.r.o.	Prag	NK	100.00
Magyar Aszfalt Kft	Budapest	VK	100.00
Magyar Bau Holding Rt.	Budapest	NK	100.00
Matra Oazis Oktatasi Üdültetesi es Vendeglato KFT.	Gyöngyöstarjan	NK	53.37
MAV Mineralstoff-Aufbereitung und- Verwertung GmbH	Krefeld	VK	50.00
MBSZ Magyar Betonpumpa Szolgaltato Korlatolt Felelösségü Tarsasag	Veszprem	NK	100.00
MC Grundbesitz GmbH	Köln	NK	40.00
Melygarazs 2000 Epitö, Szervezö, Lebonyolito es Uzemeltetö KFT	Budapest	VK	100.00
Meyerhans AG Amriswil	Amriswil	VK	100.00
Meyerhans AG, Strassen- und Tiefbau Uzwil	Uzwil	VK	100.00
MIGU-Asphalt-Baugesellschaft m.b.H.	Lustenau	NK	50.00
Mil-Mert Epitö Közkereseti Tarsasag	Budapest	NK	50.00
Mineral Trading sp.z o.o.	Szczawno Zdroj	NK	100.00
Mischek Arbeiterwohnheim GmbH	Wien	NK	100.00
Mischek Bau AG	Wien	VK	100.00
Mischek Leasing eins Gesellschaft m.b.H.	Wien	NK	100.00
Mischek Systembau, Vorfertigungs u. Logistik GmbH	Wien	VK	100.00
Mischek-Bau-Schlosserei GmbH	Wien	NK	100.00
Miskolci Shopping Center Kft	Budapest	NK	100.00
Mitteldeutsche Braunkohle Strukturförderungsgesellschaft mbH (MBS)	Espenhain	NK	40.00
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H.	Ilz	NK	33.33
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. & Co.KG	Ilz	NK	52.67
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. und Co KG	Pinkafeld	NK	47.00
Murer SA Sedrun	Erstfeld	NK	100.00
Murer-Strabag AG	Erstfeld	VK	100.00
MUSIKVIERTEL Grundstücksentwicklung GmbH	Köln	NK	100.00
N.R.C.S., a.s.	Lina	NK	100.00
N.V. STRABAG Belgium S.A.	Antwerpen	VK	100.00
N.V. STRABAG Benelux S.A.	Antwerpen	VK	100.00
Na belidle spol s.r.o.	Prag	VK	100.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
NEGUS LTD ZAO	Moskau	NK	100.00
Neubau Augasse 9 Errichtungs- und Vermietungsgesellschaft m.b.H.	Wien	EK	50.00
NEUE REFORMBAU Gesellschaft m.b.H.	Wien	NK	100.00
NOAG Autobahnerrichtungs AG	Wien	NK	32.00
Nordostlabor Beteiligungsgesellschaft m.b.H. Nievelt Polen	Stockerau/Österreich	NK	30.00
Nordpark Errichtungs- und Betriebs GmbH	Innsbruck	NK	100.00
NR Bau- u. Immobilienverwertung GmbH	Dresden	NK	100.00
OAT – Bohr- und Fugentechnik Gesellschaft m.b.H.	Spittal an der Drau	VK	51.00
OAT s.r.o.	Prag	VK	80.00
OAT spol. s.r.o.	Bratislava	VK	100.00
OAT Uszczelnianie i Obrobka Betonu Sp.u.o.	Warschau	NK	49.00
OAT-Diamanttechnika	Budapest	VK	100.00
Obit spol. s.r.o.	Rythne nad Bilinou	NK	100.00
ODRA-ASFALT Sp. z o.o.	Szeczecin	NK	33.33
OFIM HOLDINGS LIMITED	Cardiff	NK	46.25
Ontwikkeling Combinatie Laakcenter (O.C.L.) B.V.	AK Den Haag	NK	100.00
Ooms-Ittner-Hof GmbH	Köln	VK	100.00
OOO Grand Lux z.a.o.	Moskau	NK	100.00
OSKEP JSC	Kiew	NK	40.00
Ostsächsische Brücken- und Ingenieur-Tiefbau GmbH	Neustadt/Sachsen	NK	100.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH	Lavant i. Osttirol	VK	80.00
Otto Rohr GmbH	Helmstedt	VK	100.00
Pagitz Metalltechnik GmbH	Spittal an der Drau	VK	100.00
PAM Pongauer Asphaltmischanlagen GmbH	St. Johann im Pongau	NK	50.00
PAM Pongauer Asphaltmischanlagen GmbH & Co KG	St. Johann im Pongau	NK	50.00
Parkolas Kft	Budapest	NK	100.00
PERGERKÖ Kereskedelmi es Szolgaltato Kft	Baszi	NK	100.00
Phyrn Concession Holding GmbH	Köln	NK	33.33
Phyrn Motorway GmbH	München	NK	33.33
PL-Bitunova SP z.o.o.	Bierawa	VK	95.00
Plzenska obalovna s.r.o.	Slovice	NK	50.00
Poduzece ZA Ceste Split d.d.	Split	VK	83.98
POLSKI ASFALT Sp.z o.o. (vormals: BHG Gdynia Joint Venture Spzoo)	Warschau	NK	100.00
PP Prottelith Produktionsgesellschaft mbH	Liebenfels	NK	52.00
PPP Management GmbH	Köln	NK	100.00
PPP SchulManagement Witten GmbH & Co. KG	Köln	VK	100.00
PREFABRIKAT, a.s.	Vel'ké Leváre	VK	100.00
PREZIPP, s.r.o.	Chrudim	NK	50.00
PRO Liegenschaftsverwaltungs- und Verwertungsgesellschaft m.b.H.	Wien	VK	100.00
Projekta Bauvorbereitungsgesellschaft m.b.H. Nfg.KG	Wien	EK	50.00
PRO-Lassallestraße-Grundstücksverwertungsgesellschaft m.b.H.	Wien	NK	50.00
PROTECTA Gesellschaft für Oberflächenschutzschichten mbH	Düsseldorf	VK	75.00
PWG-Bau Pfersee Wohn- und Gewerbebauträger GmbH & Co.KG	Augsburg	EK	50.00
PWG-Bau Pfersee Wohn-und Gewerbebauträger Verwaltungs GmbH	Augsburg	NK	50.00
RAE Recycling-Asphaltwerk Eisfeld GmbH & Co.KG	Eisfeld	NK	25.00
RAE Recycling-Asphaltwerk Eisfeld Verwaltungs GmbH	Eisfeld	NK	25.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
Raiffeisen evolution project development GmbH	Wien	EK	20.00
RAM Regensburger Asphalt-Mischwerke GmbH & Co KG	Barbing	NK	44.33
Rathaus-Carrée Saarbrücken Grundstücksentwicklungsgesellschaft mbH	Köln	NK	24.97
Rathaus-Carrée Saarbrücken Grundstücksentwicklungsgesellschaft mbH & Co.KG	Köln	NK	25.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H.	Linz	VK	100.00
RE Schlossgasse 5 Immobilien GmbH	Wien	NK	75.00
RE Wohnungseigentumserrichtungs GmbH	Wien	NK	75.00
Regensburger Asphalt-Mischwerke GmbH	Barbing	NK	44.33
REMEX Coesfeld Gesellschaft für Baustoffaufbereitung mbH	Dülmen-Buldern	NK	25.00
RFM Asphaltmischwerk GmbH & Co KG	Traiskirchen	NK	33.33
RFM Asphaltmischwerk GmbH.	Wienersdorf-Oeynhausen	NK	33.33
Rhein-Regio Neuenburg Projektentwicklung GmbH	Neuenburg am Rhein	VK	90.00
Rieder Asphaltgesellschaft m.b.H.	Ried im Zillertal	NK	50.00
Rieder Asphaltgesellschaft m.b.H. & Co. KG.	Ried im Zillertal	NK	50.00
Ring Körutepitö Közkereseti Tarsasag (RING KKT)	Budapest	NK	50.00
RKB Rohrleitungs- und Kanalbau GmbH	Berlin	VK	100.00
RKH Rheinkies Hitdorf GmbH & Co. KG	Bergheim	NK	33.33
RKH Rheinkies Hitdorf Verwaltungs GmbH	Bergheim	NK	33.33
Rombeton s.r.l.	Cluj-Napoca	NK	100.00
RVE Gesellschaft für Reststoffverwertung und Entsorgung mbH	Lünen	EK	50.00
S.C. “IMCOP CARIERE” s.r.l.	Cluj	NK	87.56
S.U.S. Abflussdienst Gesellschaft m.b.H.	Wien	NK	100.00
Saale Asphalt GmbH & Co. KG	Dehlitz/Lösau	NK	24.50
Saale Asphalt Verwaltungs GmbH	Dehlitz/Lösau	NK	24.60
Salgo Shopping Center Kft	Budapest	NK	100.00
Salzburger Lieferasphalt OHG	Sulzau	NK	20.00
SAM Sächsische Asphaltmischwerke GmbH & Co. KG	Dresden	NK	50.00
SAM Sächsische Asphaltmischwerke Verwaltung GmbH	Dresden	NK	50.00
SAT s.r.o.	Prag	NK	100.00
SAT Straßensanierung GmbH	Horhausen	VK	100.00
SAV Südniedersächsische Aufbereitungs- und Verwertungsgesellschaft mbH	Hildesheim	NK	50.00
Schlackenkontor Bremen GmbH	Bremen	NK	50.00
SCHMITT ASPHALTES ET TECHNIQUES S.A.R.L.	Horbourg-Wihr	NK	96.80
Schmitt Asphalttechnik Polska Sp. z o.o.	Olawa	VK	100.00
SCHOTTERWERK EDLING GESELLSCHAFT M.B.H.	Klagenfurt	NK	74.00
Schotterwerk Schmohlhöhe GmbH	Bobritzsch	NK	100.00
SF Cologne Ingenieurs Cameroun S.A.	Yaounde	NK	100.00
SF Consultants Nigeria	Lagos	NK	60.00
SF-BAU Drei Vermögensverwaltung GmbH	Wien	NK	100.00
SF-BAU Gesellschaft für Projektentwicklung und schlüsselfertiges Bauen mbH	Leipzig	VK	100.00
SF-BAU Grundstücksgesellschaft “ABC-Bogen” mbH	Köln	VK	100.00
SF-Bau Ploiesti s.r.l.	Ploiest	NK	100.00
SF-BAU Projektentwicklung GmbH	Köln	NK	100.00
SF-Immobilienfonds Beteiligungs-GmbH&Co.Nr.1 KG	Köln	NK	100.00
Shopping Center d.o.o	Zagreb	VK	100.00

Companies	**Headquarters**	**Type of consolidation[1)]**	**Interest %**
Siroki Brijek	Mostar	NK	49.00
Slovasfalt spol. s.r.o.	Bratislava	VK	100.00
Societatea Comercialà Cosar-Bitunova S.A.	Bukarest	NK	95.00
Societatea Comercialà E.B.C.-Bitunova S.A.	Bukarest	NK	85.00
Societatea Comercialà E.B.M.-Bitunova S.A.	Bukarest	NK	99.27
Societatea Comercialà InterEco-Bitunova S.A.	Bukarest	NK	85.00
Societatea Companilor Hotelerie Grand srl	Bukarest	NK	32.00
SOWI – Investor – Bauträger GmbH	Innsbruck	NK	33.33
SPK – Errichtungs- und Betriebsges.m.b.H.	Spittal an der Drau	NK	100.00
Spolecne obalovny, s r.o.	Prag	NK	50.00
Sportstättenservice Gesellschaft m.b.H.	Niederleis	NK	100.00
Stadtbaumeister Architekt Franz Böhm GmbH	Wien	VK	100.00
Stahl + Verbundbau Gesellschaft für industrielles Bauen m.b.H.	Dreieich-Dreieichenhain	NK	30.00
Stalexport Autostrada Slaska S.A.	Katowice	NK	25.00
Steinbruch Mauterndorf Gesellschaft m.b.H.	Mauterndorf im Lungau	NK	50.00
Stephan Beratungs-GmbH	Linz am Rhein	NK	30.00
STR Lakasepitö Korlatolt Felelössegü Tarsasag	Budapest	VK	100.00
Strabag a.s.	Prag	VK	100.00
STRABAG ABU DHABI LLC	Abu Dhabi	NK	100.00
STRABAG AG	Köln	VK	65.85
STRABAG AG, Spittal an der Drau	Spittal an der Drau	VK	100.00
STRABAG Bau.S.L.	Madrid	NK	100.00
STRABAG Beograd d.o.o.	Belgrad	VK	100.00
STRABAG Bouwen Ontwikkeling B.V.	Dordrecht	VK	100.00
Strabag BiH, d.o.o.	Mostar	NK	100.00
STRABAG BMTI Benelux	Antwerpen	VK	100.00
STRABAG BRVZ Bau- Rechen- und Verwaltungszentrum GmbH	Köln	VK	100.00
STRABAG BRVZ BENELUX	Antwerpen	VK	100.00
STRABAG Construction Nigeria	Ikeja	NK	99.99
Strabag d.o.o.	Zagreb	VK	100.00
Strabag Domodedovo OOO	Moskauer Gebiet	NK	100.00
STRABAG Dubai LLC	Dubai	NK	100.00
STRABAG EAST AFRICA Ltd.	Nairobi	NK	100.00
Strabag Epitö Részvenytársaság	Budapest	VK	100.00
Strabag Eta Group a.s.	Budweis	VK	98.32
STRABAG Gorzów Wielkopolski Sp. z o.o.	Gorzow	NK	49.00
STRABAG gradbene storitve d.o.o.	Laibach	VK	100.00
STRABAG Imobilija d.o.o.	Laibach	VK	100.00
Strabag International Benin SARL	Benin	NK	100.00
Strabag International GmbH	Köln	VK	100.00
Strabag Kiew	Kiew	NK	100.00
STRABAG Kommunal-Entwicklung GmbH & Co. KG	Köln	NK	100.00
Strabag Liegenschaftsverwaltung GmbH	Linz	VK	100.00
STRABAG Nederland B.V.	Dordrecht	NK	100.00
STRABAG OMAN	Muscat	VK	100.00
Strabag OOO	Moskau	NK	100.00
STRABAG Projektentwicklung GmbH	Köln	VK	100.00
Strabag Qatar W.L.L.	Qatar	NK	49.00
Strabag s.r.l.	Bukarest	VK	100.00
STRABAG s.r.o.	Bratislava	VK	100.00
Strabag Sibe Group a.s.	Budweis	VK	94.93
STRABAG Sp.z o.o.	Warschau	VK	100.00

Companies	**Headquarters**	**Type of consolidation**[1)]	**Interest %**
STRABAG Sportstättenbau GmbH	Dortmund	VK	100.00
STRABAG Straßen- und Tiefbau Verwaltung GmbH	Spergau	NK	100.00
STRABAG Trappenkamp GmbH	Trappenkamp	VK	100.00
STRABAG Unterstützungskasse GmbH	Köln	VK	100.00
STRABAG Vermögensverwaltungs GmbH	Köln	NK	100.00
Strabag z.a.o.	Moskau	VK	100.00
Strabag-Mert Épitö Közkereseti Társaság	Budapest	NK	50.00
STRABAG-PROJEKT Sp. z o.o.	Warschau	NK	100.00
Straßenbau Thüringen GmbH	Gotha	EK	50.00
Stratebau GmbH	Regensburg	EK	50.00
Stratebau Konsortium GbR	Regensburg	NK	50.00
Stravia Emulziogyarto es Ütfenntarto Kft.	Budapest	NK	25.00
Stuag Bau Development GmbH	Cottbus	NK	100.00
SVG Stoll Gesellschaft für Vermietung und Verpachtung GmbH	Weimar	NK	100.00
Syrena Immobilien Holding Aktiengesellschaft	Spittal an der Drau	NK	50.00
Szamito es Ügyviteli Központ Kft.	Budapest	VK	100.00
Szentesi Vasutepitö Kft.	Szentes	VK	100.00
TBG Ceske Budejovice spol. s.r.o.	Budweis	NK	33.33
TBG drustvo s ogranicenom odgovornoscu za proizvodnju i distribuciju proizvoda od betona	Zagreb	NK	50.00
TBG Frissbeton Betongyarto Kft.	Pecs	NK	50.00
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH	Erfurt	EK	33.33
Tiefbautechnik Gesellschaft m.b.H.	Linz	NK	100.00
Tiefbautechnik Gesellschaft m.b.H. & Co OHG	Linz	NK	100.00
TPA CR s.r.o.	Beroun	VK	100.00
TPA EOOD	Sofia	VK	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Wien	VK	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Köln	VK	100.00
TPA Instytut Badan Technicznych sp.z.o.o.	Pozan	VK	100.00
TPA odr avanje kvaliteta i inovacija d.o.o.	Zagreb	VK	100.00
TPA s.r.o.	Bratislava	VK	100.00
Transkipper sp.z o.o.	Szczawno Zdroj	NK	100.00
Treuhandbeteiligung		VK	100.00
Treuhandbeteiligung M		NK	100.00
UND-FRISCHBETON s.r.o.	Kosice	NK	75.00
UNI-BAU Wohnungseigentumserrichtungs GmbH	Wien	NK	100.00
UNIPROJEKT Bau- und Innenbau GmbH	Wien	VK	100.00
Universitätszentrum Althanstraße Erweiterungsgesellschaft m.b.H.	Wien	NK	100.00
Unterstützungseinrichtung für die Angestellten der ehemaligen Bau-Aktiengesellschaft “Negrelli” GesellschaftmbH	Wien	NK	50.00
VAB d.o.o.	Varazdin	NK	34.50
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H.	Linz	NK	75.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co.KG	Linz	VK	75.00
VCO – Vychodoceska obalovna, s r.o	Hradec Kralove	NK	33.33
Verbundplan Birecik Isletme Ltd.	Birecik	NK	25.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	Spittal an der Drau	NK	50.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	Spittal an der Drau	VK	50.00
VEWA Baubetreuungs- und Immobilienges.mbH	Berlin	NK	90.00

Companies	Headquarters	Type of consolidation[1)]	Interest %
VIALIT-ASPHALT Podjetje za asfaltiranje in trgovino, d.o.o.	Ljubljana, Trzaska 2	NK	50.00
VIANOVA – Bitumenemulsionen GmbH	Fürnitz	NK	24.90
Villacher Parkgaragen Gesellschaft m.b.H. & Co. KG	Spittal an der Drau	NK	100.00
VKG-Valentiner Kieswerk Gesellschaft m.b.H.	Linz	NK	50.00
VULKANKÖ Banyaszati es Kereskedelmi Kft.	Keszthely	NK	50.39
WARSZAWSKIE ASFALTY Sp.z.o.o	Warschau	NK	64.94
WIBAU Holding GmbH	Linz	NK	24.80
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	Zistersdorf	NK	33.33
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	Zistersdorf	NK	33.33
Wohn + Industriebau-Planungsgruppe GmbH	Spittal an der Drau	NK	100.00
Wohnbauträgergesellschaft Objekt “Freising – Westlich der Jagdstraße” mbH	München	VK	100.00
WWOM Projektentwicklung GmbH	Wien	NK	87.50
Xaver Bachner Gesellschaft m.b.H.	Straubing	NK	100.00
Zangerle & Co. Baugesellschaft mbH.	Wien	NK	98.00
ZAO “STRABAG”	Sankt Petersburg	NK	100.00
Zentrum Rennweg S-Bahn Immobilienentwicklung GmbH	Wien	VK	99.00
ZIPP BRATISLAVA spol. sr.o.	Bratislava	VK	100.00
ZIPP Brno s.r.o.	Brünn	NK	50.00
ZIPP GECA, s.r.o.	Geca	NK	44.00
ZIPP PRAHA, s.r.o.	Prag	VK	100.00
ZIPP SKALICA, spol.s.r.o.	Skalica	NK	46.00
ZIPP-S, s.r.o.	Bratislava	NK	80.00
Züblin-Strabag AG	Zürich	VK	100.00
Zuidermeent B.V.	Den Haag	NK	100.00

[1)] VK…Full consolidation
EK…Equity method
NK…No consolidation

UNQUALIFIED AUDIT CERTIFICATE

To the Management- and Supervisory Board of FIMAG Finanz Industrie Management AG

We have audited the consolidated financial statement of 31st December 2004 which was drawn up by the Board in accordance with the International Financial Reporting Standards (IFRS), taken over by the International Accounting Standards Board (IASB).

The group accounting is the responsibility of the Board of the company.

It is our task to award an audit judgement on this consolidated financial statement based on our financial audit. The audit of the financial statements of subsidiaries and company sectors was partly made by other auditors. Our audit judgement is based – as far as these subsidiaries and company sectors are concerned – exclusively on their confirmations.

We have carried out our audit in accordance with the principles applied in Austria on the orderly execution of auditing and also in accordance with the International Standards on Auditing of the International Federation of Accountants (IFAC). These standards require us to plan and execute the audit so that a sufficiently certain judgement can be given as to whether the consolidated financial statement is free of significant misstatements. The financial audit includes an audit supported by random checks of proof concerning amounts and information in the consolidated financial statement. It contains the judgement of the accounting principle applied and the important estimations made by the management as well as an acknowledgement of the total opinion of the consolidated financial statement. We are of the opinion that our audit provides a sufficiently secure basis for our audit judgement.

We are convinced that the consolidated financial statement, in all respects, gives a true and fair view of the assets- and financial situation of the group as of 31st December 2004 as well as the income situation and the flow of payments for the 2004 business year in accordance with the International Financial Reporting Standards (IFRS).

In accordance with the regulations applicable in Austria the group management report and the presence of the legal requirements for the exemption of drafting a consolidated financial statement in accordance with the Austrian law are to be audited.

We confirm that the group management report is in accord with the consolidated financial statement and that the legal requirements for the exemption from the obligation to draw up a consolidated financial statement according to Austrian law have been fulfilled in accordance with the Austrian law.

Vienna, Linz, 27th April 2005

T & A
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft mbH

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

/s/ Rudolf Kraus (Mag. Rudolf Kraus)	/s/ Herbert F. Maier (Dkfm. Herbert F. Maier)	/s/ Rudolf Kraus (Mag. Rudolf Kraus)	/s/ Ernst Pichler (Mag. Ernst Pichler)
Chartered accountant and tax consultant	Chartered accountant and tax consultant	Chartered accountant and tax consultant	Chartered accountant and tax consultant

The publication (with the exception of the publications required by law) or reproduction of the consolidated financial statement in any form deviating from the certified version (e.g. abridged form or translation into another language) may not refer to our certification nor to our audit without our prior approval.

This report is a translation of the original report in German.

ISSUER

STRABAG SE

Triglavstraße 9
A-9500 Villach
Austria

LEGAL ADVISORS TO THE ISSUER

Cerha Hempel Spiegelfeld Hlawati
Partnerschaft von Rechtsanwälten

Parkring 2
A-1010 Vienna
Austria

Cleary Gottlieb Steen & Hamilton LLP

Main Tower
Neue Mainzer Straße 52
D-60311 Frankfurt am Main
Germany

LEGAL ADVISORS TO THE MANAGERS

Sullivan & Cromwell LLP

Neue Mainzer Straße 52
D-60311 Frankfurt am Main
Germany

Dorda Brugger Jordis Rechtsanwälte GmbH

Dr. Karl Lueger-Ring 10
A-1010 Vienna
Austria

AUDITORS

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Kudlichstraße 41-43
A-4020 Linz
Austria

T & A
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH
Kudlichstraße 41-43
A-4020 Linz
Austria

[THIS PAGE INTENTIONALLY LEFT BLANK]