SUCCESS IS IN THE DETAILS.
ANNUAL REPORT 2012

STRABAG
SOCIETAS EUROPAEA

THE STRABAG GROUP

As one of Europe's leading construction groups, and with approximately 74,000 employees, we generated an output volume of € 14.0 billion in the 2012 financial year. From our core markets of Austria and Germany, we are present via our numerous subsidiaries in all countries of Eastern and South-East Europe, in selected markets in Western Europe and on the Arabian Peninsula. The services span all areas of the construction industry and cover the entire construction value chain.

SEGMENT NORTH + WEST

	2012 € MLN.	CHANGE 2011–2012 %	2011 € MLN.
Output volume	6,237	-3 %	6,397
Revenue	5,510	-8 %	5,961
Order backlog	4,827	-2 %	4,912
EBIT	-51	n.a.	149
EBIT-margin % of revenue	-0.9 %		2.5 %
Employees	25,108	-3 %	25,962

SEGMENT SOUTH + EAST

	2012 € MLN.	CHANGE 2011–2012 %	2011 € MLN.
Output volume	4,756	-3 %	4,882
Revenue	4,792	-2 %	4,877
Order backlog	4,326	-7 %	4,647
EBIT	149	6 %	140
EBIT-margin % of revenue	3.1 %		2.9 %
Employees	22,699	-2 %	23,197

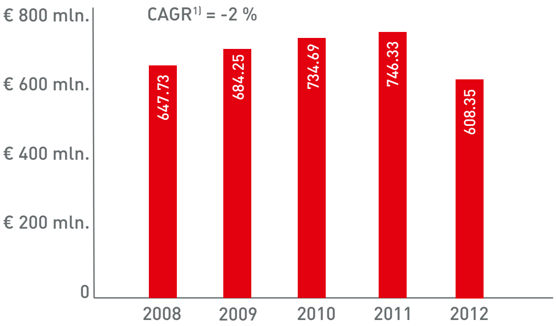
SEGMENT INTERNATIONAL + SPECIAL DIVISIONS

	2012 € MLN.	CHANGE 2011–2012 %	2011 € MLN.
Output volume	2,925	2 %	2,880
Revenue	2,661	-6 %	2,842
Order backlog	4,038	7 %	3,782
EBIT	127	115 %	59
EBIT-margin % of revenue	4.8 %		2.1 %
Employees	20,426	-7 %	22,068

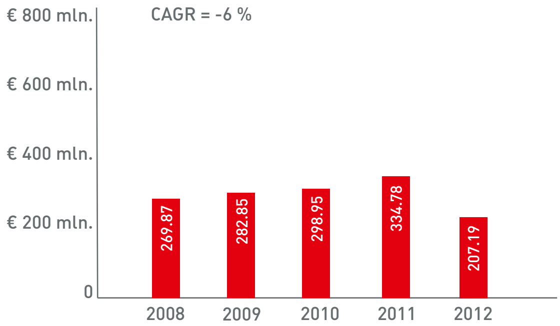
KEY FIGURES

DEVELOPMENT OF THE MOST IMPORTANT KEY FIGURES

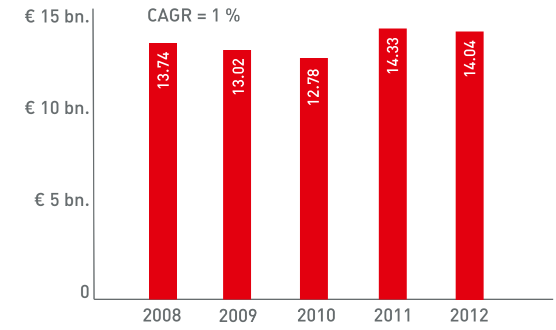
EBITDA DEVELOPMENT 2008–2012



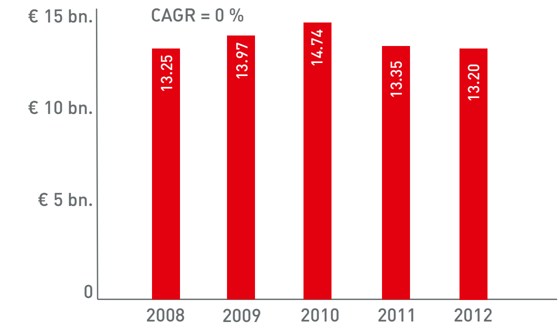
EBIT DEVELOPMENT 2008–2012



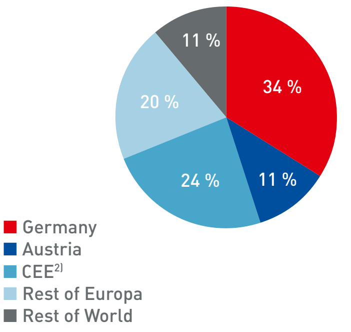
OUTPUT VOLUME DEVELOPMENT 2008–2012



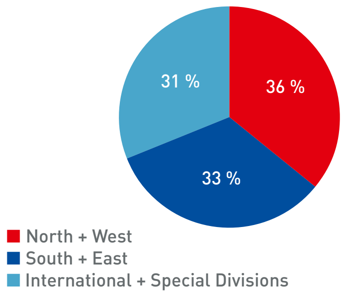
ORDER BACKLOG DEVELOPMENT 2008–2012



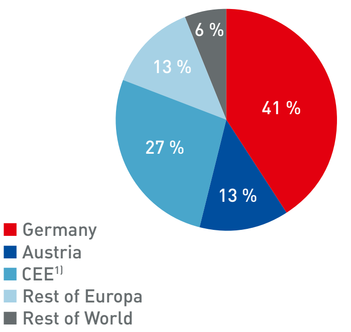
ORDER BACKLOG BY REGION



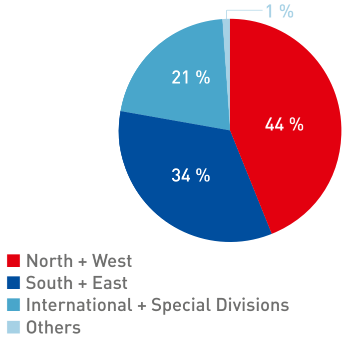
ORDER BACKLOG BY SEGMENT



OUTPUT VOLUME BY REGION



OUTPUT VOLUME BY SEGMENT



1) CAGR = Compound annual growth rate
2) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia and neighbouring countries, Serbia, Slovakia, Slovenia

KEY FIGURES 2008–2012

KEY FINANCIAL FIGURES

€ MLN.	2012	2011	2010	2009	2008
Output volume	14,042.60	14,325.85	12,777.00	13,021.01	13,742.50
Revenue	12,983.23	13,713.80	12,381.54	12,551.93	12,277.80
Order backlog	13,202.66	13,354.00	14,738.74	13,967.57	13,253.80
Employees	74,010	76,866	73,600	75,548	73,008

KEY EARNINGS FIGURES

€ MLN.	2012	2011	2010	2009	2008
EBITDA	608.35	746.33	734.69	684.25	647.73
EBITDA margin % of revenue	4.7 %	5.4 %	5.9 %	5.5 %	5.3 %
EBIT	207.19	334.78	298.95	282.85	269.87
EBIT margin % of revenue	1.6 %	2.4 %	2.4 %	2.3 %	2.2 %
Profit before taxes	156.46	343.33	279.27	262.96	229.26
Net income	110.04	239.29	188.38	184.61	166.36
Earnings per share in €	0.58	1.75	1.53	1.42	1.38
Dividend per share in €	0.20	0.60	0.55	0.50	0.55
Cash-flow from operating activities	268.80	501.15	690.42	1.115.10	689.86
ROCE in %	4.0 %	6.3 %	5.4 %	5.7 %	5.3 %
Investment in fixes assets	458.28	477.15	553.84	508.73	876.80

KEY BALANCE SHEET FIGURES

€ MLN.	2012	2011	2010	2009	2008
Equity	3,162.54	3,149.84	3,232.44	3,099.06	2,978.98
Equity Ratio %	31.2 %	30.3 %	31.1 %	32.2 %	30.5 %
Net Debt	154.55	-267.81	-669.04	-596.23	-109.66
Gearing Ratio %	4.9 %	-8.5 %	-20.7 %	-19.2 %	-3.7 %
Capital Employed	5,322.35	5,336.45	5,235.74	5,042.87	5,158.85
Balance Sheet Total	10,137.69	10,386.05	10,382.16	9,613.59	9,765.21

EBITDA = profit for the period before net interest income, income tax expense and depreciation and amortization
EBIT = profit for the period before net interest income and income tax expense
ROCE = (net income + interest on debt – interest tax shield (25 %)) / (average group equity + interest-bearing debt)
Net Debt = financial liabilities less non-recourse debts + provisions for severance and pension obligations – cash and cash equivalents
Gearing Ratio = Net Debt / Group Equity
Capital Employed = group equity + interest-bearing debt

CONTENT

This is an integrated annual report. Details on the sustainability aspects of our strategy and our business activity are available at csr.strabag.com. Here you can put together the report according to your own needs.

CEO'S REVIEW

Dear fellow shareholders!

An output of € 14.0 billion in 2012 – that's nothing to complain about! While the current crisis has shifted its focus several times – from the world of banking and finance to the real economy to a sovereign debt crisis and finally even a currency crisis – STRABAG has managed to defy the adverse environment, at least as far as the business volume is concerned. With € 13.2 billion, the end-of-the-year order backlog is also nearly exactly at the pre-crisis level of 2008, suggesting steady and stable business development in 2013.

The reason for this can be found in our strategy at STRABAG: Our group is diversified in terms of regions and segments and possesses a solid financial structure, and our flexible structure allows us to adapt our capacities quickly. If, for example, demand weakens in the public sector in Europe, we can boost our activities in the field of project development or in our international business. This made it possible in 2012 to compensate for the collapse in transportation infrastructure investments in Poland by expanding the volume in building construction and civil engineering in Germany. Our "millipede principle" will prove its worth in many other areas as well. Growth rates, however, are only for the medium-term and will only be realistic if we tap new markets.

The group revenue for the 2012 financial year amounted to approx. € 13 billion, with contributions of 44 % from the segment North + West, 34 % from South + East and 21 % from International + Special Divisions; 1 % was accounted for by "Other". As this is a new presentation of the business segments, we have adapted the previous year's figures accordingly for better comparability.

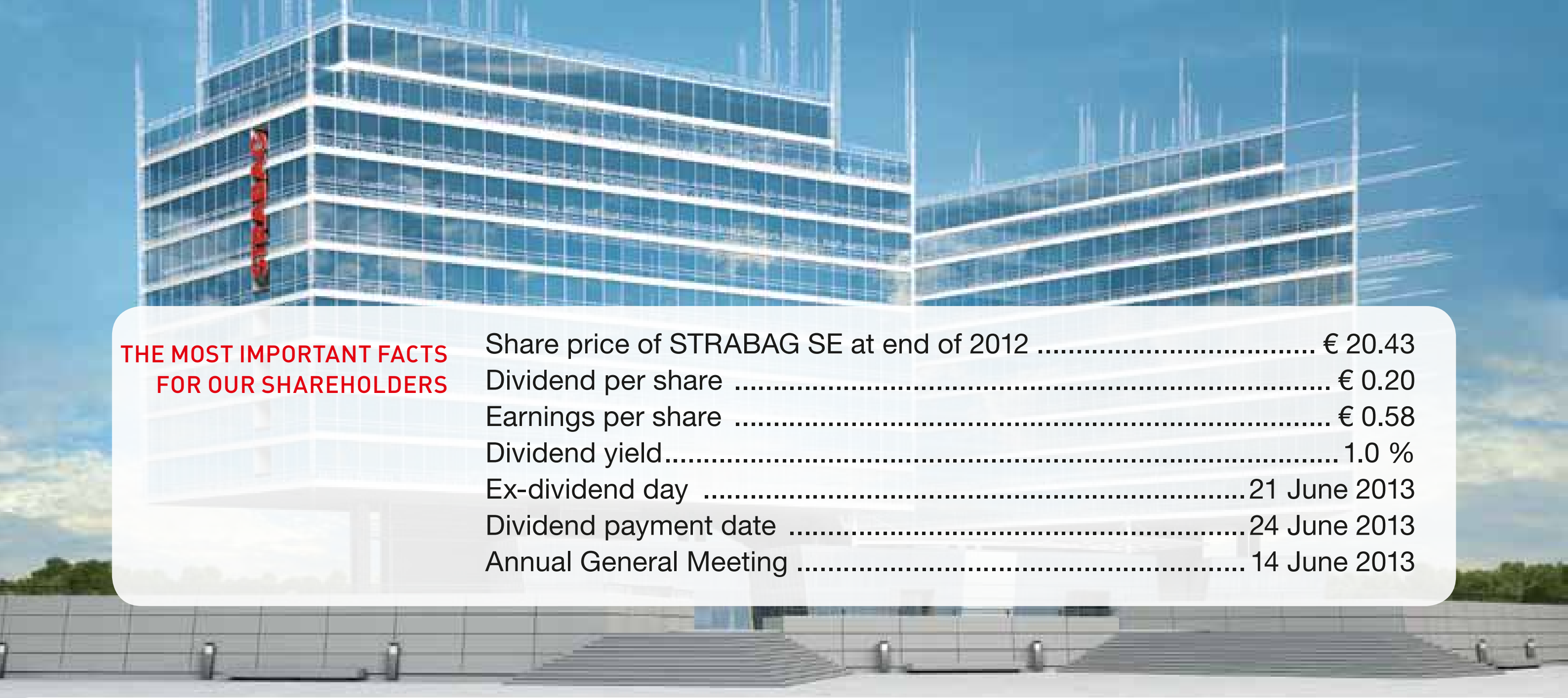
Year after year for more than 20 years, but especially after going public in 2007, the STRABAG Group was able to achieve higher returns. The year 2012 marks a break in this trend. Because of missing payments for services already rendered in Central and Eastern Europe, damage compensation payments for a failed acquisition as well as considerable construction site losses and loss-making acquisitions of joint ventures, the earnings before interest, taxes, depreciation and amortisation (EBITDA) fell by 18 % to about € 608 million. The earnings before interest and taxes (EBIT) declined by 38 % to € 207 million. The net income after minorities was even 69 % below the previous year's level, resulting in earnings per share of € 0.58.

Most of the factors contributing to these disappointing results are non-recurrent factors as well as construction site losses arising from the end of construction projects in 2012 which have no significant carryover into the current year. Neither this circumstance, nor the fact that an EBIT of € 207 million would be celebrated elsewhere, can make up for the fact that most of these factors were avoidable and can be blamed on a failure on the part of management. I alone accept responsibility for this, and I can only offer you my sincerest apologies, which I hereby do in the hope that you accept this apology and that, when judging the management quality of the board, you consider not only this – as I am convinced – unique year, but that you at least look at the average across the term in office.

My colleagues and I are confident that – given the still outstanding situation resulting from our equity strength, cash flows and liquidity situation and offered by the broad positioning of the group, above all, however, given the willingness on the part of management and employees to not only learn from our mistakes, but also to use them as grounds for change – we will have the opportunity to make amendments for 2012.

At the Annual General Meeting on 14 June 2013, the management board will propose a dividend of € 0.20 per share. While maintaining our dividend policy – the dividend payout ratio amounts to 34 % of the net income after minorities – and with a dividend yield of 1 % based on the end-of-the-year share price, we want to at least give you the same level as a good bank interest rate, which these days is low enough.

Whether it was investor disappointment in the face of our results or our presence in the markets of Central and Eastern Europe, which analysts assess as critical – with a minus of 8 % to € 20.43, the STRABAG SE share was one of the few losers in the ATX in 2012. At the same time the construction sector index STOXX Europe 600 Construction & Materials gained 15 % and the ATX grew by 27 %. The reason for the drop in our share price can probably be found in the previous year's outperformance of our share and the subsequent profit taking: in 2011, STRABAG was one of just two ATX companies whose shares were in the plus while all others had ended the year in negative territory.



THE MOST IMPORTANT FACTS FOR OUR SHAREHOLDERS

Share price of STRABAG SE at end of 2012	€ 20.43
Dividend per share	€ 0.20
Earnings per share	€ 0.58
Dividend yield	1.0 %
Ex-dividend day	21 June 2013
Dividend payment date	24 June 2013
Annual General Meeting	14 June 2013

The buyback programme of own shares was unable to offer any support. The low trade activity of STRABAG SE shares also translated into sluggish progress with the buyback programme for own shares: in 2012, STRABAG SE acquired only 2,137,076 shares, or 1.87 % of the total, ending the year with a 9.57 % stake in its own share capital. As we are allowed to acquire up to 10 % of our own shares, the buyback is nearly complete. We remain convinced of the meaningfulness of the buyback itself: it allows us to buy own shares – which we intend to use as transaction currency during enterprise acquisitions in the future – at a relatively affordable price.

Regarding the ongoing year, we are – as already mentioned – optimistic. Even if the results for the first quarter are not yet finalised, the most important indicators paint a picture that, while quite different by region, is in general positive. The home markets of Austria and Germany, plus Benelux, will contribute significantly to revenue and earnings in 2013. The development in Romania must also be emphasised as positive, while the situation in Poland and Hungary remains difficult and, as in the entire Adriatic region, no improvement in demand is in sight. An exception is Italy, where the high order backlog allows us a revenue spurt provided that political uncertainties do not hamper the execution of projects. With the disappearance of losses, Switzerland, Scandinavia and the specialty field of hydraulic engineering – the latter was a painful loss-maker in Germany in 2012 – will see improved results, albeit at a significantly lower level. In the Czech Republic and Slovakia, we expect weakened results at a tolerable level.

Russia remains difficult to judge as far as the pace of our market penetration is concerned. Despite several promising business prospects, we expect no large growth spurts in 2013 – but also no risks for a satisfactory result.

The segment International + Special Divisions, with the business fields of project development, property and facility services, and direct export, includes stable revenue and profit sources. In this segment, growth opportunities are also most likely if it wasn't for the sharpened price competition.

At this point, I would like to add just a few remarks on my own behalf:

In my life, I have always tried to be a responsible businessperson. A responsible businessperson does not surprise his organisation, but shares his plans with his employees so that the organisation can prepare and adapt. For this reason, I already announced halfway through 2012 that I would leave the management board in 2014 and go into retirement after 40 years at STRABAG.

In the person of Thomas Birtel, a successor was designated who is perfectly suited and just as prepared for this task. I have therefore agreed with the supervisory board that I will resign from my position as CEO of STRABAG SE already with the end of the Annual General Meeting on 14 June 2013, but will remain in the group in the function of authorised representative of the management board until the end of my existing contract on 31 December 2015. With this move, I will have transferred all operational responsibility to my colleagues within a few weeks. The evaluation of reports and insights from the STRABAG 2013ff task force, as well as the strategy for the further internationalisation of the group, will remain my main task. Until my final departure, every division, sub-division and business unit – i.e. all three management levels – will have been reviewed in terms of efficiency, market conformity, organisational density and other improvement potential and all optimisation measures will have been made.

I want to express my especially deep sense of gratitude to my 74,010 employees worldwide, who have made STRABAG what it is today: a leading European construction group! This gratitude also extends to you, my dear fellow shareholders, for lending me your trust, and to all of our business friends, who have accompanied my professional life in many roles and who have also contributed to STRABAG's success.

And so I take my leave: full of optimism for the future mixed with nostalgic feelings.

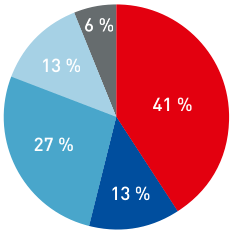
Your

H.P.H.

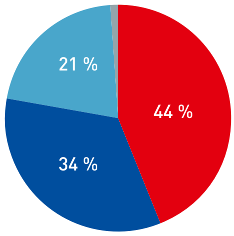
P.S. We have titled this integrated annual report "The success lies in the detail" and we invite you to take a closer look – with or without magnifying glass.

STRABAG AT A GLANCE

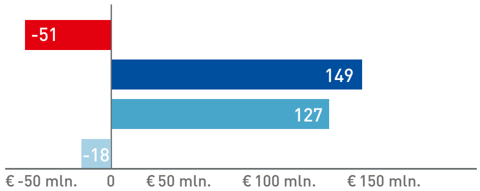
OUTPUT VOLUME BY REGION



OUTPUT VOLUME BY SEGMENT

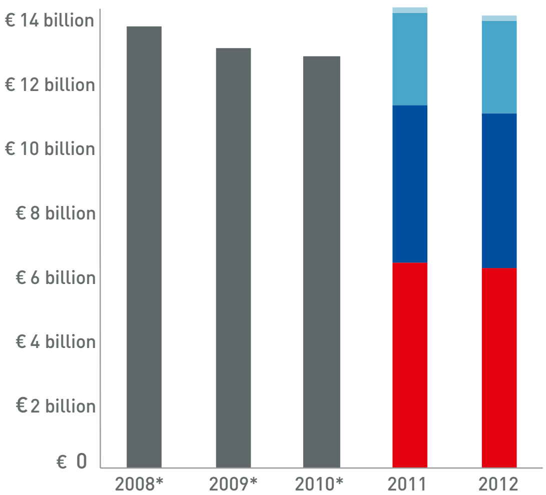


EBIT BY SEGMENT



Total: € 207 mln.

OUTPUT VOLUME 2008–2012



Output volume 2012

Other	€ 124.83 million
International + Special Divisions	€ 2,924.86 billion
South + East	€ 4,755.74 billion
North + West	€ 6,237.17 billion

€ 14,042.60 billion

*Data before 2011 are not adjusted to the new segment structure.

ECONOMIC RESPONSIBILITY

STRABAG SE is one of Europe's leading construction groups. From the core markets of Austria and Germany, our 74,010 employees are at work at numerous subsidiaries in the countries of Eastern and South-East Europe, in selected markets in Western Europe, and on individual projects on other continents. We generated an output volume of € 14.0 billion in the 2012 financial year, 76 % thereof in markets in which we hold one of the top three market positions: Germany, Austria, Hungary, the Czech Republic, Slovakia, Poland and Romania. We offer our services under several brands, including STRABAG, Heilit+Woerner and Züblin. The services span all areas of the construction industry and cover the entire construction value chain.

Our vision: To become Europe's leading construction service provider. To reach this goal, we strive to be the best bidder – i.e. to deliver quality at the best price.

Over the years, STRABAG SE has grown very strongly through acquisitions and organic growth, ascending to the top league of European construction companies. The financial and economic crisis of the past few years may have dampened this development somewhat, but the economic stimulus plans by the public sector, as well as the company's broad and strongly diversified positioning ("millipede principle"), have helped to avoid any major setbacks in output volume.

STRABAG generated an output volume of € 14.0 billion in the 2012 financial year. Against the backdrop of low public-sector infrastructure expenditures, the output volume, with a decrease of just 2 %, remained practically at the high level of the previous year. The largest reduction was registered in Poland due to the end of the construction boom in that country. Declines in several countries in Eastern Europe were countered by increases in Germany and in Romania.

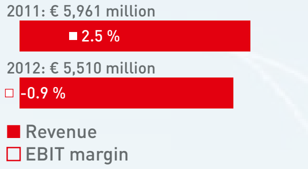
1) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia and neighbouring countries, Serbia, Slovakia, Slovenia.

We deliver our services in three segments:

North + West
The segment North + West executes construction services of varying types and sizes with a focus on Germany – our largest national market – as well as in Poland, the Benelux countries and Scandinavia. Ground and hydraulic engineering as well as offshore wind can also be found in this segment.

Revenue 2012:	**€ 5,509.53 million**
EBIT 2012:	**€ -51.32 million**
EBIT margin 2012:	**-0.9 %**

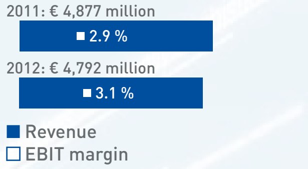
NORTH + WEST



South + East
The geographic focus of the segment South + East is on Austria, Switzerland, Hungary, the Czech Republic, Slovakia, Russia and neighbouring countries as well as the region South-East Europe. Our railway construction and environmental technology activities are also handled within this segment.

Revenue 2012:	**€ 4,792.43 million**
EBIT 2012:	**€ 148.89 million**
EBIT margin 2012:	**3.1 %**

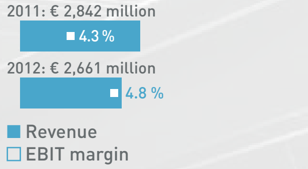
SOUTH + EAST



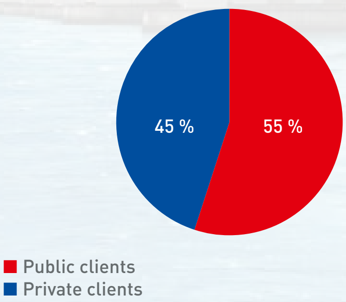
International + Special Divisions
The segment International + Special Divisions includes, on the one hand, the field of tunnelling, where we possess leading know-how that allows us to operate on some of the world's largest construction sites. The concessions business, on the other hand, represents a further important area of business, with global project development activities in transportation infrastructures in particular. Regardless of where the services are rendered, our construction materials business, including our dense network of raw materials operations but with the exception of asphalt, also belongs to this segment. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services of the segment and of the group. Additionally, most of our services in non-European markets as well as our railway construction business are also bundled in the International + Special Divisions segment.

Revenue 2012:	**€ 2,661.29 million**
EBIT 2012:	**€ 126.93 million**
EBIT margin 2012:	**4.8 %**

INTERNATIONAL + SPECIAL DIVISIONS



OUR CLIENTS



Public-sector clients such as state agencies or local governments make up our largest client segment. Following close behind are the private clients – e.g. project developers and industrial companies. The exact proportion varies depending on the economic situation: In the coming years, the distribution is likely to change in favour of private clients, as the public sector is saving in our European core markets.

STRATEGY

- OUR VISION: EUROPE'S LEADING CONSTRUCTION SERVICE PROVIDER
- ECONOMIC GROWTH AND PUBLIC SPENDING INFLUENCE OUR BUSINESS
- FOUR STRATEGIC PRIORITIES: EXPANDING GEOGRAPHICALLY, INVESTING IN PUBLIC-PRIVATE PARTNERSHIPS, INTENSIFYING THE ACTIVITIES IN NICHE MARKETS AND EXTENDING THE VALUE CHAIN

OUR STRATEGIC OBJECTIVE

To achieve and maintain market leadership in all defined markets and areas of business through cost leadership, employee quality, employee motivation and innovative strength.

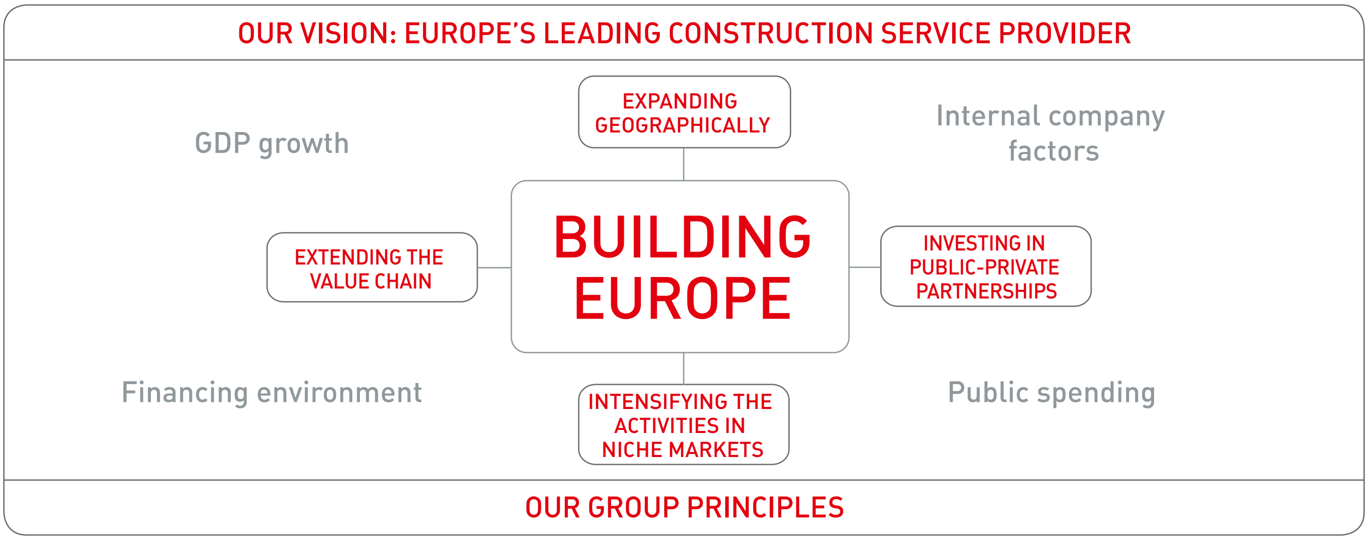
MISSION AND VISION

READ ABOUT OUR GROUP PRINCIPLES AT: WWW.STRABAG.COM > STRABAG SE > STRATEGY

Successful companies do not constantly reinvent themselves. But they are structured in such a way that they can react flexibly to and remain in balance in a new business context. Flexibility therefore does not mean setting new strategic priorities every year and turning everything on its head. Instead, the path to success leads over small adaptations along a long journey building on the company's strengths.

As in previous years, we see our core task in helping to shape Europe's built environment and so improve the quality of life of its inhabitants. This is aptly summarised in our guiding principle: "Building Europe". We motivate ourselves with the vision of becoming "Europe's leading construction service provider". To reach this objective, we continue to pursue the following four strategic priorities in accordance with our group principles:

- Expanding geographically
- Investing in public-private partnerships
- Intensifying the activities in niche markets
- Extending the value chain



All this makes STRABAG one of the few companies to offer services along the entire value chain in construction – from design to planning, from construction to property and facility services, from operation all the way to demolition. That puts us in a position to build cost- and resource-effectively. We keep this in mind when planning our future and distributing our resources – such as financial means or employee capacities – within the company.

CORPORATE STRATEGY BUILT ON SUSTAINABILITY

Business ventures at STRABAG must be not only consistent with our strategy and our group principles; they must also be in line with our values and our agenda for corporate social responsibility (CSR). This agenda, which was presented last year, is based on our understanding of sustainability: **Ensuring the long-term existence of STRABAG by maintaining a balance between reaching business objectives and respecting social and ecological aspects.** This concept of sustainability is also an integral part of our long-term strategy: We prefer a solid balance sheet and capital structure to short-term results. Business growth and a satisfactory profit therefore are not the primary goal in itself, but are rather just a means to ensure the continued existence of our company sustainably, i.e. for the long-term.

DETAILS REGARDING THE CSR AGENDA AND RELEVANT CSR MEASURES ARE AVAILABLE AT CSR.STRABAG.COM

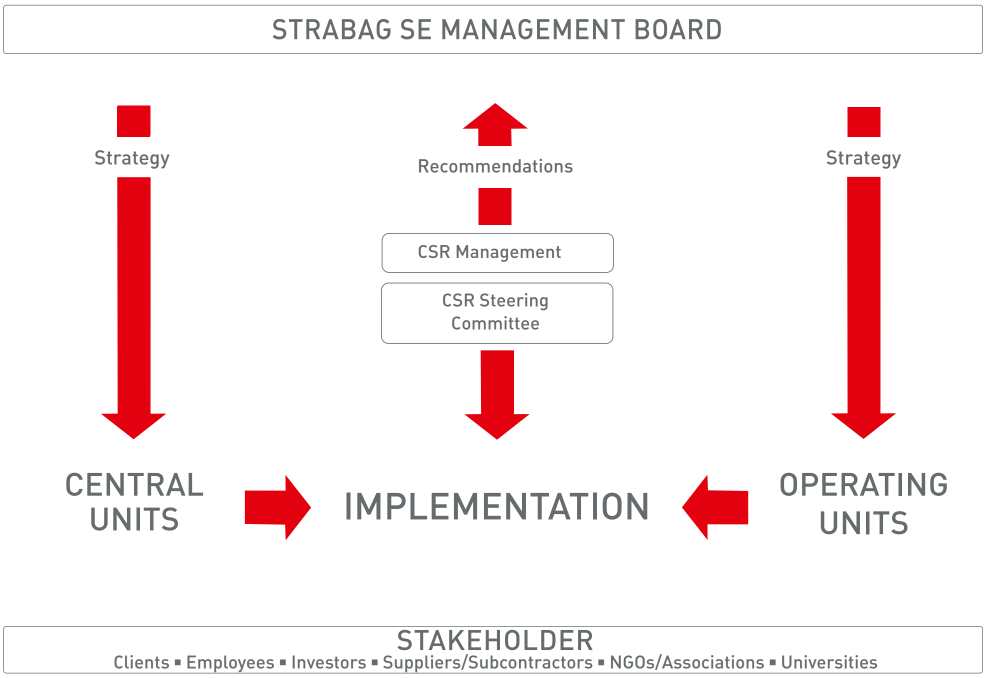
OUR SUSTAINABILITY AGENDA

Sustainable action therefore consists of a number of different fields of action which only together yield an ecologically, economically and socially logical whole for our future. Just as the entire corporate strategy is focused on sustainable action, this focus should also be reflected in our reporting: for this reason, this annual report should also be understood as an integrated report in which we describe the contents of all six fields of action. In order to highlight the relevance of the reported information to these fields of action, we have included the relevant puzzle pieces next to the text.

OUR GOAL FOR 2013: TO MORE COMPREHENSIVELY PRESENT THE MEASURES AND OBJECTIVES OF THE CSR STRATEGY

Last year, the management board approved the establishment of a CSR steering committee composed of representatives from the operating units and from the central service companies.The steering committee will set and prioritise measurable objectives, define the timeframe for implementation of the CSR agenda, and monitor its fulfilment. Besides the steering committee, which, in keeping with the CSR agenda, has a superordinate character, task forces and other steering committees will be set up as needed for the individual fields of action “Employees and Workplace”, “Mission and Vision”, “Corporate Citizenship”, “Ecological Responsibility”, “Economic Responsibility” and “Values and Compliance”. The first, permanent, theme-oriented committee is the energy steering committee, which will meet twice a year.

CSR STEERING COMMITTEE TO ESTABLISH MEASURABLE CSR OBJECTIVES IN 2013



The CSR steering committee is supported by the CSR management team. The CSR management team oversees the implementation of the individual measures, establishes a decision-making basis for the steering committee, assists in the monitoring of target compliance, and contributes to the further development of the CSR strategy and of the CSR activities reporting within the group. It also ensures that the objectives formulated by the task forces are measurable and that there is relevance for the group's financial success. The CSR management team was set up in 2011 and reports directly to the management board.

Our CSR objectives in 2013 for the field of action "Mission and Vision" are:

- Establish the CSR steering committee within the group
- Develop and systemise our key sustainability performance indicators
- Link the CSR objectives, measures and performance indicators to the general corporate strategy
- Provide our stakeholders with personalised information

The objective in the field of "Values and Compliance" is:

- Include standards of ethics and values in the contracts with suppliers

The measures and objectives of the other fields of action are presented in the individual chapters of this report and are highlighted by the relevant puzzle piece.

When establishing the measures, we try to keep a justifiable cost/benefit ratio. The benefits of measuring key sustainability performance indicators are clear to see: for example, certain CO_2 certifications can provide real competitive advantages in tenders in the form of a better appreciation of the bids. ISO 50001 certification for energy management, for example, can yield tax savings. We are also interested in better addressing institutional investors, who typically take sustainability parameters into consideration. These benefits must be compared with the staff and financial expense, which reached a euro figure in the mid-six-digit range in 2012 and is on the rise.

When it comes to the objectives and measures, we begin with those topics we can influence directly ourselves. The at-times complicated constellation of players in the construction sector means that many decisions are not up to the construction company charged with carrying out a project. The design of a building or structure, including its energy properties, is often the responsibility of the client. Our teamconcept partnership model offers our clients the possibility of early inclusion in the projects so as to address ecological and social aspects to the greatest possible extent. In places where we are able to influence our own actions, however, we work to steadily develop measures and objectives.

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STRABAG SE,
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CSR MANAGER OF
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"Our commitment is focused on the benefit of our stakeholders such as clients and employees. Sustainability must be the result of our entrepreneurial activity. We are less concerned with merely satisfying bureaucratic interests. We ask ourselves: What added value does a project, measure or guideline have for me and my environment? Simply ticking off checklists is not our goal."
Hans Peter Haselsteiner, CEO of STRABAG SE

RELEVANT FACTORS FOR OUR BUSINESS

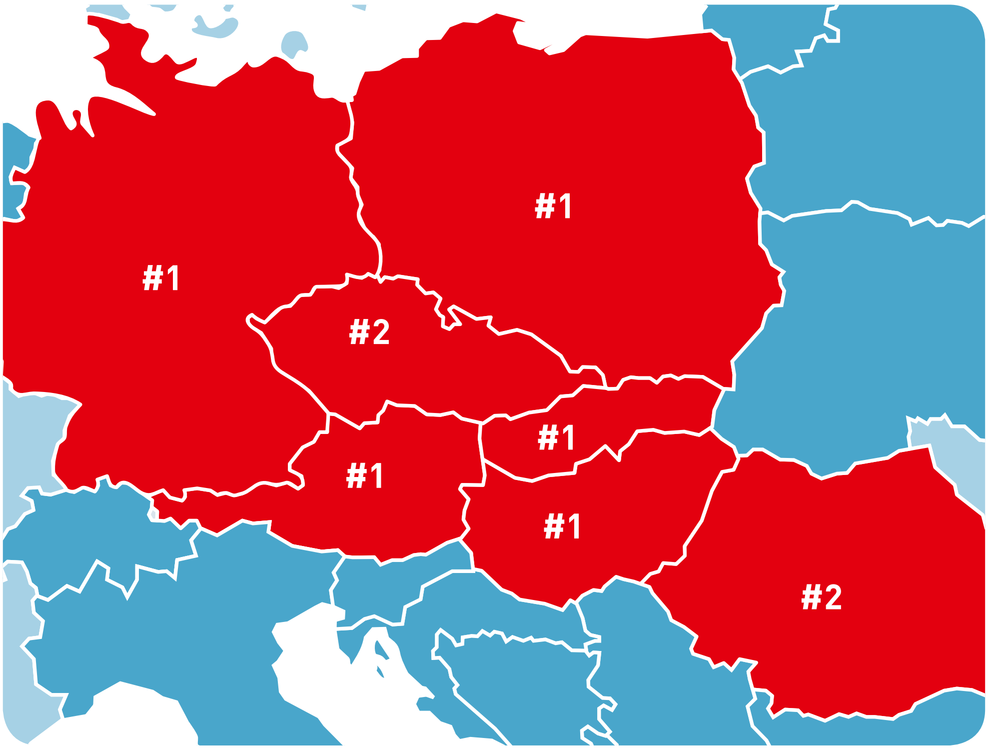
Every building is unique. Unlike in industries with standardised products, it is not possible in the construction sector to perform sensitivity analyses showing the influence of changes to a dominant production factor on a company's key performance indicators. In our business, there is not just one driving factor; rather, several factors exert their influence here. These include certain business realities, such as the risk management system, the quality of our employees, and the organisational structure, as well as external influences such as economic growth (GDP), demographic trends, the level of public infrastructure spending and the financing environment of our clients. These factors determine the framework within which we want to at least maintain our market positions and pursue our strategic priorities. Additionally, the respective factors which influence a business also yield a sector's factors for success. In the construction sector, we have identified the following.

READ MORE ABOUT THE BUSINESS CONTEXT IN THE VARIOUS MARKETS IN OUR COUNTRY REPORT STARTING ON PAGE 89

SUCCESS FACTORS IN THE CONSTRUCTION SECTOR

FAR-REACHING COUNTRY NETWORK

ECONOMIC RESPONSIBILITY



Market positions

- #1 in Austria, Germany, Poland, Slovakia and Hungary
- #2 in Czech Republic and Romania

READ MORE ABOUT OUR EXPANSION STRATEGY ON PAGE 22

Firmly established in our home markets of Austria and Germany – which account for 54 % of our output – we see ourselves as a European company which generates an additional 27 % of its business in Eastern Europe and another 13 % in other European countries. This affords us a unique position compared to the competition and assures us market leadership in the construction sector in Central and Eastern Europe.

We consider a leading market position in the majority of our markets to be a critical factor for success. Last year, we set ourselves the goal of maintaining or expanding these strong market positions. We are still number one in Austria, Germany, Poland, Hungary and Slovakia. In Romania, a small yet – in the medium-term – promising market, we worked our way up from third to second place. On the other hand, we had to cede market leadership in the Czech Republic. In Switzerland, the acquisition of two construction SMEs had moved us up into third place in 2011, but we have since fallen back to fourth place in the medium-term. In total, we generated about 76 % of our output volume in 2012 in those countries in which we held a market position among the top three construction firms – compared to slightly more than 80 % the year before.

Why is it important for us to achieve a strong market position in many countries? Firstly, the broad geographical positioning allows us to spread the country risk. Secondly, construction companies need a critical mass and sufficient capital resources in the individual markets in order to successfully bid for and pre-finance large-scale projects. And finally, the existing country network helps us in our expansion: We can move large equipment and machinery to those markets where it is needed at any given time. We pass on know-how and technologies to the local management so that they are of use in different regions.

■ OBJECTIVE 2012

Increase market shares in growth markets and maintain market position among the top three

■ ACHIEVEMENTS 2012

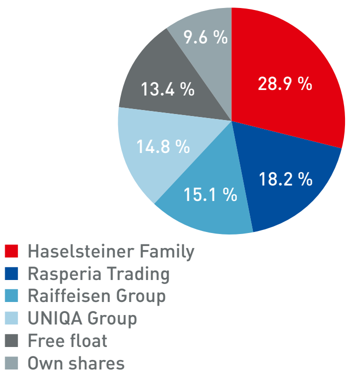
We defended our market position in the majority of cases. We fell back one position in both the Czech Republic and in Switzerland, but we moved up a slot in Romania.

□ OUR OBJECTIVE FOR 2013

In the new financial year, we will continue to work on further increasing the market shares in our growth markets and maintaining the market leadership in those countries in which we already hold it. To measure our success, we conduct an annual review of our market shares and our market position.

STABLE SHAREHOLDER STRUCTURE

SHAREHOLDER STRUCTURE ON 31 JANUARY 2013

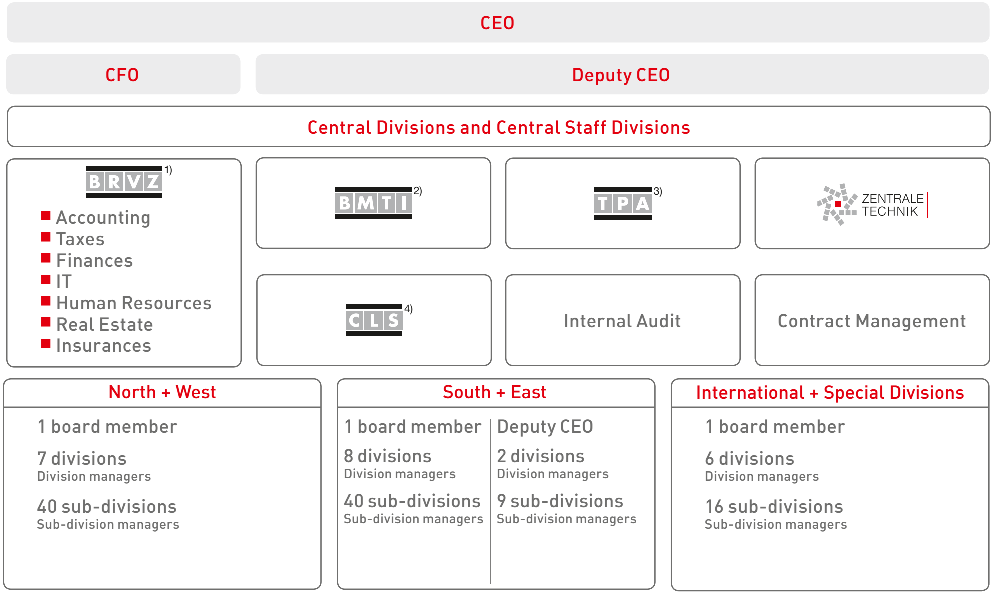


STRABAG is a publicly listed, but owner-managed company. Hans Peter Haselsteiner, the CEO of STRABAG SE, and his family hold a 28.9 % interest. Raiffeisen Group and UNIQA Group have been core shareholders since 1998, Basic Element's Rasperia Trading, which is controlled by Russian industrialist Oleg Deripaska, since 2007. This stable shareholder structure combines the best of both worlds: the years-long cooperation of the management and the investors in the boards allows STRABAG to implement strategic decisions quickly. At the same time, the stock market listing assures the highest-possible level of transparency in the field of finance and corporate governance.

READ MORE ABOUT OUR SHAREHOLDER STRUCTURE STARTING ON PAGE 78 AND ABOUT CORPORATE GOVERNANCE STARTING ON PAGE 44

OPERATIONAL STRUCTURE WITH CENTRAL UNITS

GROUP STRUCTURE



Under the roof of the parent company STRABAG SE, a number of legally independent subsidiaries are active in their respective national markets. The top level of organisation are the segments North + West, South + East and International + Special Divisions each of which is headed by one management board member. The Deputy CEO, responsible for the RANC region (Russia and neighbouring countries), is also responsible for the central and central staff divisions with the exception of BRVZ. Responsibility for BRVZ, which handles accounting and IT among other things, lies with the CFO.

The STRABAG SE management board is the group's top management body, is responsible for maintaining its financial balance, and determines its strategic goals. In the execution of these tasks, the management board is supported by the divisions as well as the central divisions and central staff divisions (service companies).

The division managers coordinate and steer their sub-divisions and report directly to the management board member responsible for their division. They manage their business independently and on their own responsibility within the framework of the group's business policy. It is their responsibility to reach the objectives laid out in the strategic and operative planning and to realise the specified individual measures.

The operating business is managed by the sub-divisions, which in turn are organised into individual business units. They are responsible for the greatest possible success in their regional markets or business fields and are managed by the superordinate division managers.

The central divisions are one of the main ingredients for the group's success. They handle group-internal services in the areas of accounting, taxes, finances, IT, Human Resources, real estate, insurances, technical development, equipment management, quality management, process management and logistics. As competence centres, they support the operating units so these can concentrate on the core business and deliver their services to the clients in an efficient manner. The uniformity of the organisation creates economies of scale and results in standardised controlling and reporting. The central staff divisions are responsible for legal matters, contract management and internal audit and report directly to the Deputy CEO.

While important decisions at the management board level are made during regular board meetings, the "four-eyes principle" applies at the levels below. For us, this dual

1) BRVZ Bau- Rechen- und Verwaltungszentrum
2) BMTI Baumaschinentechnik International
3) Gesellschaft zur Optimierung von technischen Prozessen, Arbeitssicherheit und Qualität
4) Construction Legal Services
Last updated: 1 January 2013

management structure ensures efficient risk management and foresees that responsibility is largely assumed jointly by one technical and one commercial manager.

“In order to maintain an overview of the entire group, we have developed a management information system that helps us to ensure that the same standards apply in all regions where STRABAG is active. This means: Clear criteria for the assessment of new projects, a standardised process for the submission of bids and control systems serve as filters to avoid loss-bringing projects.”
Thomas Birtel, Deputy CEO and management board member responsible for the central divisions

Task Force STRABAG 2013ff

Led by former Deputy CEO Fritz Oberlerchner, the STRABAG 2013ff task force has been evaluating the STRABAG Group’s options regarding its organisational and strategic future since mid-2012. The members of the task force travelled to Hungary, Switzerland and parts of Germany to speak with the local management and to visit construction sites and local offices before presenting the STRABAG SE management board with final analysis documents. The measures which were decided are being implemented in an ongoing process, which means that expected consequences can be taken into consideration in the financial outlook starting with 2013, but that these will not be stated separately.

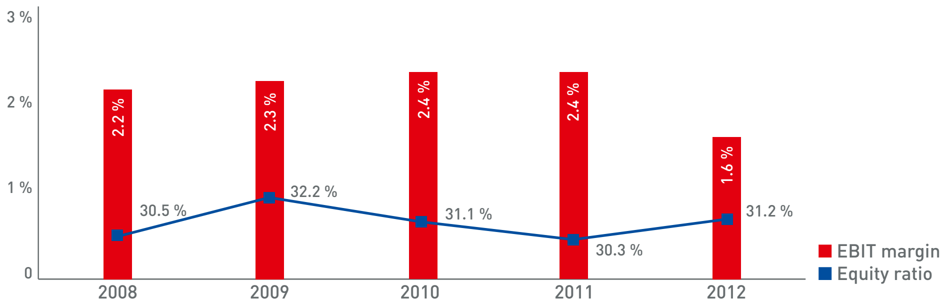
A STRONG FINANCIAL BASIS

"An indispensable prerequisite for successful growth is sufficient capital and a solid balance sheet. Only then is it possible to be flexible and to react quickly to market opportunities. A healthy, sustainable structure is reflected not only in revenue, but also in results: growth is one thing – but returns must always be the other side of the coin."
Hans Peter Haselsteiner, CEO of STRABAG SE

EQUITY RATIO: 31.2 %

Healthy capital resources are an obligation. This is the only way in which construction companies can participate in concession projects, as they must in part co-finance these with their own equity. A ready-to-use budget also makes it possible to conduct meaningful acquisitions easier and more quickly. We see the equity ratio as a suitable figure with which to measure STRABAG's financial stability and strength. In the medium-term, we will be satisfied with an equity ratio (shareholder equity/total assets) between 20 % and 25 %. At the end of December 2012, the group's equity ratio stood at 31.2 %.

KEY PERFORMANCE INDICATOR: EBIT MARGIN AND EQUITY RATIO



S&P RATING: BBB-

The financial strength of our company is also evaluated independently: The ratings agency Standard & Poor's (S&P) gave STRABAG SE an investment-grade rating of BBB- with stable outlook. The latest analysis was published in December 2012.

In addition to the equity ratio, we place special importance on the attainable margins. Given the macroeconomic development, the significant overcapacities in the highly competitive European construction industry and the accompanying drop-off in prices, we consider EBIT margins of 2 % to be extremely ambitious. In the past financial year, we had to experience a significant collapse of the EBIT margin from 2.4 % to 1.6 % – in part as a result of our own mistakes. We assume this to be the result of non-recurring factors, however, and that the margin will again recover in the coming financial year. We are therefore continuing to focus on cost efficiency, disciplined employment of capital, and strict risk management. This is crucial above all for our investors: given our policy of paying out 30 % to 50 % of the net income after minorities to the shareholders in the form of a dividend, they will be especially interested in seeing results grow.

STRICT RISK MANAGEMENT

Analysts, investors, clients and suppliers who look into a company in the construction industry are usually very interested in the forecasts on the macroeconomic development of the individual markets. Of course, our business is influenced by economic growth and public spending; at least as important, however, is a construction company's risk management! After all, the large number of unique projects translates into an increased risk potential.

In the field of finance, our risk management addresses several points:

Liquidity management

STRABAG's liquidity management is oriented towards short-, medium- and long-term objectives:

- In the short-term, all daily payment obligations must be covered on time and in their entirety.
- In the medium-term, liquidity levels must be sufficient to ensure that no transactions or projects become impossible due to a lack of sufficient financial means or payment guarantees or that they cannot be executed at the desired pace.
- In the long-term, there should be sufficient financial means available to be able to pursue the strategic development targets.

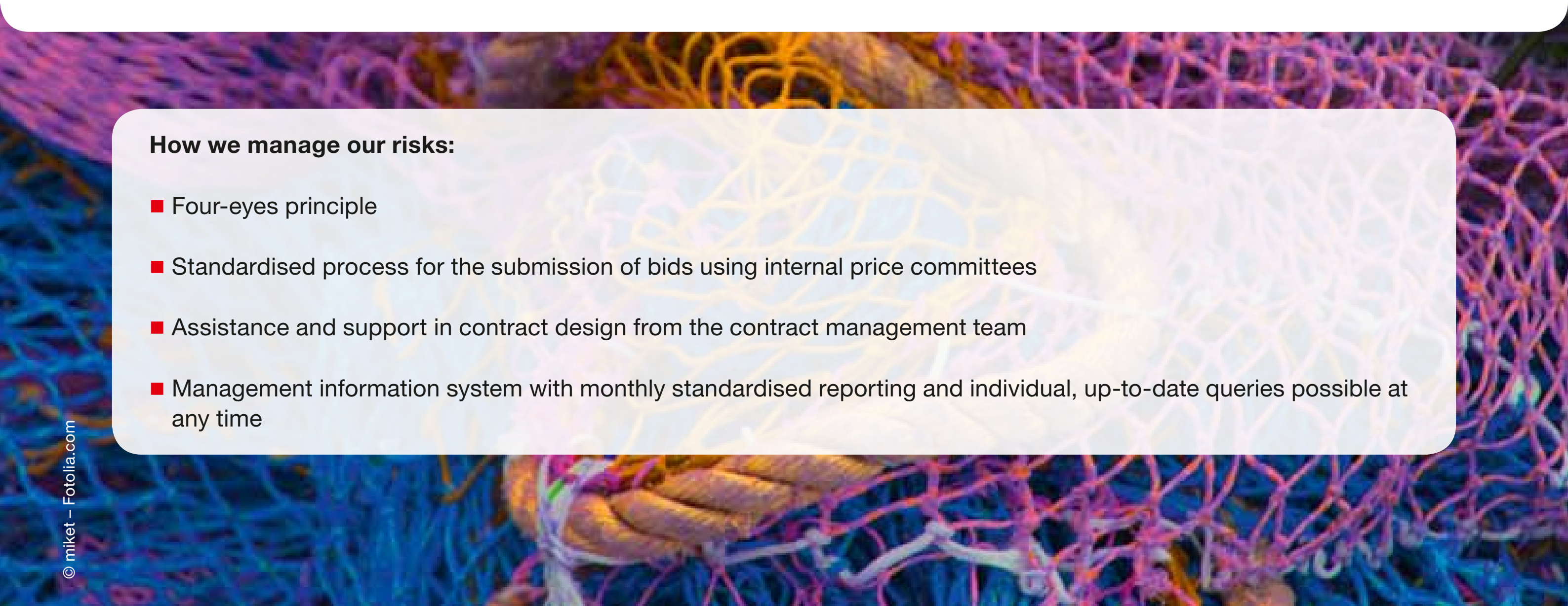
Receivables management

We maintain constant contact with our key accounts to avoid payment default or the violation of settlement terms on the part of our clients. In certain markets, we insist on advances or only enter into so-called "cost-plus-fee" contracts in which the client pays a previously agreed margin on the costs of the project and settlement is made in short intervals.

Contract management

Projects must be declared as making economic sense by internal price committees that are composed of different committee members depending on the project size. Contract design is handled by a separate department: Our contract management employees advise those with operating responsibilities on matters including cost escalation clauses or formulations of the contract text. This department includes statistics experts who after 30 % completion of a construction project can forecast with an 80 % probability whether a project will be a flop or if it will yield a profit.

TAKE A CLOSER LOOK NOT ONLY AT MACROECONOMIC DEVELOPMENT, BUT ABOVE ALL AT THE RISK MANAGEMENT SYSTEM OF A CONSTRUCTION COMPANY!



How we manage our risks:

- Four-eyes principle
- Standardised process for the submission of bids using internal price committees
- Assistance and support in contract design from the contract management team
- Management information system with monthly standardised reporting and individual, up-to-date queries possible at any time

DENSE RAW MATERIALS NETWORK

The access to resources offers us a significant competitive advantage, as the approval for new production facilities is granted only to a limited extent in those regions in which such facilities already exist. Our supply of resources from within the group also helps us to reduce our dependency on external suppliers, allowing us to better plan our raw materials access.

We already possess an extensive resource network that is especially dense in our home markets and several of our growth markets. With 318 active asphalt mixing facilities[1)] (2011: 332), we again covered 83 % of our group asphalt needs last year. In this area, we have for several years already enjoyed an optimal degree of self-sufficiency. With concrete, the supply from proprietary production was down from 34 % to 28 % as a result of 167 instead of 177 active concrete mixing facilities. This is mainly due to the completion of several large projects in Poland that had been supplied nearly exclusively from proprietary mixing facilities. In the field of stone/gravel, on the other hand, proprietary coverage rose from 16 % the previous year to 18 % in 2012. The number of active production sites remained constant at 187.

Asphalt

We produced 15.8 million tonnes of asphalt in the past financial year, compared to 18.0 million tonnes in 2011. Most of the asphalt was produced in Germany, Austria, Poland and the Czech Republic. About 62 % (2011: 63 %) of the asphalt produced was sold within the group – thereof approximately half to the segment North + West and half to the segment South + East – at the usual market rate; the rest was sold to third parties. The price situation on the markets further burdened our asphalt producers within the group: while the input material of bitumen, in response to the rising oil prices, made production more expensive, the retail price for asphalt was at an extremely low level due to the low demand.

Concrete

The production of concrete in the year 2012 amounted to 3.8 million m³, compared to 4.6 million m³ in 2011. More than half of the production took place in Germany, Hungary and the Czech Republic. 37 % of the concrete produced was sold within the group (2011: 41 %).

Stone/Gravel

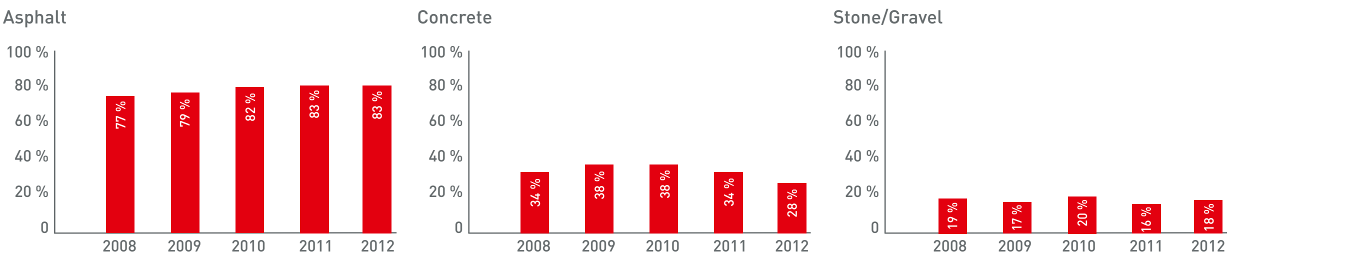
The STRABAG Group produced around 30.1 million tonnes of stone and gravel in 2012, less than in the previous financial year (33.4 million tonnes). 32 % of these resources were used by group companies (2011: 31 %)[2)].

Cement

We started operations of our first proprietary cement factory in Hungary in September 2011. These cement activities were brought into Lafarge Cement CE Holding GmbH, our joint venture with construction material manufacturer Lafarge. We hold 30 % of the joint venture, so that it is reported in the consolidated financial statements using the equity method. In addition to the Hungarian location, the company also owns production sites in Mannersdorf (A), Retznei (A), Cižkovice (CZ) und Trbovlje (SI). Thanks to the joint procurement and administration handled by this joint venture, STRABAG benefits from economies of scale and from the know-how of global cement market leader Lafarge. We also hold a minority interest in Slovakia-based cement firm Cemmac a.s.

In the region supplied by the aforementioned cement works, we were able to cover 49 % of our cement needs (approximately 580,000 tonnes) using our own resources.

KEY PERFORMANCE INDICATOR: COVERAGE OF RAW MATERIAL NEEDS USING OWN RESOURCES



1) Includes facilities from joint ventures and associates
2) The relatively high percentage of third-party sales and purchases is explained by the fact that the desired resource type and quality were not available in the region where they were needed or that the projects at times lie outside of the supply radius of the production facilities. This highlights the importance of area-wide access to raw materials in a given geographic area.

■ OBJECTIVE 2012

With the exception of asphalt, where our coverage is already quite high, our aim for 2012 was to cover more of our raw material needs with own resources. For us, increasing our independence from raw materials suppliers is a priority. In comparison, raising the revenues from raw materials sales to third parties is not an objective per se. Nevertheless, revenues in this area reached about € 530 million in the past financial year (previous year: € 560 million).

■ ACHIEVEMENTS 2012

In the field of concrete, we have still not reached our target. On the other hand, we were successful with stone/gravel.

□ OUR OBJECTIVE FOR 2013

We are maintaining our objective of profiting from our own resources and of optimising our raw materials portfolio. The key performance indicator used to measure this success is the "Coverage of Raw Material Needs Using Own Resources". Our objective therefore is to increase the degree of proprietary coverage with concrete, stone/gravel and – for the first time in 2013 – cement.

OUR FOUR STRATEGIC PRIORITIES

STRATEGY BASED ON SIZE, DIVERSITY AND LOCAL PRESENCE

Our far-reaching country network, our central operational structure and our strong financial basis – the group's essential success factors – suggest a strategy that is based on size, diversity and local presence. This is good not only for STRABAG. Our clients also benefit from a broad geographic presence in several specific construction markets: They can expect the same quality from STRABAG-executed works at all of their sites. Thanks to partnership models like our teamconcept and the single-source execution of all construction works, projects are completed quickly and smoothly. And our clients can rest easy.

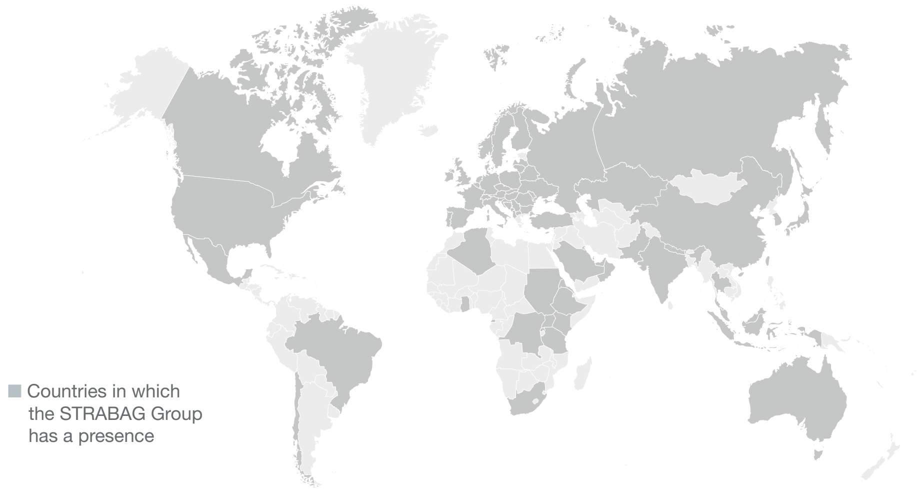
ECONOMIC RESPONSIBILITY

STRABAG teamconcept:
For our clients

Whether a promising construction job actually becomes an economically successful property is largely decided before construction begins. About 80 % of all later construction and operating costs can be influenced during the planning stages. This idea led us to come up with our teamconcept, in which the client and contractor work together as partners. The introduction of joint controlling and the early inclusion of the contractor in the planning phase help to minimise the risk for both parties and to raise security in terms of quality, costs and deadline.

EXPANDING GEOGRAPHICALLY

STRABAG – A GLOBALLY ACTIVE, YET EUROPEAN CONSTRUCTION COMPANY



READ MORE ABOUT THE COUNTRIES IN WHICH WE HAVE A PRESENCE STARTING ON PAGE 84

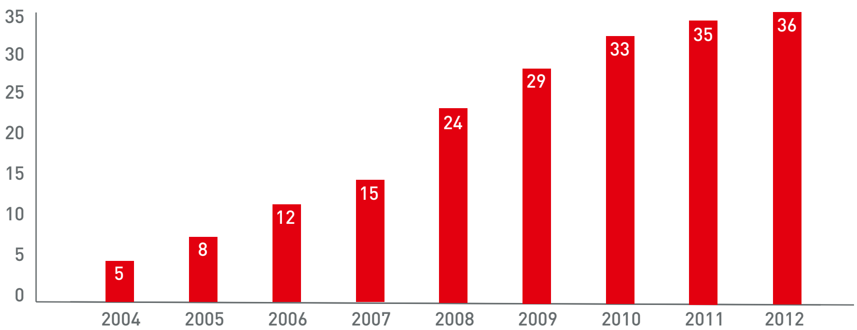
Broad geographic positioning is very important to us. This allows us to seize opportunities in a variety of markets quickly and use large equipment in different regions. We also diversify our risk by not focusing our growth on just a few countries.

We began to focus on geographic diversification at an early stage – and this strategy has paid off in the past few years. Germany, a market which had not been given a lot of hope ten years ago, is now proving to be a stable earnings provider. Investors are apparently seeking refuge in “concrete gold”, as other investment options involve high risk without being very lucrative. Especially in economically difficult times, it is important not to depend on just a few specific markets.

We are also active in projects outside of Europe in which a high degree of technological know-how is required – in India, Canada and the Middle East, for example. Despite the international scope of our activities, however, we see ourselves as a European construction company. Europe is where we have our roots and where our core countries lie. We are mainly active on international, i.e. non-European, markets as part of the direct export business.

INVESTING IN PUBLIC-PRIVATE PARTNERSHIPS

KEY PERFORMANCE INDICATOR: NUMBER OF PPP-PROJECTS



We have worked successfully with operator models for more than two decades. In the areas of building construction and infrastructure, the portfolio comprises 36 public-private partnership (PPP) projects with an adjusted total investment volume of € 9.81 billion (2011: € 9.51 billion). In the 2012 financial year, we were awarded one new project with an investment volume of € 301.0 million. In total, we invested a proportionate share of equity in the amount of € 386.4 million in concession projects at the end of 2012 and had committed a further € 60.5 million for a total of € 446.9 million.

Driving the business with PPP projects are the public finance situation and the financing environment. This involves at times conflicting effects: On the one hand, PPP financing widens the public sector’s scope of action;

on the other hand, the consequences of the financial crisis – significantly higher interest premiums and liquidity costs with a trend to shorter financing terms – have an inhibitory effect. Nevertheless, there is an increasing interest, especially among institutional investors such as insurance companies and pension funds, to provide long-term capital for PPP projects. STRABAG enjoys a competitive advantage that gives us good chances in the PPP business: Our strong financial position allows us to act as equity provider for concession companies more easily than other companies. Thanks to the inclusion of specialist providers from within the group, such as STRABAG Property and Facility Services, we are in a position to efficiently and completely cover all specifications from structuring to financing and planning all the way to construction and operation. This gives both the client as well as the capital providers a high degree of security regarding contract fulfilment.

COMPETITIVE ADVANTAGE FROM PPP FINANCING

Infrastructure Sector

We are especially proud of the fact that we completed the first motorway concession in Denmark, the 26 km section between Kliplev and Sønderborg, on time and according to contract, and that the section was officially opened to traffic on 31 March 2012.

The two large-scale projects currently under construction in Germany, the 60 km section of the A5 motorway between Malsch and Offenburg and the 58 km A8 motorway section between Ulm and Augsburg, are proceeding according to contract specifications, and we are confident that these projects will be completed and opened for use on time.

Following the necessary planning and the grant of all approvals, construction on the A15 motorway project in Holland is proceeding according to plan. The main focus of the works was on the new Botlek vertical lift bridge.

In time for the European Football Championship in May 2012, we began with contractual tolling along the A2 Segment II motorway section between Nowy Tomyśl (west of Poznań) and Świecko (near the German border) in Poland. The 105 km section had already been opened to traffic in November 2011. The concession has been very successful from the beginning.

In the field of renewable energy, where we hold a 51 % stake of a total of 15 wind farms (= approx. 800 turbines) in the German North Sea, work is continuing towards making these offshore fields market-feasible in order to achieve successful commercial exploitation for our group. Meanwhile, the continuous growth of renewable energy within the total energy mix makes the question of electricity storage an increasingly relevant one. The development and construction of pumped-storage plants is therefore an excellent addition to the business portfolio of our group.

In total, we submitted bids for four tenders for infrastructure PPP projects in 2012 with a total investment volume of nearly € 2.2 billion. These tenders have not yet been decided, but we are confident of being awarded one or the other contract or of being selected for the next stage in the award process.

Our subsidiary A-Way GmbH, a specialist in the operation and maintenance of transportation infrastructures, will continue to bid for operation-only tenders in Central and Eastern Europe as well as for concession projects. With its existing operating companies in Poland and Hungary, A-Way has a positive future ahead of it.

Building Construction Sector

The market for PPP in building construction in Germany – one of our core markets – stabilised in 2012 at a slightly lower level compared to the previous year. The statistic analysis was performed on so-called “three-phase models” that comprise planning, construction and operation. Accordingly, 14 building construction projects (2011: 16) with an investment volume of about € 593 million (2011: € 757 million) were awarded last year. STRABAG’s share of this volume stands at more than 50 % due to the acquisition of the largest project of this kind awarded in Germany in 2012 (Hamburg schools). In the period from 2003 to the end of 2012, the number of building construction projects awarded in Germany totalled 190 (2011: 176) with a cumulative volume of € 5.6 billion (2011: € 5.1 billion).

The global financial market crisis, among other things, has resulted in a fundamental deterioration of the PPP financing environment, in particular as regards financing periods, collateral demands and financing conditions. Against this background, nearly all financing models in Germany were tendered with non-recourse forfeiting of the annuity instalments. Budgetary and resource restraints often lead to projects being delayed or abandoned entirely in the face of the public financing situation.

In Germany, the PPP project Three Schools Mülheim, with an investment volume of € 52.0 million, began operations following its on-time completion. The project included planning, construction and operation and was financed using the forfeiting model.

Construction on the Proton Therapy Centre Essen has been completed. The facility is currently undergoing clinical commissioning, which involves various tests of the proton facility and the establishment of specific treatment protocols for different indications. Parallel to the clinical commissioning, which is likely to last until the middle of 2014, the centre will begin treating patients in the second quarter of 2013.

In February 2011, following a Europe-wide tender process, we were awarded the contract for the planning, construction and operation of three football fields, spectator stands and a parking garage at the Parc des Sports in the town of Differdange, Luxembourg. Construction was completed in the summer of 2012 and operation began for the next 25 years.

In August 2012, the Free and Hanseatic City of Hamburg commissioned HEOS Berufsschulen Hamburg GmbH, a special purpose company of STRABAG Real Estate GmbH and Otto Wulff GmbH, with the renovation, construction and management of 15 selected vocational schools over a period of 30 years. The tasks of HEOS GmbH comprise fundamental renovation works including energy upgrade measures as well as the execution of necessary replacement and expansion measures for the participating schools. Further contractual obligations are building management including janitorial and cleaning services as well as constant maintenance and upkeep. The total contract value including operation amounts to € 700 million. The schools with the greatest renovation need will be renovated, new buildings built and refurbishments realised within five years of contract conclusion. In this time, a total of € 301.0 million will have been invested. Following completion of all construction measures in late summer of 2017, the buildings will have a modernised and newly built net floor area of about 130,000 m².

In Austria, five of our rest stop projects are currently in operation – the oldest is the Wörthersee motorway rest stop on the A2 in Carinthia (since 2004), the most recent is the Hornstein rest stop on the A3 in Burgenland (since November 2011).

With December 2012, we placed bids for three projects in the Building Construction segment with a total investment volume of € 517 million. We are prequalified for further tenders in Central and Eastern Europe with an investment volume of about € 68 million. These projects are at different stages in the structuring and negotiation process.

Measurement principles

How the individual projects are recognised in the balance sheet depends on the legal definition. An intangible asset is recognised if the concession grants the company the right to charge users a usage fee. The accounts receivable approach is used if the company has an unconditional contractual right to receive a payment (see Receivables from Concession Arrangements, item 17 in the Notes).

A large part of the existing PPP projects within the STRABAG Group are carried out by associated group companies. These are incorporated into the consolidated financial statements using the equity method. The investment in the concession company is therefore recognised with the proportional equity.

We are pleased to say that our portfolio is developing in line with the financing models underlying the projects, which form the basis for measurement according to the DCF method. This underlines the careful and conservative method of our measurement.

OBJECTIVE 2012

The focus in 2012 was on increasing our PPP portfolio and on working the markets of Germany, Poland and Benelux as well as selected new markets such as Africa, Canada, Chile, Turkey and the Middle East.

ACHIEVEMENTS 2012

By increasing our PPP portfolio from 35 to 36 projects, we have achieved our objective – though capacities remain for several more projects. A number of tender awards were delayed, but our efforts were not in vain: we entered into consortia for several PPPs and are mostly already prequalified or in contract negotiations for:

- Canal locks in Holland
- Motorway widening projects A6, A7 I and II, A44, A1/A30, as well as various school and administrative projects in Germany
- N17/N18 motorway in Ireland
- Urban motorway and port bridge on Mauritius
- Concession motorway projects in Italy
- Doboj–Vukosavlje motorway in Bosnia and Herzegovina
- Pumped-storage power plants in Germany, Austria and Switzerland
- Correctional facility in Haren, Belgium
- Office complex for the Brandenburg state government, Germany

OUR OBJECTIVE FOR 2013

We want to continue to work the markets in Germany, Poland and Benelux and are confident of being able to maintain our market position in these countries. We continue to hope that many states, in view of the announced austerity measures, will take advantage of PPP models in public-sector infrastructure and building construction as a procurement alternative. At the same time, however, competition is expected to be on the rise.

On a selective and opportunistic basis, we also intend to become more involved in markets such as Africa, Canada, Latin America and India, where many interesting projects are expected to be tendered soon and where our group has already been successfully active as an operating construction partner for many years.

PPP measures for complex and large building construction projects are expected to account for a considerable share in the procurement of public goods. Especially in medium-sized and large-scale projects, the achievable efficiency advantages of having an integrated solutions approach (lifecycle) in planning, construction and operation will dominateover structuring-related cost overruns.

PPP-PORTFOLIO

PROJECT	COUNTRY	TOTAL VOLUME IN € MLN.	PROPORTIONATE SHARE OF EQUITY IN € MLN.	PROPORTIONATE SHARE OF COMMITTED EQUITY € MLN.	DEBT (NON-RECOURSE) STRABAG'S SHARE € MLN.
Infrastructure					
A2 motorway section II	Poland	1,543.0	15.0	15.0	136.9
M5 motorway	Hungary	1,292.0	252.0	252.0	630.3
Birecik power plant	Turkey	981.0	11.9	11.9	0.0
M6 motorway	Hungary	966.0	21.1	21.1	253.5
A15 motorway	The Netherlands	883.8	0.0	13.0	146.0
A2 motorway section I	Poland	880.0	26.7	26.7	100.3
BAB A5 motorway	Germany	660.0	10.6	19.7	50.0
Limerick motorway	Ireland	437.0	8.3	8.3	41.5
Zagreb motorway	Croatia	371.0	15.7	15.7	174.0
Fermoy motorway	Ireland	215.0	1.9	1.9	11.0
M51 Kliplev-Sønderborg motorway	Denmark	149.0	0.4	0.4	0.0
Nordkettenbahn aerial tramway	Austria	51.0	2.1	2.1	3.4
Biomass recycling, Großwilfersdorf	Austria	9.8	1.7	1.7	6.8
Marienfeld Harsewinkel bypass road	Germany	5.7	0.0	0.0	0.0
BAB A8 motorway	Germany	566.0	0.5	38.3	148.5

1) The fee is collected directly from the user.
2) A periodic lump-sum payment consisting of a fixed portion and a variable.
3) Service fee for operation.
4) Not consolidated means that results and/or operator's fees are accounted for in the net income from investments.
5) Car=hard toll, truck=shadow toll (shadow toll: the fee is charged by the concessionaire)
6) Partially subsidies, truck=hard toll
7) No concession, but fixed payments by state or city.

DEBT (RECOURSE) STRABAG'S SHARE € MLN.	STRABAG'S SHARE IN %	STATUS	CONCESSION	HARDTOLL[1]	AVAILABILITY FEE[2]	OTHER[3]	CONSOLIDATION METHOD[4]
0.0	10.0	in operation	2009–2037		✓		not consolidated
0.0	100.0	in operation	until 2031		✓		fully consolidated
0.0	8.4	in operation	until 2016			electricity sale	not consolidated
0.0	30.0	in operation	2007–2037		✓		at equity
0.0	24.0	in progress	2010–2035		✓		at equity
0.0	10.0	in operation	1997–2037	✓[5]			not consolidated
0.0	12.5	in progress	2009–2039	✓			not consolidated
0.0	20.0	in operation	2006–2041	✓			not consolidated
0.0	51.0	in operation	2007–2032	✓			at equity
0.0	12.5	in operation	2004–2034	✓			not consolidated
0.0	100.0	in operation	2012–2038			✓	fully consolidated
1.8	51.0	in operation	2008–2038	✓		ticketing	fully consolidated
0.0	50.1	in progress	unlimited			✓	not consolidated
0.0	100.0	in operation	2007–2037			✓	not consolidated
0.0	50.0	in progress	2010–2041			✓[6]	at equity

PPP-PORTFOLIO

PROJECT	COUNTRY	TOTAL VOLUME IN € MLN.	PROPORTIONATE SHARE OF EQUITY IN € MLN.	PROPORTIONATE SHARE OF COMMITTED EQUITY € MLN.	DEBT (NON-RECOURSE) STRABAG'S SHARE € MLN.
Real Estate					
Vocational schools Hamburg	Germany	301.0	0.0	0.0	0.0
Proton therapy centre, Essen	Germany	136.0	2.0	2.0	64.6
Schools, Mülheim	Germany	52.0	0.0	0.0	0.0
Vocational academy, Heidenheim	Germany	32.2	0.0	0.0	0.0
Schools, Ratzeburg/Lauenburg	Germany	30.0	0.0	0.0	0.0
Schools, Monheim am Rhein	Germany	25.0	0.0	0.0	0.0
SeeCampus educational centre	Germany	23.6	0.0	0.2	0.0
Rest stop Schwechat S1	Austria	20.0	1.0	1.0	16.2
Schools, Kreis Düren	Germany	18.0	0.0	0.0	0.0
Ministry of Finance, Potsdam, Brandenburg	Germany	16.0	0.0	0.0	0.0
Sport and adventure pool, Spittal/ Drau	Austria	12.3	0.0	0.0	0.0
Heinrich Böll Foundation	Germany	12.0	0.0	0.0	0.0
Rest stop Potzneusiedl A6	Austria	12.0	0.9	0.9	10.2
Rest stop Brennerpass A13	Austria	8.3	0.4	1.0	5.8
Conrad-von-Ense School	Germany	9.9	0.0	0.0	0.0
Rest stop Wörthersee A2	Austria	9.2	9.2	9.2	0.0
Schools, Witten	Germany	9.0	0.0	0.0	0.0
Rest stop Hornstein A3	Austria	5.5	0.9	0.9	4.6
Klinikum Ansbach	Germany	24.0	0.0	0.0	0.0
Football fields and parking garage	Luxembourg	22.7	0.0	0.0	0.0
DIY-Market BMX Sencur	Slovenia	20.5	4.1	4.1	16.4
Total		**9,809.4**	**386.4**	**446.9**	**1,820.0**

new project

1) The fee is collected directly from the user.
2) A periodic lump-sum payment consisting of a fixed portion and a variable.
3) Service fee for operation.
4) Not consolidated means that results and/or operator's fees are accounted for in the net income from investments.
5) Car=hard toll, truck=shadow toll (shadow toll: the fee is charged by the concessionaire)
6) Partially subsidies, truck=hard toll
7) No concession, but fixed payments by state or city.

DEBT (RECOURSE) STRABAG'S SHARE € MLN.	STRABAG'S SHARE IN %	STATUS	CONCESSION	HARDTOLL[1]	AVAIL-ABILITY FEE[2]	OTHER[3]	CONSOLIDATION METHOD[4]
3.8	50.0	in progress	no concession[7]				not consolidated
0.0	50.0	in progress	2009–2025			service fee	not consolidated
14.8	100.0	in progress	no concession[7]			✓	fully consolidated
0.0	100.0	in operation	no concession[7]			✓	fully consolidated
0.0	100.0	in operation	no concession[7]			✓	fully consolidated
0.0	100.0	in operation	2004–2028			✓	not consolidated
0.0	100.0	in operation	2011–2041			✓	not consolidated
0.0	100.0	in operation	2008–2038		✓	partially through rental	fully consolidated
0.0	100.0	in operation	2007–2032			✓	not consolidated
0.0	100.0	in operation	no concession[7]			✓	fully consolidated
0.0	100.0	in operation	2008–2033			n.a.	n.a.
0.0	100.0	in operation	2008–2023			✓	fully consolidated
0.0	100.0	in operation	2009–2037		✓	partially through rental	fully consolidated
0.0	100.0	in operation	2010–2042		✓	partially through rental	fully consolidated
0.0	100.0	in operation	no concession[7]			✓	not consolidated
0.0	100.0	in operation	2004–2032			service fee	fully consolidated
0.0	100.0	in operation	no concession[7]			✓	fully consolidated
0.0	100.0	in operation	2010–2040		✓	partially through rental	fully consolidated
7.5	100.0	in progress	no concession[7]			✓	not consolidated
0.0	100.0	in operation	2012–2037			✓	fully consolidated
0.0	100.0	in operation	2012–2032			leasing model	fully consolidated
27.9							

INTENSIFYING THE ACTIVITIES IN NICHE MARKETS

Recent years have highlighted the importance not just of geographic, but also of product-oriented diversification in the building and construction trade. In Europe, the various economic stimulus programmes and the resulting state investments in infrastructure several years ago allowed construction companies to optimally utilise their capacities. The effect was regionally quite different, however, affecting mostly companies which had specialised in civil engineering. A reversal of the trend came in 2011: the economic stimulus programmes gave way to austerity packages; public-sector demand was waning, while private demand for building construction and civil engineering grew again. Especially in Germany, this demand on the part of private clients has had a very positive effect ever since.

At best, these fluctuations balance each other out. Nevertheless, the construction industry faces some very strong price pressure in some sectors. Construction companies are therefore well-advised to broadly position their range of services. For this reason, STRABAG is not only active in the fields of building construction, civil engineering, transportation infrastructures and tunnelling, but is also intensifying its activities in niche sectors such as railway construction, environmental technology and waterway construction. We offer our clients not just planning, construction and the necessary technology; they also profit from the years of experience and know-how of our employees, from the use of state-of-the-art equipment and machinery, and from STRABAG's own technologies and patents. These special technologies make us more independent of the price pressure in the construction sector.

OBJECTIVE 2012

Licensing of the special equipment fleet in several EU countries

ACHIEVEMENTS 2012

Railway construction
We achieved licensing for more than 60 pieces of railway construction equipment in ten countries, including the Netherlands, Poland and Sweden.

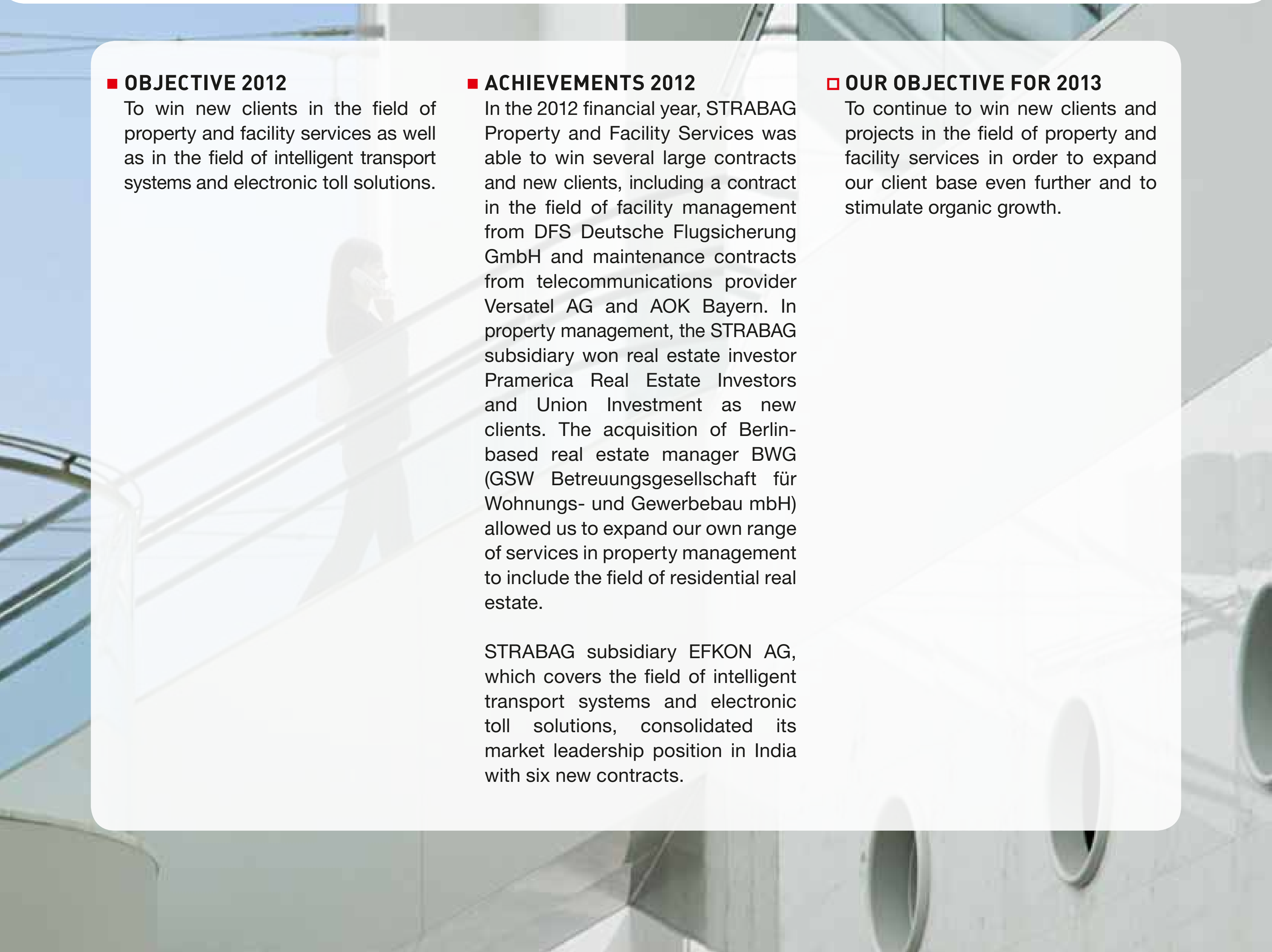
Hydraulic engineering
In the field of hydraulic engineering, the licensing of large equipment is not so much an issue as is its use in new large-scale projects. Here we were successful too: using our own equipment, we expanded the containerterminal at the Port of Odessa, Ukraine, and widened the Mittelland Canal in Sachsen-Anhalt, Germany.

OUR OBJECTIVE FOR 2013

The licensing of special equipment in several countries is an important prerequisite for generating a profit in niche fields, as investments made over several decades in such equipment initially involve high write-offs that must be earned back. Although some of the equipment is already in use in several countries, the capacity utilisation of the large equipment is, in our view, not yet at a satisfactory level. We would like to increase the potential for improving results in the niche markets. For this reason, we are rigorously continuing our strategy of internationalisation. The objective is to achieve licensing for the special equipment fleet in more countries and to obtain large orders in our niche areas.

EXTENDING THE VALUE CHAIN

We see ourselves as a provider of the entire range of construction services. If everything from the planning to the construction to the operation of the building comes from a single source, this reduces redundancies and simplifies the process for our clients. With this in mind, we have continually extended our value chain in the past few years, for example in the field of intelligent transport systems and electronic toll solutions or in the services business.



OBJECTIVE 2012

To win new clients in the field of property and facility services as well as in the field of intelligent transport systems and electronic toll solutions.

ACHIEVEMENTS 2012

In the 2012 financial year, STRABAG Property and Facility Services was able to win several large contracts and new clients, including a contract in the field of facility management from DFS Deutsche Flugsicherung GmbH and maintenance contracts from telecommunications provider Versatel AG and AOK Bayern. In property management, the STRABAG subsidiary won real estate investor Pramerica Real Estate Investors and Union Investment as new clients. The acquisition of Berlin-based real estate manager BWG (GSW Betreuungsgesellschaft für Wohnungs- und Gewerbebau mbH) allowed us to expand our own range of services in property management to include the field of residential real estate.

STRABAG subsidiary EFKON AG, which covers the field of intelligent transport systems and electronic toll solutions, consolidated its market leadership position in India with six new contracts.

OUR OBJECTIVE FOR 2013

To continue to win new clients and projects in the field of property and facility services in order to expand our client base even further and to stimulate organic growth.

EMPLOYEES

- MORE THAN 74,000 EMPLOYEES WORLDWIDE
- NEW CAREER MODEL DEVELOPED

PERSONAL RESPONSIBILITY IN A LEARNING ORGANISATION

EMPLOYEES AND WORKPLACE

For an international group – STRABAG is present in more than 80 countries – cross-border working and an open dialogue within the company are essential components of the corporate culture. To promote these two success factors, we expect our employees to take personal responsibility for the most part. Additionally, having a transparent organisational structure helps to promote the employees' innovative strength and motivation.

The quality of the working relationship between management and employees is also of central importance for the business success. For this reason, we actively encourage mutual respect in our dealings with one another.

STRABAG sees itself as a "learning organisation" that not only facilitates the transfer of existing knowledge, but also constantly generates and disseminates new knowledge. Personal development opportunities are identified within the open and transparent communication.

COMPLETION OF LARGE PROJECTS REDUCES EMPLOYEE NUMBERS

EMPLOYEES FROM 126 NATIONS

As a result of the typical winter break in construction, the STRABAG Group is subject to seasonal fluctuations in employee numbers. For this reason, the number of employees – as is usual in the industry – can only be stated as an annual average. 74,010 employees (45,715 blue-collar and 28,295 white-collar) worked for STRABAG in 2012. This corresponds to a decline by 2,856 employees or 4 %. The employee levels therefore fell more strongly than the output in the group. The largest portion of the decline can be attributed to the conclusion of large projects – for example, in Poland or the Middle East. With difficult economic conditions affecting construction activity, however, employee levels were on the decline in other markets as well.

The company's strong international nature is reflected in the number of nationalities. In the 2012 financial year, STRABAG employed 74,010 people from a total of 126 nations, compared to 120 nationalities in 2011.

During the past financial year, we had 1,129 people as blue-collar apprentices (2011: 1,093) and 259 as white-collar trainees (2011: 246) in training.

Traditionally, the construction industry overwhelmingly employs men. Nevertheless, the percentage of women employed within the group in 2012 was 13 % (2011: 13 %). Within group management, the percentage of women was about 8 % (2011: 9 %).

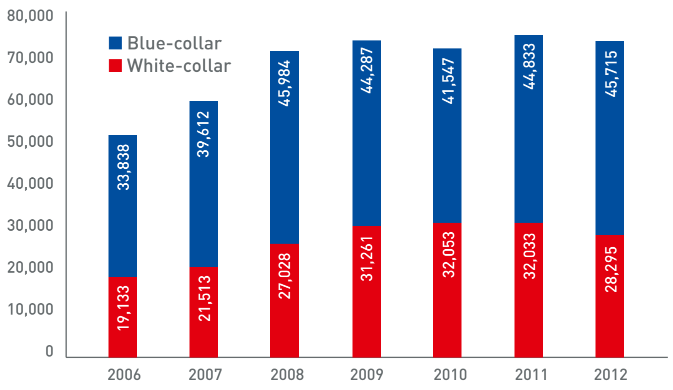
SOCIAL INDICATORS

	2012	2011	
Employees			
Number of employees	74,010	76,866	Total number of employees within the group
Percentage of women	13 %	13 %	Share of women of total employees within the group
Occupational safety and health			
Occupational accidents	34	34	Accident rate per thousand employees: number of accidents with three or more lost days x 1,000/number of employees
Accident rate	0.5 %	0.6 %	Ratio of accident days to working days
Absenteeism due to illness	4.5 %	4.5 %	Ratio of sick leave days to working days

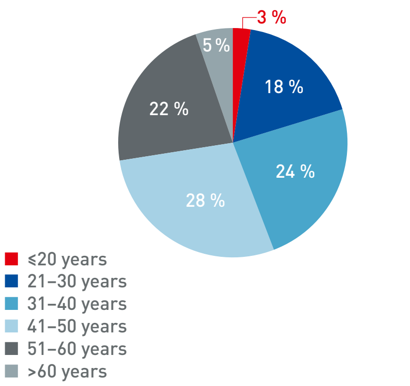
NUMBER OF EMPLOYEES 2012

	NORTH + WEST	SOUTH + EAST	INTERNATIONAL + SPECIAL DIVISIONS	OTHER	GROUP
Germany	15,720	1,799	7,032	2,181	26,732
Austria	97	7,555	1,184	1,092	9,928
Poland	4,206	972	438	683	6,299
Middle East	112	40	5,832	7	5,991
Czech Republic	0	2,913	710	352	3,975
The Americas	2,233	6	601	2	2,842
Hungary	12	1,625	652	275	2,564
Russia and neighbouring countries	340	1,846	156	192	2,534
Slovakia	1	1,385	342	210	1,938
Africa	4	1	1,914	0	1,919
Switzerland	90	1,480	156	168	1,894
Romania	83	1,041	227	219	1,570
Scandinavia	1,188	14	5	32	1,239
Benelux	899	8	112	40	1,059
Croatia	2	641	95	103	841
Serbia	14	579	27	107	727
Rest of Europe	98	438	120	12	668
Asia	5	14	580	2	601
Bulgaria	0	159	35	59	253
Italy	4	45	170	28	247
Slovenia	0	138	38	13	189
Total	**25,108**	**22,699**	**20,426**	**5,777**	**74,010**

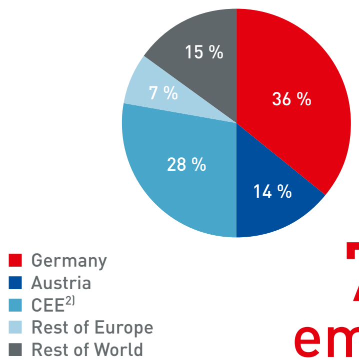
NUMBER OF EMPLOYEES 2006–2012[1)]



EMPLOYEE AGE STRUCTURE 2012

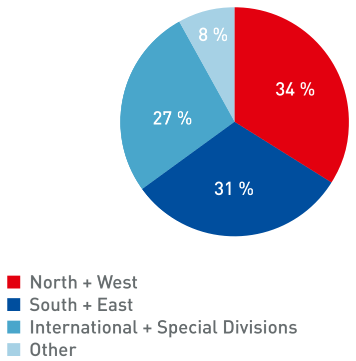


EMPLOYEES BY REGION



74,010 employees

EMPLOYEES BY SEGMENT



4 % decline

1) In 2012, approx. 4,100 employees were rearranged from “White-collar” to “Blue-collar”.
2) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia and neighbouring countries, Serbia, Slovakia, Slovenia.

HUMAN RESOURCE DEVELOPMENT

UNIVERSUM STUDENT SURVEY – TOP 100 IDEAL EMPLOYER IN AUSTRIA

UNIVERSUM®
TOP 100
IDEAL EMPLOYER
2012 STUDENT SURVEY

We constantly strive to develop and optimise the professional and personal qualification of our employees. The construction sector is a human-resource-intensive industry in which our workers have a significant influence on business success. The lack of skilled personnel and seasonal bottlenecks make human resources a critical factor. STRABAG's response is consistent strategic human resource planning and the continuous training and development of its employees. Modern information technologies, software and processes are used to make sure that everything is done professionally.

Our applicant and training management system, an international IT platform for the publication of job offers at all group brands, combined with the use of online application forms is already successfully in use in Austria, Germany, Hungary, Croatia, Poland, the Czech Republic, Slovakia, Romania and Russia. The system allows efficient data management of applicants and employees, offers country-specific platforms for seminar management, and is the basis for the target-oriented orientation, qualification and development of employees in the group.

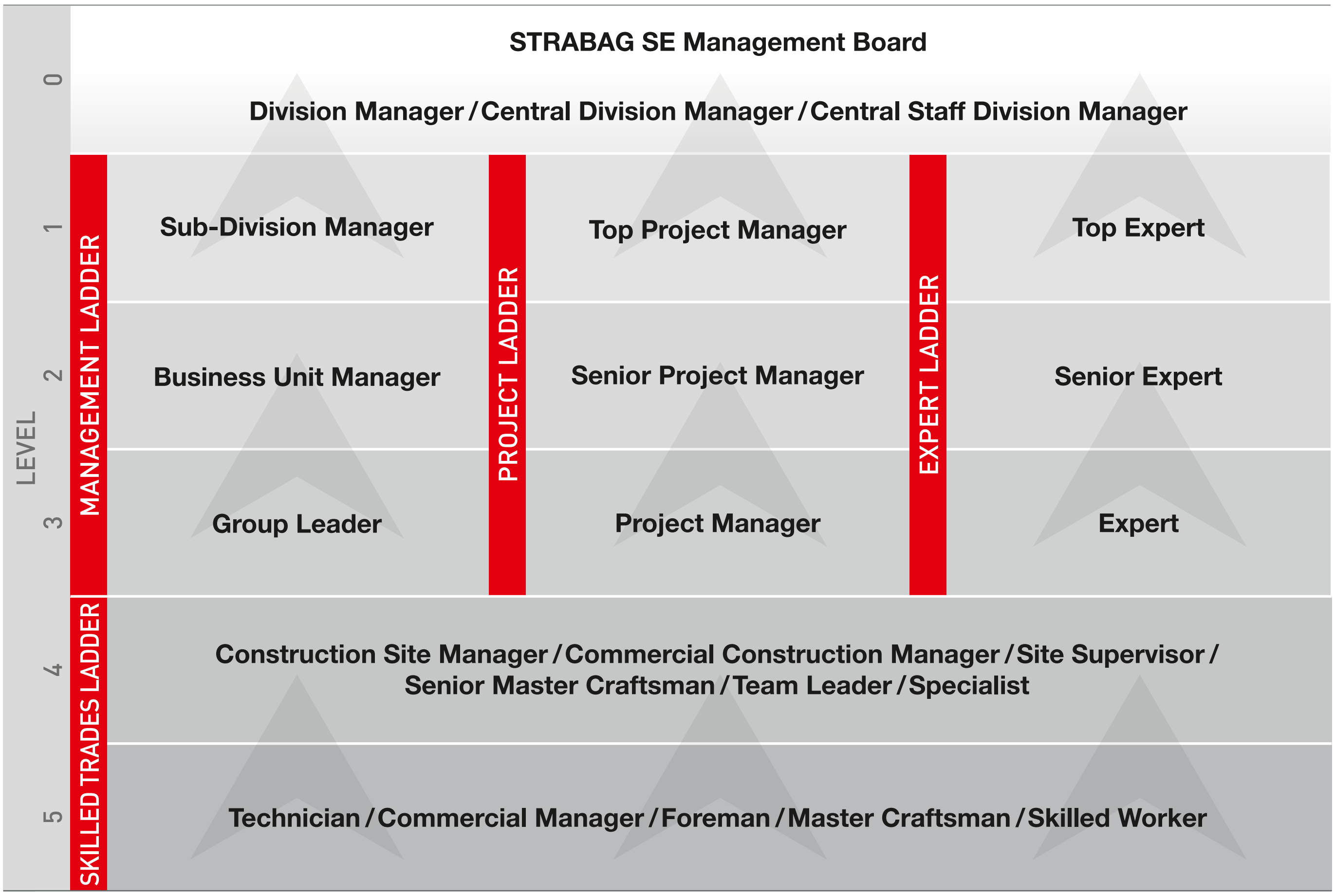
Measures to increase the percentage of women

STRABAG SE is currently working on an action plan to increase the number of women employees at STRABAG as well as the number of women in management. Measurable targets are to be set in the following three areas:

- Targeted search and selection of women employees
- Systematic promotion of high potentials regardless of gender as part of the company's human resource development
- Reduction of the conflict of interest between job and family

FOCUS ON MANAGEMENT DEVELOPMENT – CAREER LADDERS AT STRABAG

NEW CAREER MODEL



STRABAG is offering new career opportunities: the career model, developed by an interdisciplinary task force, gives current and future employees a more varied choice of development opportunities within the group than before.

Following initial specialist training or experience as a team leader, employees now have a total of three different career paths which they can follow: the classical management ladder, the project ladder or the expert ladder. In contrast to experts, who have usually completed high-quality specialist training and possess excellent qualifications in their field, project managers can fall back on their years of experience in the field of project management. They bear the entrepreneurial responsibility for complex construction projects from project acquisition to the end of the warranty period.

POTENTIAL MANAGEMENT BOOSTS MOTIVATION

In order to continuously increase the aptitudes and skills of our employees, we designed a process in the year under report to systematically identify and appropriately develop high-potential employees. The aim of this programme is to place employees with the appropriate qualifications and skill in defined key positions. This not only increases the motivation of the employees involved, but also creates a stronger bond to the group. In the long-term, the programme therefore helps to secure lasting quality, continuity and performance within the group.

NUMBER OF APPRENTICE POSITIONS IN AUSTRIA ON THE RISE

With regard to the lack of skilled workers, we are making great investments in the training of our apprentices and trainees[1]. In 2012, 90 apprentice positions were filled in Austria, and 110 new positions are available for 2013. In the past three years, we have increased the number of apprentice positions in Austria from 300 to 375. On offer are professions such as bricklayer, groundworker, concrete formwork carpenter, electrical engineer, metals construction engineer, agricultural and construction machinery technician or facilities engineer, which can be learned all over Austria. In Germany, Switzerland and Austria, a total of 476 (2011: 440) blue-collar apprentices were taken on in 2012. More information about the apprentice professions and positions offered at STRABAG in Austria is available at lehrling.strabag.at.

70 TRAINEES AT WORK

In Germany, in-company training for the most important professions is supported by STRABAG at the group training centre in Bebra. In all, the centre can train up to 100 blue-collar apprentices in the most important professions. Together with the Commercial Training Centre (KABZ) that was founded two years ago, we have facilities with a prime location in Germany that can also be used for commercial employee training, test preparation seminars, as well as specialist and qualification training. The aim is to secure an efficient knowledge transfer under aspects of quality and time away from the daily working routine.

GROUP ACADEMY FOR COMPANY-SPECIFIC TRAINING AND EDUCATION

The group academy offers training events that were developed especially for the company by internal and external experts to meet the specific needs of STRABAG employees. The target-group-oriented structured training provides up-to-date information in technology, law, business, IT, methodological and social competence, and intercultural issues.

Employees in Austria, Germany, Hungary, Croatia, the Czech Republic, Slovakia, Poland and Russia have access via the STRABAG Intranet to the "workshop list" of the group academy as part of the training database and can register online for the further training events. The planning, funding and support of our employees' personal development through training and further education is based on the results of the annual employee appraisal interview.

TRAINEE PROGRAMME TO DEVELOP YOUNG TALENTS

The "war of talent" is one of the greatest challenges in human resource development. In view of the growing competition for potential leaders and the existing lack of skilled workers, STRABAG is investing great amounts in recruiting and training young talents. We have introduced a trainee programme for young skilled employees and executive staff in all countries in which we or one of our subsidiaries operate, and we promote international trainee exchange.

On 31 December 2012, the STRABAG Group had 49 technical trainees and 21 commercial trainees. The aim of their training is to identify and support young talents early on and to bind them to the company. After completing the programme, they should be in a position to more quickly assume responsibility within the group.

The trainee programme is a practical familiarisation programme for selected Bachelor/Master graduates from various universities. The individual duration depends on the applicant's professional experience, prerequisites and development. The commercial trainee programme usually lasts between eight and ten months plus three months abroad. The technical programme varies between nine and twelve months plus three months abroad. Trainees have access to an experienced mentor throughout the entire training period. The trainee schedule is designed together with the mentor or superior according to the specific professional and personal requirements of the target position. With instruction from specialists and management employees, the trainees pass through different organisational divisions and are introduced to various areas of business and responsibility. Appropriate measures are used to develop the applicant's personal and professional skills.

1) Due to the different training systems from country to country, only the situation in the core markets of Austria and Germany can be presented here.

HUMAN RESOURCE MARKETING

Only with a positive image and as an attractive employer will the group be able to cover the strongly growing demand for qualified skilled workers and management employees. In the year under report, we therefore began to standardise our human resource marketing in the different countries where we do business and have defined a person responsible for this process. We also launched a project to strengthen the employer brand and will begin to implement the identified measures in 2013.

As apprentices/trainees and graduates from vocational schools and universities form the basis for the next generation of skilled workers and management employees, the focus of our human resource marketing is on selected educational facilities. Besides advertising in the relevant print and online media, STRABAG takes part in numerous university and recruitment fairs, organises company tours, offers internships and work placement, and sponsors bachelor and master theses.

OCCUPATIONAL HEALTH AND SAFETY

We have launched a number of initiatives in recent years to help maintain and promote the long-term health of our employees. One third of our entities in Germany, for example, have a certified occupational health and safety management system such as SCC or BS OHSAS in place. Additionally, all group divisions work in compliance with the relevant requirements so that successful certification requires only minimal adjustment. This helps to guarantee a uniform high standard of safety within the group.

The accident rate – calculated as the ratio of accident days to working days – was 0.5 % in the group, with 0.9 % among blue-collar and 0.1 % among white-collar workers (2011: 0.6 % in the group, 1.0 % among blue-collar and 0.2 % among white-collar).

The subject of safety is also an important factor with acquisitions. We set first measures already during the integration of new companies into the group – after all, rapid implementation of the appropriate health and safety measures is the first step in accident prevention. This helps our companies find their way around in the STRABAG world and makes possible the exchange of health and safety information across business segments.

Individual measures at the workplace include special training conducted ahead of the construction activity as well as ongoing safety and medical inspections in which employees receive instructions and are sensitised to issues of occupational health and safety. Managers and site supervisors are called upon to pass on the acquired knowledge to their employees and to instil in them the motivation for safe and responsible action.

The detailed analysis of past incidents formed the basis for the development of a package of measures to reduce the number of occupational accidents. The focus was on the following topics: hearing exams; proper lifting and carrying; proper use and handling of scaffolding, ladders and formwork; and general cleanliness on the construction site, which contributes its share to occupational health and safety.

STRABAG HEALTH AND SAFETY EXPERTS MONITOR AND ADVISE

The group's occupational health and safety activities are designed by internal health and safety experts who advise the management in this regard and monitor implementation on the construction site and at the workplace. The tasks of the central and regional health and safety committees include the mutual exchange of information and experience; the improvement of health, safety and working conditions; the counselling in all matters of occupational health and safety; the promotion of internal cooperation; and the drafting of principles for the further development of occupational health and safety activities within the company. Around 150 health and safety experts across the group are currently engaged in the implementation of these activities.

HEALTHCARE

OCCUPATIONAL PHYSICIANS HELP TO REDUCE ILLNESS ABSENTEEISM

Absenteeism due to illness – calculated as the ratio of sick leave days to working days – stood at 4.5 % in the group in 2012, with 5.9 % among blue-collar and 3.1 % among white-collar workers (2011: 4.5 % in the group, 5.6 % among blue-collar, 3.2 % among white-collar). To reduce this rate as much as possible, we are working together with a team of occupational physicians who conduct vaccination campaigns (TBE, tetanus, hepatitis, influenza, travel vaccinations, etc.), check-ups and follow-ups (hearing and vision tests, pulmonary function, etc.) as well as spinal screenings. Employees are also given the possibility of eye, stress and preventive examinations.

BURNOUT PREVENTION: SENSITISATION AND STEP-BY-STEP PLAN

In recent years, STRABAG has developed numerous initiatives on the topic of burnout in order to adequately assist employees in this difficult situation. Examples include a step-by-step plan for dealing with burnout as well as informational events on burnout to sensitise employees to the subject. Together with an occupational psychologist, we are planning to implement a burnout prevention campaign over the next few years to help employees recognise excess stress and take the proper corrective measures early on.

STRABAG EMPLOYMENT AND SOCIAL FUND HELPS EMPLOYEES IN NEED

In order to help employees who are experiencing financial difficulties through no fault of their own, e.g. as a result of accidents, illness, natural disasters, etc., the STRABAG Group set up a private foundation called the “Arbeits- und Sozialfonds” (Employment and Social Fund). When it was established, the foundation was endowed with € 3 million, an amount that was raised to € 10 million by 2012 in response to the rising number of employees. The application for financial assistance can be submitted by the affected employees, by their supervisors or by an employee representative.

Applications are reviewed by the foundation’s board before a socially appropriate decision is made. The board is chaired by an employee representative and consists of four employer and four employee representatives. Financial assistance is granted primarily in the form of monthly payments for an employee’s dependent children, but may also take the form of one-off payments for a specific purpose.


STRABAG

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

- COMMITTED TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE
- NOTES ON COMPOSITION AND WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD AND ITS COMMITTEES
- REMUNERATION REPORT

COMMITMENT TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE

MORE ABOUT REGISTERED SHARES: "DISCLOSURES PURSUANT TO SECTION 243A PARA 1 UGB" IN THE MANAGEMENT REPORT

MISSION AND VISION

The Austrian Code of Corporate Governance, in line with international standards, represents a body of rules for good and responsible corporate governance and supervision on the Austrian capital market. The Code, introduced in 2002, aims to establish a responsible system of management and supervision of companies that is geared toward creating sustainable, long-term value. The Code is designed to provide a high degree of transparency for all company stakeholders. For this reason, investors and issuers recognise the Code as an indispensable part of the Austrian system of corporate governance and of Austrian business life.

The versions of the Code that were valid for the 2012 financial year are the January 2012 and July 2012 versions – these are available at the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at) and at the website of STRABAG SE (www.strabag.com > Investor Relations > Corporate Governance > Code of Corporate Governance).

STRABAG SE is fully and without exception committed to the Austrian Code of Corporate Governance and its aims and sees compliance with all the rules contained within the Code as a top priority. This commitment by STRABAG SE is voluntary and aims to boost shareholder confidence and to constantly optimise the group's high internal legal, behavioural and ethical standards. STRABAG SE is further obligated to fulfil the standards of the Code due to the listing of its shares in the Prime Market segment of the Vienna Stock Exchange.

This commitment requires STRABAG SE to do more than merely comply with the prevailing laws and legislation. Voluntary self-imposed obligation means that STRABAG SE must explain non-compliance with the so-called C-rules ("comply or explain") which go beyond the legal requirements. In line with this part of the Austrian Code of Corporate Governance, STRABAG SE explains its non-compliance with C-Rules 2, 27 and 27a of the Code:

C-Rule 2 of the Code: Among the shares of STRABAG SE are two special registered shares with an associated right to nominate one member of the supervisory board each; this is advantageous for STRABAG SE because it guarantees the know-how of important stakeholders on the supervisory board.

C-Rule 27 of the Code: It is a matter of concern for STRABAG SE that remuneration of the management board members be made according to measurable criteria in a way that is transparent and easily comprehensible. The remuneration of the management board is therefore based on the scope of the work, the responsibilities and the personal performance of the individual management board member as well as on the achievement of the corporate goal, the size and the economic situation of the company. Non-financial criteria are not applied for the remuneration as these do not guarantee a transparent and easily comprehensible remuneration within the business activities of STRABAG SE.

C-Rule 27a of the Code: The previous clause in the management contracts regarding severance payments in the case of premature termination has proved its worth, so that STRABAG SE sees no reason for changes or amendments in this regard. In the case of premature termination of a management contract without material breach, the management board member's claim to the annual fixed portion remains – but not for the performance-based variable portion – for the remaining term of the contract. No severance payment is made in the case of premature termination of a management contract for a material reason for which a management board member is responsible.

STRABAG SE further endeavours to abide not only by the minimum requirements but also by all of the Code's R-rules (Recommendations).

NOTES ON THE COMPOSITION AND WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD AND ITS COMMITTEES

WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD

The management and supervisory boards of STRABAG SE are fully committed to the objectives of the Austrian Code of Corporate Governance as amended in July 2012 (as they were to the January 2012 version) and see compliance with all the rules contained within the Code as a main obligation and duty. This means that STRABAG SE is constantly working to maintain and optimise its high internal legal, behavioural and ethical standards. In line with the rules of the Code, the management and supervisory boards of STRABAG SE work together on the basis of

- regular and extensive informing of the supervisory board by the management board as to all relevant matters concerning the development of the company's business, including the risk situation and risk management in the company and the important group entities;
- the regular exchange of information and opinions between the CEO and the chairman of the supervisory board concerning strategy, the development of the business, risk management and important business transactions, particularly acquisitions and disposals, and the immediate informing of the chairman of the supervisory board of any important information; as well as
- an open exchange of opinion and open dialogue among the members of the supervisory board as well as between the members of the supervisory board and the management board.

The management board of STRABAG SE and the individual members of the management board conduct their business in accordance with the prevailing law and legislation, the articles of association, and the management board's rules of procedure as approved by the supervisory board. The rules of procedure govern the work of the individual members of the management board as well as the allocation of duties within the board. Coordination within the management board occurs during regular meetings, which are held approximately every two weeks, but also in the form of an informal exchange of information. Matters discussed at the management meetings include the current operations and the company strategy. Also discussed are any current or outstanding measures to be implemented by the relevant management board members. The rules of procedure require the management board or the individual management board members to provide extensive information and reporting to the supervisory board and define an extensive catalogue of measures and legal transactions which require approval by the supervisory board.

Information regarding the supervisory board and its committees, their decision-making rights as well as a report on their activity can be found starting on page 6 of this report.

THE COMPOSITION OF THE MANAGEMENT BOARD

Members of the management board

DR. HANS PETER HASELSTEINER

CEO
Responsibilities for Central Staff Units, Central Divisions Zentrale Technik, BRVZ, BMTI, TPA and BPM (from 1 July 2012 jointly with Thomas Birtel)
Technical Responsibilities for Divisions 3L RANC[1] and 3M RANC (until 30 June 2012)

Hans Peter Haselsteiner was born on 1 February 1944. He received his doctorate degree from the Vienna University of Economics and Business in 1970 and began working for an auditing and tax consultancy firm in Vienna. Hans Peter Haselsteiner joined the group as supervisory board member of ILBAU AG in 1972 and has held the position of CEO of the respective group parent company since 1974. From 1994 to 1998, he served as a member of the Austrian parliament and vice chairperson of the Liberal Forum. Due to his parliamentary mandate, he was on leave from the group during this time. His term expires on 31 December 2015.

DR. THOMAS BIRTEL

Deputy CEO (from 14 December 2012)
Commercial Responsibilities for Building Construction & Civil Engineering (until 30 June 2012)
Responsibilities for Central Staff Units, Central Divisions Zentrale Technik, BRVZ, BMTI, TPA and BPM (from July 2012 jointly with Hans Peter Haselsteiner)
Responsibilities for Divisions 3L RANC[1] and 3M RANC (from 1 July 2012)

Thomas Birtel was born on 3 June 1954. He graduated with a degree in economics from the Ruhr-University Bochum in 1978 and completed his doctorate there four years later. Thomas Birtel began his career in 1983 at Klöckner & Co. The last position he held there before leaving in 1989 was division manager of the accounting department of Klöckner Industrie-Anlagen GmbH. From 1989 to 1996, he worked for Sweden's Frigoscandia Group as head of the Central European region. Thomas Birtel joined the STRABAG Group in 1996 as a member of the management board of STRABAG Hoch- + Ingenieurbau AG. In 2002, he was appointed member of the management board of STRABAG AG, Cologne, responsible for building construction, finance, accounting, controlling, risk management and procurement. Thomas Birtel has also been a member of the group management board since 2006. His term ends on 31 December 2014.

MAG. CHRISTIAN HARDER

CFO (from 1 January 2013)

Christian Harder was born on 19 August 1968. He passed his school-leaving exams at Bundesgymnasium Spittal/Drau and completed his studies in Applied Business Administration at the University Klagenfurt with a focus on Controlling and Tax Management before joining the STRABAG Group, or rather the Bauholding Group, in 1994. He held the positions of Director of Accounting, Head of Financial Accounting and, finally, Central Division Director of BRVZ before being appointed Managing Director of BRVZ in 2008. Christian Harder has been a member of the management board of STRABAG SE since 2013 in the function as CFO. His term ends on 31 December 2014.

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

DI DR. PETER KRAMMER

Technical Responsibilities for Building Construction & Civil Engineering except Divisions 3L RANC and 3M RANC (until 30 June 2012)
Responsibilities for Region North + West[2] (from 1 July 2012)

Peter Krammer was born on 18 January 1966. He studied civil engineering at the Technical University in Vienna, completing his studies in 1995 with a doctorate degree in engineering sciences. His professional experience has included positions at Porr Technobau AG, Swietelsky Bau GesmbH and STRABAG AG Austria. In 2005, Mr. Krammer joined the management board of STRABAG AG in charge of building construction and civil engineering in Eastern Europe and of environmental technology for the entire company. Peter Krammer has been a member of the group management board since 2010. His term ends on 31 December 2014.

MAG. HANNES TRUNTSCHNIG

Commercial Responsibilities for Special Divisions & Concessions (until 30 June 2012)
Commercial Responsibilities for Transportation Infrastructures (until 30 June 2012)
Responsibilities for Region International + Special Divisions[3] (from 1 July 2012)

Hannes Truntschnig was born on 22 July 1956. He graduated from the Higher Technical Institute HTL Mödling specialised in electrical engineering and in 1978 completed his qualifications in electromechanical engineering before going on to study at the Karl Franzens University Graz, eventually graduating with a degree in business administration in 1981. Hannes Truntschnig joined the STRABAG Group (ILBAU AG) in 1981. Since 1985, he has held several management positions at various group companies. In 1992, he was appointed authorised signatory for Bau Holding Aktiengesellschaft. Hannes Truntschnig has been a member of the group management board since 1995. His term ends on 31 December 2014.

DI SIEGFRIED WANKER

Technical Responsibilities for Special Divisions & Concessions (until 30 June 2012)
Responsibilities for Region South + East[4] except Divisions 3L RANC[1] and 3M RANC (from 1 July 2012)

Siegfried Wanker, born on 5 May 1968, studied civil engineering at Graz University of Technology before joining the STRABAG Group as a site manager in 1994. Between 2001 and 2004, he held various management-level positions at engineering service providers before rejoining the STRABAG Group in 2005. He served as technical division manager for Building Construction International, Corporate Development and Services, and finally for Infrastructure Project Development. Siegfried Wanker has been a member of the management board of STRABAG SE since 2011. His term ends on 31 December 2014.

ING. FRITZ OBERLERCHNER

Deputy CEO (until 30 June 2012)
Technical Responsibilities for Transportation Infrastructures (until 30 June 2012)

Fritz Oberlerchner was born on 16 June 1948 and graduated from the HTL Villach polytechnic institute in 1968 as a certified engineer in building construction. He began his professional career as a construction engineer at a small building firm, joining the STRABAG Group (ASPHALTBAU Ges.m.b.H.) in 1971. In 1978, he was made authorised signatory (Prokurist) for Asphalt & Beton Bauges.m.b.H. and eleven years later became managing director of Magyar Aszfalt Kft, Budapest. Fritz Oberlerchner was a member of the management board from 1994 and deputy CEO from 2003. From 1998 to 2002, he served as management board member of STRABAG AG, Cologne. He left the management board on 30 June 2012.

Mandates

In the 2012 financial year, the following management board members held supervisory board mandates or similar functions at companies not included in the consolidated financial statements in Austria and abroad:

NAME	NON-GROUP COMPANY	MANDATE
Dr. Hans Peter Haselsteiner	CONCORDIA Sozialprojekte Gemeinnützige Privatstiftung	Chairman of the Management Board
	Rail Holding AG	Vice Chairman of the Supervisory Board
	SEMPER CONSTANTIA PRIVATBANK AG	Member of the Supervisory Board
	Tiroler Festspiele Erl Betriebsges.m.b.H	Chairman of the Supervisory Board
	VinziRast Gemeinnützige Privatstiftung	Vice Chairman of the Management Board
Ing. Fritz Oberlerchner	Andritz AG	Member of the Supervisory Board
Dr. Thomas Birtel	Deutsche Bank AG, Germany	Member of the Advisory Board
	HDI-Gerling Industrie Versicherung AG, Germany	Member of the Advisory Board
	VHV Allgemeine Versicherung AG, Germany	Member of the Supervisory Board
Mag. Hannes Truntschnig	Raiffeisen evolution project development GmbH	Vice Chairman of the Advisory Board
	Syrena Immobilien Holding AG	Vice Chairman of the Supervisory Board
DI Siegfried Wanker	Syrena Immobilien Holding AG	Member of the Supervisory Board

Directors' Dealings

Proprietary transactions with STRABAG SE shares by members of the company's boards and related persons or companies as well as by other management-level employees with group-wide responsibilities, the so-called Directors' Dealings, are reported as required by law and continually posted on the website of STRABAG SE (www.strabag.com > Investor Relations > Corporate Governance > Directors' Dealings) as well as on the website of the Austrian Financial Market Authority (www.fma.gv.at > Companies > Issuers > Directors' Dealings (German only)).

In 2012, the following proprietary transactions with STRABAG SE shares were made by members of the aforementioned group of people:

- Haselsteiner Familien-Privatstiftung (management: Dr. Hans Peter Haselsteiner): sale of 342,857 shares at a subscription price of € 19.25 per share on 16 July 2012
- Dr. Alfred Gusenbauer: sale of 70 shares on 3 August 2012 at a price of € 18.00 per share

The following persons from the aforementioned group of people held shares of STRABAG SE on 31 December 2012:

PERSON SUBJECT TO DISCLOSURE OBLIGATION	BOARD MEMBER	NUMBER OF SHARES
Dr. Hans Peter Haselsteiner		70,002
Haselsteiner Familien-Privatstiftung	Dr. Hans Peter Haselsteiner	32,891,737
Ing. Fritz Oberlerchner		4,070
Maria Oberlerchner	Ing. Fritz Oberlerchner	70
Mag. Erwin Hameseder		210

WORKING METHODS OF THE SUPERVISORY BOARD

In the 2012 financial year, the supervisory board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK) and the Rules of Procedure. A total of five regular meetings of the supervisory board took place in 2012. One member of the supervisory board, Siegfried Wolf, was excused from three meetings of the supervisory board and so failed to personally take part in at least half of the meetings of the supervisory board (Rule C-58 of the ÖCGK). No contracts requiring approval by the supervisory board were concluded between the company and members of the supervisory board (Rule C-49 of the ÖCGK).

The internal audit department informed the audit committee of the audit plan and of significant events in accordance with Rule C-18 of the Austrian Code of Corporate Governance. Furthermore, the audit committee monitored the accounting processes (including the preparation of the consolidated financial statements), the work of the auditor (including the audit of the consolidated financial statements), the effectiveness of the system of internal control, the risk management system and the audit system. The independence of the auditor (group financial auditor) was reviewed and monitored in particular as regards the additional services given to the audited company.

All members of the supervisory board and its committees are independent according to the terms of the Austrian Code of Corporate Governance and were properly represented in the relevant meetings. Three meetings of the audit committee, one meeting of the presidium and three meetings of the presidium and nomination committee took place in the 2012 financial year. Further information regarding the supervisory board, its committees and their decision-making rights can be found on the following pages.

COMPOSITION OF THE SUPERVISORY BOARD

Members of the Supervisory Board in the 2012 Financial Year

DR. ALFRED GUSENBAUER
Chairman of the Supervisory Board

DR. ALFRED GUSENBAUER

Alfred Gusenbauer was born on 8 February 1960 and studied law, philosophy, political science and economy at the University of Vienna, completing his doctorate in 1987. In 1991, he became a member of the Austrian senate, two years later a member of parliament. From 2000 to 2008, Alfred Gusenbauer was President of the Social Democratic Party of Austria, serving as Federal Chancellor of the Republic of Austria and member of the European Council from 2007 to 2008. In addition to his current activities at Brown University and Columbia University, Alfred Gusenbauer is President of the Dr. Karl Renner Institute, the Austrian Institute for International Affairs and the Austrian-Spanish Chamber of Commerce. Alfred Gusenbauer was voted chairman of the supervisory board of STRABAG SE on 18 June 2010 for the first time. His current term ends in 2014.

MAG. ERWIN HAMESEDER
Vice Chairman of the Supervisory Board

MAG. ERWIN HAMESEDER

Erwin Hameseder was born on 28 May 1956. He received a master of law degree from the University of Vienna. From 1975 to 1987, Erwin Hameseder served as an officer in the Austrian army, where he achieved the rank of colonel in 2002 and of brigadier in 2006. In 1987, he joined the legal department of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. From 1988 to 1994, he was responsible for investment management, from 1991 as head of the department. He was managing director of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. from 1994 to 2001 and director-general of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H (a spin-off from RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG) from 2001 to 2012. From 2007 to 2012, Erwin Hameseder also assumed the position of chairman of the management board of RAIFFEISENLANDES-BANK NIEDERÖSTERREICH-WIEN AG. Since 4 May 2012, he has

MAG. KERSTIN GELBMANN

ANDREI ELINSON

DR. GOTTFRIED WANITSCHEK

ING. SIEGFRIED WOLF

been chairman of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. He was nominated to the current supervisory board for an indefinite period of time on 17 August 2007 and has been a member of the supervisory board of STRABAG SE and its predecessor companies since 1998.

MAG. KERSTIN GELBMANN

Free Float Representative

Kerstin Gelbmann was born on 30 May 1974. After completing her studies in trade and commerce in Vienna, she began her career at Auditor Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH. Kerstin Gelbmann has been co-managing director of E.F. Grossnigg Finanzberatung und Treuhandelsgesellschaft m.b.H. since 2002 and of Grosso Holding Gesellschaft mbH since 2007. In January 2010, she assumed the additional position of co-managing director at Austro Holding GmbH. Kerstin Gelbmann was voted into the supervisory board of STRABAG SE on 18 June 2010. Her current term ends in 2014.

ANDREI ELINSON

Andrei Elinson was born on 19 January 1979. He has been Deputy CEO of Russian conglomerate Basic Element since December 2009. Previously, he was Basic Element's director of corporate governance and internal control, responsible for the development and implementation of corporate governance standards. Before joining Basic Element, he was a partner at Deloitte & Touche CIS, where, starting in 1997, he was in charge of consulting and assurance projects for Russian and international companies. Later he was appointed partner-in-charge for Forensic and Dispute services in the CIS. From 2004, Andrei Elinson managed the internal control and risk management consulting streams at Deloitte. He graduated from the Finance Academy of the Government of the Russian Federation with a degree in accountancy and audit. He is a certified public accountant and fraud examiner in the US, a licensed Russian auditor and holds a Certificate in Company Direction from the Institute of Directors (IoD) in the UK. Andrei Elinson was appointed to the supervisory board of STRABAG SE for an indefinite period of time on 21 April 2009.

DR. GOTTFRIED WANITSCHEK

Gottfried Wanitschek was born on 14 May 1955. He studied law at the University of Vienna and at the University of Salzburg. After receiving his doctorate degree in 1979, he performed his mandatory year of court training. From 1980 to 1984, he worked at the Austrian Association of Insurance Companies. From 1984 to 1990, Gottfried Wanitschek was secretary-general of Raiffeisen Versicherung AG and managing director of various group companies. From 1991 to 1993, he was a member of the management board of Leipnik-Lundenburger Invest Beteiligungs AG. From 1993 to 1997, Gottfried Wanitschek was managing director of the KURIER group and several subsidiaries of the group. In 1997, he joined BARC Versicherungs-Holding AG, where he was a member of the management board until 1999. From 1999 to 2012, Gottfried Wanitschek was a member of the management board of UNIQA Versicherungen AG. Gottfried Wanitschek was appointed to the current supervisory board of STRABAG SE on 18 June 2010. His term ends in 2014. He has been a member of the supervisory board of STRABAG SE and its predecessor companies since 1998.

ING. SIEGFRIED WOLF

Siegfried Wolf was born on 31 October 1957. He started his career with Philips in Vienna, where he trained as a tool and die-maker and 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). Siegfried Wolf then joined Hirtenberger AG, where he advanced from director for quality control to plant director and authorised signatory. In 1994, he joined Magna Europa AG, becoming president of the company in 1995. In 1999, he became vice chairman of the supervisory board of Magna International Inc. He held this position until 2001, when he was appointed president and CEO of Magna Steyr. In February 2002, he was appointed executive vice chairman of Magna International Inc. and remained in this position until his nomination to co-CEO in April 2005; he exercised this function until 2010.

Siegfried Wolf has also been chairman of the supervisory board of GAZ Group since April 2010 and chairman of the supervisory board of Russian Machines JSC, Glavstroy Corporation LLC and Transstroy Engineering & Construction Company Ltd. since September 2010. Siegfried Wolf was first voted into the supervisory board of STRABAG SE on 17 August 2007. His term was extended on 18 June 2010 and ends in 2014.

DI ANDREAS BATKE

Andreas Batke was born on 4 May 1962 and joined STRABAG AG as a land surveyor on 1 April 1991. He has been a member of the works council since May 1998. Andreas Batke currently serves as chairman of the segment works council for Transportation Infrastructures, chairman of the group works council and vice-chairman of the supervisory board of STRABAG AG, Cologne. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council and has been a member of the STRABAG SE supervisory board since November 2009.

MIROSLAV CERVENY

Miroslav Cerveny was born on 16 January 1959 and has worked for a Czech subsidiary of the STRABAG Group since 1988, holding positions in IT administration, accounting, and occupational health and safety. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council and has been a member of the supervisory board since November 2009.

MAGDOLNA P. GYULAINÉ

Magdolna P. Gyulainé was born on 26 July 1962. She is chairwoman of the works council of STRABAG Hungary, having joined a predecessor company of STRABAG Hungary as bookkeeper in 1983. She was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council in November 2009.

WOLFGANG KREIS

Wolfgang Kreis, an industrial clerk by training, was born on 18 March 1957. He joined Ed. Züblin AG as a commercial clerk in 1979. In 1987, he was elected to the works council and today is works council chairman for the sub-division Karlsruhe and chairman of the works council at Ed. Züblin AG. He has been vice-chairman of the supervisory board of Ed. Züblin AG since 2002. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council in November 2009. He also deals with the issue of occupational health and safety at the company.

GERHARD SPRINGER

Gerhard Springer was born on 26 March 1952. He trained as construction foreman and attended the “social academy” of the Austrian Chamber of Labour before joining the STRABAG Group in 1977. From 1977 to 1983, he worked as construction foreman, deputy foreman and employee representative. He has been a full-time employee representative since April 1983. Gerhard Springer was appointed to the supervisory board of STRABAG SE as an employee representative and has been a member of the supervisory board of STRABAG SE and its predecessor companies since 1995.

DI ANDREAS BATKE

MIROSLAV CERVENY

MAGDOLNA P. GYULAINÉ

GERHARD SPRINGER

WOLFGANG KREIS

Mandates

In the 2012 financial year, the following supervisory board members held supervisory board mandates or similar functions at publicly listed companies in Austria and abroad in addition to their supervisory board mandate at STRABAG SE:

NAME	NON-GROUP COMPANY	MANDATE
Dr. Alfred Gusenbauer	Gabriel Resources Ltd., Canada	Member of the Supervisory Board
Mag. Erwin Hameseder	AGRANA Beteiligungs-AG, Austria	Vice Chairman of the Supervisory Board
	Flughafen Wien AG, Austria	Chairman of the Supervisory Board
	Raiffeisen Bank International AG, Austria	Vice Chairman of the Supervisory Board
	Südzucker AG, Germany	Member of the Supervisory Board
	UNIQA Versicherungen AG, Austria	Member of the Supervisory Board
Mag. Kerstin Gelbmann	conwert Immobilien Invest SE, Austria	Member of the Administrative Board
	ECO Business-Immobilien AG, Austria	Member of the Supervisory Board (since 14 July 2012)
Andrei Elinson	GAZ Group, Russia	Member of the Supervisory Board
	Ingosstrakh, Russia	Member of the Supervisory Board
Ing. Siegfried Wolf	GAZ Group, Russia	Chairman of the Supervisory Board
	VERBUND AG, Austria	Member of the Supervisory Board
	Continental AG, Germany	Member of the Supervisory Board
DI Andreas Batke	STRABAG AG, Cologne, Germany	Vice Chairman of the Supervisory Board

Committees

COMMITTEE	MEMBERS	
Presidium	■ Dr. Alfred Gusenbauer (Chairman) ■ Mag. Erwin Hameseder (Vice Chairman) ■ Andrei Elinson	The presidium deals with all matters affecting the relations between the company and the members of the management board, especially matters relating to the remuneration of management board members, but excluding decisions regarding the appointment or removal of a management board member or regarding the granting of stock options.
Presidium and Nomination Committee	■ Dr. Alfred Gusenbauer (Chairman) ■ Mag. Erwin Hameseder (Vice Chairman) ■ Andrei Elinson ■ Wolfgang Kreis ■ Gerhard Springer	The presidium and nomination committee presents the supervisory board with proposals regarding the filling of new management board mandates or positions which are opening up, deals with questions of succession planning and remuneration policy and makes decisions on urgent matters.
Audit Committee	■ Dr. Alfred Gusenbauer (Chairman) ■ Mag. Erwin Hameseder ■ Andrei Elinson ■ Dr. Gottfried Wanitschek ■ DI Andreas Batke ■ Wolfgang Kreis ■ Gerhard Springer	The audit committee is responsible for the auditing and preparation for the approval of the annual financial report, the proposed distribution of profits and the management report, as well as the auditing of the consolidated financial statements and the corporate governance report. The committee also deals with the management letter written by the financial auditor as well as with the auditor's report as to the efficiency of the risk management. The audit committee makes a proposal for the selection of the auditor and presents the proposal of the supervisory board to the Annual General Meeting for voting. In line with Rule 81a of the ÖCGK, the audit committee must also establish a mutual line of communication with the financial auditor in a meeting.

Independence of the Members of the Supervisory Board

All members of the supervisory board and its committees are independent in accordance with the conditions contained within the Austrian Code of Corporate Governance, (see also www.strabag.com > Investor Relations > Corporate Governance > Supervisory Board > Independence of the Supervisory Board) and have declared in writing explicitly to adhere to all conditions of the Austrian Code of Corporate Governance. The independence of the supervisory board members is defined by the following guidelines (excerpt from the Rules of Procedure for the Supervisory Board as amended on 23 April 2012):

<u>Guidelines for the Independence of Supervisory Board Members of STRABAG SE ("the company") in Accordance with Rule 53 of the Code</u>

A member of the supervisory board of the company shall be deemed independent if he or she has no business or personal relations with the company or its management board which would constitute a material conflict of interest and thus could influence the member's behaviour.

Moreover, the members of the supervisory board shall comply with the following guidelines adapted from the Code:

- The supervisory board member shall not have served as a member of the management board or as a manager of the company or one of its subsidiaries in the past five years.

- The supervisory board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the supervisory board member. This shall also apply to relationships with companies in which the supervisory board member has a considerable economic interest. The approval of individual transactions by the supervisory board according to Rule 48 does not automatically mean the person is qualified as not independent.

- The supervisory board member shall not have been auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.

- The supervisory board member shall not be a member of the management board of another company, in which a management board member of the company is a supervisory board member.

- The supervisory board member shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a management board member or of persons in one of the aforementioned positions.

It shall be the responsibility of each member of the supervisory board of the company elected by the Annual General Meeting or delegated by the shareholders to declare his or her independence according to the criteria defined.

According to Rule 54 of the Austrian Code of Corporate Governance, the supervisory board of the company shall include at least one independent member delegated by the shareholders who is not a shareholder with a share of more than 10 % or who represents such a shareholder's interests. The independence of supervisory board members shall be published in the Annual Report. The supervisory board shall judge whether it and its committees contain a sufficient number of independent members in accordance with Rules 39 and 53 of the Austrian Code of Corporate Governance.

DISCLOSURE OF INFORMATION REGARDING THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT AND THE SUPERVISORY BOARDS

Remuneration Report – Management Board

REMUNERATION OF THE MANAGEMENT BOARD 2011/2012[1)]

T€ (incl. non-monetary[2)])

	FIXED		VARIABLE		TOTAL	
NAME	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Haselsteiner	633	633	–	1,033	633	1,666
Haselsteiner – payment in kind	–	–	–	1,100	–	1,100
Oberlerchner[3)]	253	506	–	823	253	1,329
Birtel	426	426	–	614	426	1,040
Truntschnig	426	426	–	689	426	1,115
Krammer	426	426	–	689	426	1,115
Wanker	426	426	–	689	426	1,115
Total	**2,590**	**2,843**	–	**5,637**	**2,590**	**8,480**

Total remuneration for the management board members in the 2012 financial year amounted to € 2.59 million (2011: € 8.48 million).

Since 2007, board member pay has been based on a system which, in addition to a fixed base salary, foresees a variable portion dependent on the achievement of specific earnings and profitability targets for the STRABAG Group calculated according to principles of cost accounting. The variable portion of the salary is basically calculated as a fixed percentage of the net income after minorities less minimum earnings of € 200 million. If this value surpasses the simple fixed amount, a sliding scale is applied with a maximum variable portion of 200 % of the fixed salary possible. If a minimum yield is surpassed (earnings according to cost accounting principles compared to output volume), a minimum variable portion is granted; the chairman of the management board may also receive additional non-monetary remuneration, rounded to full T€ 100, when pre-determined targets are met. From the 2011 financial year, 20 % of the bonuses of the members of the management board will be retained and deposited on a personal clearing account based on sustainable, long-term, multi-annual performance criteria. The payment from the personal clearing account will take place at the end of the term of the management agreement.

LONG-TERM, MULTI-ANNUAL PERFORMANCE CRITERIA

Furthermore, the members of the management board have the right to a company car. Accident insurance provides coverage in the event of death or disability, a private liability insurance policy covers the legal liability of the members of the management board which may arise from third-party personal injury, property damage or financial losses. The board members are also covered by legal expense insurance in the event of claims resulting from administrative or criminal violations. Insurance coverage exists for damage claims resulting from third-party or group financial losses as the result of neglect of duty during service for the company.

The members of the management board are subject to a competition clause for the period of their service. If a member of the management board is dismissed without cause, the fixed base salary is paid for the full term of the contract. Haselsteiner's management contract expires on 31 December 2015, those of the remaining members of the management board on 31 December 2014.

One member of the management board is entitled to non-growing pension payments from subsidiaries of the company. No other pension agreements exist between the company and the members of the management board. One member of the management board has a right to legal and contractual severance pay in the event of the termination of service to the company, with the maximum amount set by the Austrian Employee Act (oAngG).

1) In the past, the individual components of remuneration paid in the respective financial year were disclosed separately for each member of the management board. Starting with the 2012 financial year, the remuneration paid to the individual management board members for their performance during the financial year will be stated as a total under Section 243b (2) 3 in conjunction with Section 239 (1) 4 a of the Austrian Commercial Code (UGB). For better comparability, the figures for 2011 are presented here in the changed form.
2) Non-monetary after deductibles
3) Member of the management board until 30 June 2012

All management board members perform their services on the basis of employment contracts and are subject to income tax regulations.

NO STOCK OPTION PROGRAMME

STRABAG SE has decided against a stock option programme for management board members. No additional recompense is granted for internal group mandates or functions. No prior agreements or exception rules exist for the event of a public takeover offer.

In the 2012 financial year, there were no changes to the remuneration system for the management board (Rule C-30 of the ÖCGK).

Remuneration Report – Supervisory Board

The Annual General Meeting decides on the annual remuneration of the members of the supervisory board nominated or elected by the shareholders as well as on any additional remuneration for special tasks performed, if applicable. At the Annual General Meeting of 10 June 2011, the shareholders approved annual remuneration of € 15,000 for the regular members of the supervisory board, € 25,000 for the vice chairman and € 50,000 for the chairman. Members of the supervisory board who are elected to or leave the board during a financial year are remunerated in accordance with the actual period of their membership on the supervisory board pro rata temporis.

Additionally to their annual remuneration, the supervisory board members also receive cash compensation for expenses. Furthermore, the members of the supervisory board are, in accordance with the Articles of Association, covered by D&O (directors and officers) liability insurance up to a certain maximum amount. The insurance covers the personal liability of the supervisory board members in the event of careless neglect of duty during their service for the company. In 2012, no other remuneration was paid to the members of the supervisory board. There were no other transactions with members of the supervisory board.

REMUNERATION OF THE SUPERVISORY BOARD 2011/2012

€

	2012	2011
Dr. Alfred Gusenbauer	50,000	50,000
Mag. Erwin Hameseder	25,000	25,000
Mag. Kerstin Gelbmann	15,000	15,000
Andrei Elinson	15,000	15,000
Dr. Gottfried Wanitschek	15,000	15,000
Ing. Siegfried Wolf	15,000	15,000
Total	**135,000**	**135,000**

MEASURES FOR THE ADVANCEMENT OF WOMEN

In accordance with Section 243b of the Austrian Commercial Code (UGB) and L-Rule 60 of the Austrian Code of Corporate Governance, the corporate governance report must indicate the measures taken to promote women to the management board, the supervisory board and to leading positions in the company.

STRABAG SE declares that it basically promotes women and men equally. There are no salary differences between men and women who perform equal work and have the same level of education.

Traditionally, mainly men are employed in the construction sector. It is noteworthy, therefore, that two women sit on the supervisory board of the company: Kerstin Gelbmann and Magdolna Gyulainé. The supervisory board thus has a female percentage of around 18 % and a percentage of female members appointed by the works council of 20 %.

Additionally, 95 women (= 8 % of the corporate management) hold a leading position as defined by Section 80 of the Austrian Stock Corporation Act (AktG).

The company has also set up kindergartens at its offices in Vienna, Donau-City-Strasse 9, and in Bratislava, offering employees affordable, all-day childcare. The childcare centres are designed to help employees reintegrate into professional life after their parental leave.

The STRABAG SE management board is currently working on an action plan to increase the number of women employees at STRABAG as well as the number of women in management. Measurable targets are to be set in the following three areas:

- Targeted search and selection of women employees
- Systematic promotion of high potentials regardless of gender as part of the company's human resource development
- Reduction of the conflict of interest between job and family

INTERNAL AUDIT REPORT

The STRABAG Group's internal audit department is a neutral and independent authority which again conducted more than 200 internal audits in all group divisions worldwide in the 2012 financial year. It is a central part of the group's risk management.

In accordance with the rules of the Austrian Code of Corporate Governance, the internal audit department is set up as a staff unit of the management board of STRABAG SE, giving it the greatest possible amount of independence. The internal audit department plans and conducts process-independent and neutral audits of all of the group's divisions and regions in Austria and abroad. The audit planning is constantly updated to meet the current needs.

In 2012, the internal audit department again audited individual objects as well as entire organisational units. The audits covered all of the group's divisions and sub-divisions as well as the most important contracts and orders of the year. The routine and special audits served to recognise and avoid risks, to reveal opportunities and to monitor proper conduct and compliance with the group's code of ethics.

Given its technical and commercial competence, the internal audit department forms an important part of the group's risk management and internal control. With its comprehensive approach, the use of uniform auditing standards and the neutral reporting, the internal audit department also contributes to the standardisation of processes and structures in the entire group.

The internal audit department reports regularly to the CEO and to the supervisory board's audit committee regarding the audit plan and significant events of its work. The audit reports are sent to the audited units and divisions, to the unit and division managers, and to the management board, and are made available to the financial auditors.

EXTERNAL EVALUATION

An external evaluation in accordance with Rule 62 of the Austrian Code of Corporate Governance takes place every three years, the next time for the year 2013.

CONTINUOUS DEVELOPMENT OF OUR CORPORATE GOVERNANCE SYSTEM

In the interests of the company and all stakeholders, STRABAG continued its efforts to improve the corporate governance system in the 2012 financial year. The management board will now instruct the supervisory board in even more detail about the aggregate risk from ongoing construction projects. Similarly, at the suggestion of the supervisory board, more detailed documents on transactions requiring approval will be sent out ahead of the supervisory board meetings to ensure that the supervisory board members are even better prepared when they meet.

STRABAG also developed an interactive ethics e-learning course.

Villach, 9 April 2013

The Management Board

Dr. Hans Peter Haselsteiner

Dr. Thomas Birtel

Mag. Christian Harder

DI Dr. Peter Krammer

Mag. Hannes Truntschnig

DI Siegfried Wanker


REUTERS/Herbert Neubauer

SUPERVISORY BOARD REPORT

Dear shareholders,
associates and friends of STRABAG SE

The consequences of the euro debt crisis reached the European construction sector in 2012. The public sector, due to the rescue und stimulus packages of recent years, is currently following a strict policy of spending cuts. In Poland, one of STRABAG's core countries, the construction sector weakened considerably after the large investments related to the European Football Championships. These developments, listed here merely as examples, did not spare STRABAG in 2012. However, a look at the general situation of Europe's construction sector shows that, especially in difficult times, the strategy of having a broad regional and sectoral diversification helps to better deal with challenges in individual areas.

In 2012, the supervisory board therefore focused especially on the group's strategic orientation and on the evaluation of STRABAG's activities in countries and segments showing negative development. Together with the management board, it will be our task to adapt STRABAG to the changed situation and to rigorously enact optimisation measures where necessary. The supervisory board will supervise and observe these steps and, continuing its constructive and trust-based working relationship with the management board, will help to jointly steer STRABAG safely through difficult times into the future.

In the past financial year, the supervisory board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK) as amended in January and July 2012, and the Rules of Procedure. A total of five regular meetings of the supervisory board as well as three meetings of the audit committee, three meetings of the presidium and nomination committee, and one meeting of the presidium took place in 2012. All members of the supervisory board and its committees are independent and were represented in the relevant meetings in accordance with the conditions contained within the Austrian Code of Corporate Governance.

The management board engaged in an exchange of information and opinion as well as in open discussions with the supervisory board in order to regularly report on the market situation, the course of the business and the situation of the company. At all meetings, the management board informed the supervisory board of STRABAG SE's strategic direction, of its cash flows and financial performance, the personnel situation and of any plans regarding investments, disposals or large projects, and obtained its approval regarding important business transactions (e.g. enterprise acquisitions or large projects). The supervisory board studied the corporate planning and the appropriate analyses of divergence constantly and in great depth. Specifically, the following agenda items of the supervisory board meetings should be emphasised:

SELF-EVALUATION: LITTLE NEED FOR IMPROVEMENT

By circular resolution on 26 January 2012, the supervisory board approved the issue of a corporate bond and the raising of a bonded loan. The first meeting of the supervisory board then included a report on how the favourable interest rates had helped to reduce the group's refinancing costs in this regard. The agenda of the first supervisory board meeting of the 2012 financial year on 24 February 2012 included the management board's report on the market situation and the current situation of the company, as well as the budgeting and expenditure planning (equipment fleet) for the 2012 financial year. The meeting also discussed the results of the supervisory board's self-evaluation, which revealed little need for improvement. The results of the cost accounting for 2011 and the deviations from the planning were explained in detail by the management board and analysed together with the members of the supervisory board. In particular, discussion centred on the unsatisfactory development in transportation infrastructures and the conclusions that can be drawn. The supervisory board also examined the situation in Hungary, Scandinavia and Russia and discussed this with the management board. The management board further reported on the new project to evaluate the organisational structure. Finally, the annual report by the STRABAG SE compliance officer for capital market law was also on the agenda of this supervisory board meeting.

The agenda of the second supervisory board meeting of the 2012 financial year on 26 April 2012 dealt with the financial statements, the management report, the corporate governance report, the consolidated financial statements and the group management report for the year 2011. The audit committee reported on the audit of the financial statements, the consolidated financial statements, the management reports and the corporate governance report. There were no objections to the audit by the financial auditor and all questions of the audit committee could be answered satisfactorily. The supervisory board thereupon acknowledged completion of the 2011 financial report. The management board's proposal for the appropriation of net income was also reviewed, with a recommendation for its acceptance by the Annual General Meeting. In preparation of the eighth Annual General Meeting, the meeting discussed and approved the supervisory board report as well as the proposal to appoint KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor, financial auditor and group financial auditor. The management board reported on the results of the first quarter 2012 and provided an outlook of planned projects. In particular, analysis centred on the difficult situation in many core markets, whereby especially the building construction business in Germany and Russia represent a positive exception. Competition tightened in general, so that lower margins are to be expected. Draft resolutions were discussed and approved in preparation of the Annual General Meeting. Discussion focused particularly on the changes to the Articles of Association, the authorisation to issue financial instruments as defined by Section 174 of the Austrian Stock Corporation Act (AktG), and the associated conditional capital increase. Also discussed was the issue of the 2012 corporate bond in accordance with the existing bond programme and the approval thereof.

During the third supervisory board meeting of the 2012 financial year on 20 July 2012, the chairman of the supervisory board reported on the eighth Annual General Meeting of 15 June 2012 and on the resolutions which were passed. The board welcomed the constructive nature of the meeting. From the audit committee, the chairman also reported on the evaluation of the internal audit. The committee gave the internal audit a very good review and explained possibilities for improvement and ways to further increase the high quality. The internal audit department's work with the supervisory board, in particular with the audit committee, was also discussed. The new financial auditor, Dr. Helge Löffler, who assumed this role from Mag. Ernst Pichler due to the mandatory internal rotation, introduced himself and joined the board in discussing their future working relationship. The presidium and nomination committee reported that a new way of allocating responsibilities had been decided for the management board. In the future, responsibilities will be assigned not by segment but by region, each managed under the disciplinary, entrepreneurial, organisational and administrative responsibility of one management board member. The "STRABAG 2013ff" task force is currently conducting an intense analysis of the group's organisational structure. Also discussed was the supervisory board's circular resolution on the board's authorisation to acquire own shares. The current situation on the market and the difficult situation in many core countries were also discussed. Due to the successful business in the field of real estate project development, the property cost ceiling – the financial framework within which the project development business can acquire properties without further authorisation by the supervisory board – was raised. Finally, the supervisory board discussed STRABAG's involvement as sponsor of Tiroler Festspiele Erl and approved a direct sponsoring relationship.

The fourth supervisory board meeting of the 2012 financial year was held on 10 September 2012. The chairman reported on the preceding meeting of the audit committee, which had discussed in detail the opportunities and risks from the ongoing construction projects. The management board reported on the adjusted financial forecasts in accordance with the half-year figures. The agreement over a syndicated cash credit line was proposed by the management board as a longer-term way of securing liquidity peaks. As a result of the difficult financial performance in many core countries, the investment budget will not be fully exhausted and the investment planning for the following years will be evaluated. Cost savings in human resources are expected from the "STRABAG 2013ff" task force. Also discussed was the current status of the share buyback programme as well as several infrastructure and real estate development projects.

The fifth supervisory board meeting of the 2012 financial year on 14 December 2012 began with the nomination of Mag. Christian Harder to the management board effective 1 January 2013 and the appointment of Dr. Thomas Birtel as Deputy CEO. The market situation and the figures of the third quarter 2012 were analysed and measures were discussed. In particular, the supervisory board discussed the current developments in Switzerland. The supervisory board also dealt with the internal risk management, especially the subject of flop avoidance. The management board reported on the group's measures to fight corruption (Rule C-18a of the ÖCGK). The strategy in the field of offshore wind is currently being subjected to an evaluation. The results of the supervisory board's self-evaluation for 2012 were also discussed and the chairman stressed that suggestions for improvement should be expressed openly at any time. Regarding the syndicated cash credit line, the board discussed the current status of the negotiations and approved a line up to € 400 million.

The internal audit department informed the audit committee of the audit plan and of significant outcomes in accordance with Rule C-18 of the Austrian Code of Corporate Governance as amended in January and July 2012. Furthermore, the audit committee monitored the accounting processes (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements) as well as the effectiveness of the system of internal control, the risk management system and the audit system. The independence of the auditor (group financial auditor) was reviewed and monitored in particular as regards the additional services given to the audited company.

The financial statements and management report of STRABAG SE for the 2012 financial year were audited by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz. Pursuant to the final result of the audit, the auditor had no cause for complaint and awarded his unqualified opinion.

The consolidated financial statements and the group management report drawn up by the management board for the 2012 financial year under application of Section 245a of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting

Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable on the balance sheet date were reviewed by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and awarded their unqualified opinion.

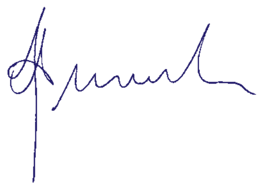
The auditor's reports and the group financial auditor's reports were submitted to the supervisory board. The audit committee reviewed the 2012 financial report and the management report including the proposed appropriation of profits and the corporate governance report, and the 2012 consolidated financial statements and group management report, and prepared the approval of the annual financial report by the supervisory board.

The supervisory board reviewed all documents as well as the report by the audit committee. In the meeting of 29 April 2013, the supervisory board stated its agreement with the financial report and the 2012 consolidated financial statements and officially approved the 2012 financial report, thus acknowledging its completion. The supervisory board supports the management board in its proposal for the appropriation of net income. The supervisory board proposes appointing KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditors and financial auditors for the 2013 financial year, in accordance with the proposal of the audit committee.

Furthermore, the legal firm Fellner Wratzfeld und Partner Rechtsanwälte GmbH conducted an evaluation of compliance of the 2012 corporate governance report in accordance with Section 243b of the Austrian Commercial Code (UGB). The final result of the evaluation did not give rise to any cause for complaint.

By way of closing, the supervisory board would like to express its gratitude and appreciation to the management board and to all employees for their valuable contribution in the past financial year.

The Chairman of the Supervisory Board of STRABAG SE



Dr. Alfred Gusenbauer
Vienna, 29 April 2013

ECOLOGICAL AND SOCIAL RESPONSIBILITY

ECOLOGICAL AND SOCIAL RESPONSIBILITY[1)]

- STRABAG CARBONTRACKER SOFTWARE CALCULATES FIRST CARBON FOOTPRINT FOR 2012
- OBJECTIVE FOR 2013: DEVELOP KEY ENERGY AND CO_2 INDICATORS FOR THE GROUP
- LONG-TERM SUPPORT OF SELECTED SOCIAL AND CULTURAL INITIATIVES

ECOLOGICAL RESPONSIBILITY

ECOLOGICAL RESPONSIBILITY

At first glance, there may not appear to be any connection between ecological responsibility and the construction of buildings and structures. All construction impacts the natural environment and is usually very energy- and resource-intensive. As a provider of construction services, we are aware of this fact. Because we know that a construction site without pollutants, noise and dust will not be a reality in the foreseeable future, it is our aim to limit the negative impact our activity has on the environment to a minimum. To this end, we are continuously investing in processes and technologies in order to increase our energy efficiency and to reduce our environmental impact.

For us, ecological responsibility begins with the planning of buildings and structures and continues through to their construction and operation. We are involved in the development of certification systems in Germany and Austria early on and are continually working to increase the number of high-quality buildings on the market. This allows us to consider environmental criteria in the planning, construction and use of buildings and structures early in the planning process if the client so desires.

MORE INFORMATION ON OUR SUSTAINABLE PRODUCT PORTFOLIO IS AVAILABLE AT WWW.STRABAG.COM

We are making efforts to minimise CO_2 emissions and energy use already at an early stage of the value creation process of our products. For this reason, we are shifting our focus toward new and innovative products, in particular within the field of renewable energy. Through the constant development of new technologies, it is our aim to steadily increase the STRABAG product portfolio. At the same time, we are working to develop and enhance the right methods and tools to control our impact on the environment.

Representative of our activities and measures within the group, our environmental and energy management is presented below, as these two issues are increasingly moving into the focus of interest. As well as our employees, who want to work for a responsible company, our clients and investors are also taking an increased interest in the company's approach with regard to ecological responsibility. This approach can even be a decisive factor for the award of a construction project. We can see this most clearly with public-sector contracts in the Netherlands, where external certification for carbon avoidance strategies by SKAO affords us a competitive advantage or – like in most cases, as certification extends to our competitors as well – helps us to preserve competitiveness.

ENVIRONMENTAL MANAGEMENT: FIRST CERTIFICATIONS PLANNED FOR 2013

Our ISO 14001-certified environmental management system, which has been established within the group for several years, helps us to ensure that defined business objectives or environmental measures are systematically implemented and that they can be managed at every stage. In addition to key environmental figures, we also developed an environmental policy during introduction of the management system, with appropriate targets regarding the reduction of environmental impact. In some countries, such as Germany, Belgium and Hungary, the system has already been introduced everywhere in form of an integrated management system. The certification of individual group organisations is planned for the year 2013. In other countries, such as Austria and Croatia, the system has been partially introduced.

1) The information presented in this chapter covers only the most important topics and results of the past financial year. Comprehensive information on the fulfilment of our ecological and social responsibility under the group's CSR strategy can be found online at csr.strabag.com.

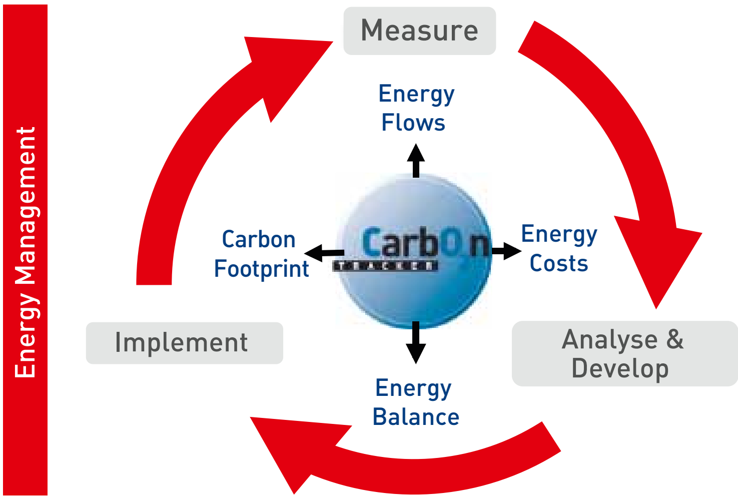
ENERGY MANAGEMENT CAN HELP TO LOWER COSTS

The topic of energy is an increasingly relevant one not only for ecological but also for economic reasons. In 2012, the energy costs for the companies within STRABAG SE's scope of consolidation amounted to nearly € 347 million and represented a considerable portion of the total costs within the group. Without measures to raise energy efficiency, energy costs in the next few years can be expected to go up in response to price hikes and legislative changes. For this reason, we began with the realisation of a comprehensive energy management programme in the year under report.

Under energy management, we understand the sum of all measures that are planned or are being implemented in order to guarantee a minimum use of energy for the required performance. Attempts are made to influence organisational and technical processes, and the group employees are sensitised to the goal of improving energy efficiency. The positive results of such an energy management are: we reduce energy costs, we increase the potential for tax savings, we improve environmental protection as a result of reduced emissions, we do business more sustainably with regard to resource use and we may even expect some legal relief.

ENERGY COSTS 2012:
€ 347 MILLION

SCHEMATIC DEPICTION OF STRABAG'S ENERGY MANAGEMENT



Regardless whether we consider the entire group or individual group entities, our energy management always consists of the three stages of "measure", "analyse & develop" and "implement":

First time measuring with the CarbonTracker

For the first time, we calculated the group's energy balance and carbon footprint for the year under report using our own CarbonTracker software. Important for its development were the experiences made in calculating the carbon footprint for 2010 and 2011, which we had verified by external auditors for participation in the Carbon Disclosure Project (CDP).

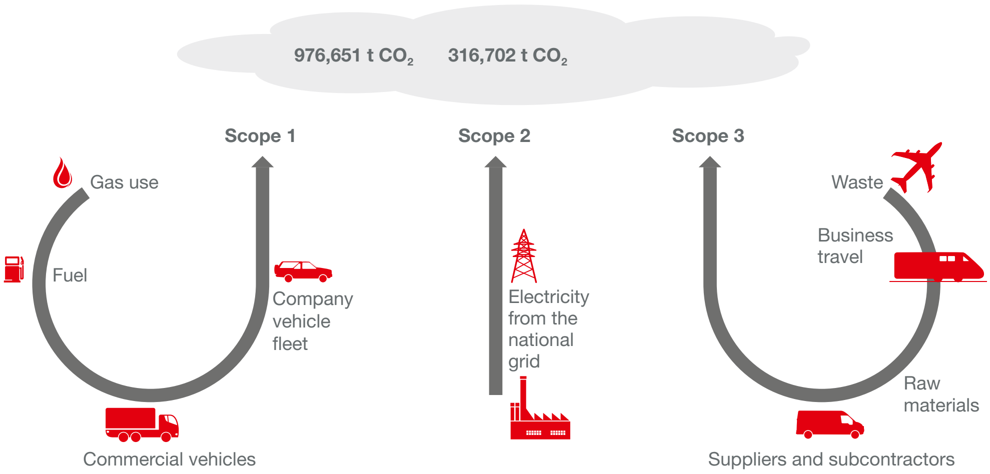
CarbonTracker involves the automatic and systematic calculation of energy and carbon data contained within the available group databases. After reaching our objective of using the CarbonTracker to calculate the group's carbon footprint for 2012, our objective for the coming years is to refine the calculation system so we can determine an exact, up-to-date carbon footprint for each organisational unit. The software is therefore web-based to give employees access to the CarbonTracker via the group's intranet system.

Besides the development of the Carbon Tracker, we also intend to continuously develop our reporting procedure. For this reason, we have for the first time included the heating value and carbon conversion factors of selected energy suppliers.

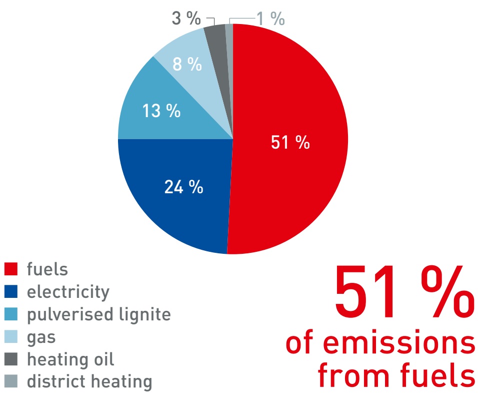
2012 carbon footprint

As in previous years, the carbon footprint for the 2012 financial year refers to the group's full scope of consolidation and includes emissions caused by our activities in 60 countries. Within the group, a total of 1,293,352 tonnes of CO_2 were emitted during the year under report. This represents a decline of 1 % or approx. 19,500 tonnes of CO_2 in a year-on-year comparison. The illustration shows the breakdown of this volume, reported for Scopes 1 and 2 as defined by the Greenhouse Gas Protocol. The highest proportion of CO_2 emissions resulted from the use of fuels, which in the group is due almost exclusively to diesel. This position also made a significant contribution to last year's energy costs.

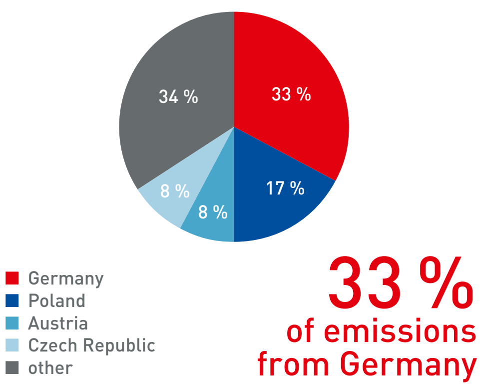
STRABAG GROUP EMISSIONS 2012



CO_2 EMISSIONS BY ENERGY SOURCE



CO_2 EMISSIONS BY COUNTRY



ECOLOGICAL INDICATORS

	2012	2011	2010	
Energy[1]				Group's total energy use
Electricity	486,033	499,146	499,945	Group's total electricity use in MWh
Fuel	245,660	241,433	212,614	Group's total fuel use in thousands of litres
Gas	565,048	658,356	705,973	Heating value in MWh
Heating oil	17,790	21,644	25,836	Group's total heating oil use in thousands of litres
Pulverised lignite	79,107	84,318	51,452	Emissions in tonnes
Raw material				Group's raw material use
Stone/gravel	68.0[2]	74.8[2]	61.5[3]	Group's stone and gravel use in millions of tonnes
Asphalt	13.9[2]	15.3[2]	13.2[3]	Group's asphalt use in millions of tonnes
Concrete	5.2[2]	5.8[2]	5.1[3]	Group's concrete use in millions of m³

Analyse and develop with the energy atlas

We are planning the development of an "energy atlas" to better analyse the energy flows within the group. Besides assigning energy use and CO_2 emissions to individual areas, we are also planning to develop key indicators to compare these areas. This can help in identifying energy savings measures. The crucial tool for creating this energy atlas is the CarbonTracker that was introduced above.

Especially in construction, where there are no standardised, repetitive production processes, it is important to collect and analyse data immediately on the construction site. We are doing this as part of the "Energy Efficiency on the Construction Site" project, which was first implemented during the Dancing Towers construction in Hamburg. In 2013, the project will be repeated at the Milaneo and CityGate construction sites in Stuttgart.

Include all units in the implementation

As all processes require energy, a comprehensive handling of the topic of energy involves complex tasks. The efficient and effective use of energy therefore necessitates the inclusion of all group entities: the realisation of energy efficiency measures begins with the planning and construction of our buildings, the purchase of construction machinery and equipment, and the procurement of the energy itself. The use of green electricity for the Dancing Towers in Hamburg, for example, helps to avoid approx. 800 tonnes of CO_2 emission a year.

In order to concentrate all the different measures, to provide a single energy policy for the group and to monitor its implementation, it was decided in the year under report to set up an energy steering committee. The committee is composed exclusively of decision makers from the group's operating units and service companies.

In the year under report, we began with the introduction of an ISO 50001 energy management system at our Deutsche Asphalt GmbH and Mineral Baustoff GmbH subsidiaries. The choice fell on these two companies, as both asphalt production and materials extraction are among our most energy-intense business fields and this is where the greatest savings potential can be achieved. The energy management system is to be used to systematically identify and raise the savings potential and to lower the energy costs. An energy management system certified to ISO 50001 can also lead to tax relief. For this reason, the certification of the energy management system of the two subsidiaries by an independent auditor is planned for the third quarter of 2013.

1) Changes in the energy values in comparison to past publications are the result of changes to the calculation system.
2) Includes the following countries or regions: Austria, Benelux, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Romania, Russia and neighbouring countries, Scandinavia, Slovakia, Slovenia, Switzerland
3) The following countries were not yet included in 2010 due to organisational reasons: Italy, neighbouring countries of Russia and Scandinavia.

OBJECTIVE 2012

Extension of SKAO certification to several group divisions

ACHIEVEMENTS 2012

The group entities which had already been certified to Level 3 in 2011 were awarded highest SKAO certification to Level 5 in 2012. Another group entity, STRABAG Rail, was certified to Level 3 for the first time.

OUR OBJECTIVE UNTIL 2015

- Introduction of an energy management system at selected group entities and certification to the international standard ISO 50001
- Detailed determination of the energy flows within the group
- Development of a graphic interface for the CarbonTracker
- Increased proportion of recycling paper in the group
- Establishment of energy efficiency and CO_2 reduction targets

SOCIAL RESPONSIBILITY

CORPORATE CITIZENSHIP

Our business activities directly shape the environment, which has an immediate influence on our daily routine. The result is a complex interaction between construction and society. Only when society is successful can we also be successful. Given our business success, we feel obliged to contribute to the healthy development of society as a whole. This includes our contribution to maintaining the social standards in Central Europe and improving them in other countries, as well as supporting cultural projects.

FOCUS ON CULTURAL AND SOCIAL PROJECTS

We do not extend our social commitment indiscriminately, but instead support selected initiatives over the long-term. If and in which form we lend our support is decided by the STRABAG SE management board according to eligibility criteria such as:

- Can STRABAG, given the nature of its business, make a contribution to the project that companies in other industries could not?
- Is the project or the applicant worth our long-term commitment?
- Does the project fit our strategy and our public image?

Concordia
The Concordia aid organisation has been caring for abandoned children in Romania, Moldova and Bulgaria since the 1990s by offering them housing and social centres, among other things. The group also cares for older people in need.

More information is available at www.concordia.or.at.

VinziRast-CortiHaus
The VinziRast-CortiHaus homeless shelter in Vienna offers emergency accommodation or a place in a halfway house, helping people in need find a home, make a new start or grow old in dignity.

More information is available at www.vinzirast.at.

Festspiele Erl
Founded by Gustav Kuhn, the festival has been thrilling audiences with a varied programme since 1998. The new festival theatre was opened in 2012. In winter, it will serve as a second stage next to the existing Passion Play Theatre for the Tyrolean Festival Erl.

More information is available at www.tiroler-festspiele.at.

Komödienspiele Porcia
Born under difficult conditions, this important annual cultural event offers its guests an extensive programme of comedies from world literature as well as its own children's theatre.

More information is available at www.komoedienspiele-porcia.at.

STRABAG Kunstforum
The STRABAG Kunstforum opens up the world of contemporary art to employees and visitors at a number of office locations in Austria and abroad, making STRABAG a forward-looking patron of the arts today.

More information is available at www.strabag-kunstforum.at.

GIVING BACK TO NATURE

An eventful summer around the Gaaden quarry in Austria is coming to an end. Bees, bats and more are moving back to their winter quarters and all the other residents of the Vienna Woods are also preparing for the cold season.

But every now and then, one of the animals takes a break from its winter preparations to observe the busy goings-on in the quarry, where work is continuing undiminished. The forest denizens have even become accustomed to the blasting that is being carried out twice a week. To offer more animals a new home on the abandoned site, planning began over a year ago on the restoration of the former Mitterotter 1 mining area of STRABAG subsidiary Mineral Abbau GmbH in Gaaden near Mödling, where dolomite had been mined since the 1970s.

Today the site has been shut down and the equipment has been moved to Mitterotter 3 in order to mine sand, stone and gravel there. This led to the idea of "giving something back to nature", as Erik Zechmann, the managing director of Mineral Austria, explains. The goal is to restore an area with a total size of 180,000 m² over the coming years.

The Vienna Woods Declaration calls for the "immediate recultivation of mined or non-expandable raw materials extraction sites". As the quarry site is located in the middle of the Vienna Woods protected landscape and Föhrenberg nature park, this imposes on the company an obligation for land restoration and revegetation. For the site operators, however, the obligation for mere revegetation, as had been the norm several years ago, did not go far enough – the ecology of the region is often still intruded upon and little consideration is given to the true natural conditions.

THE LIVING QUARRY

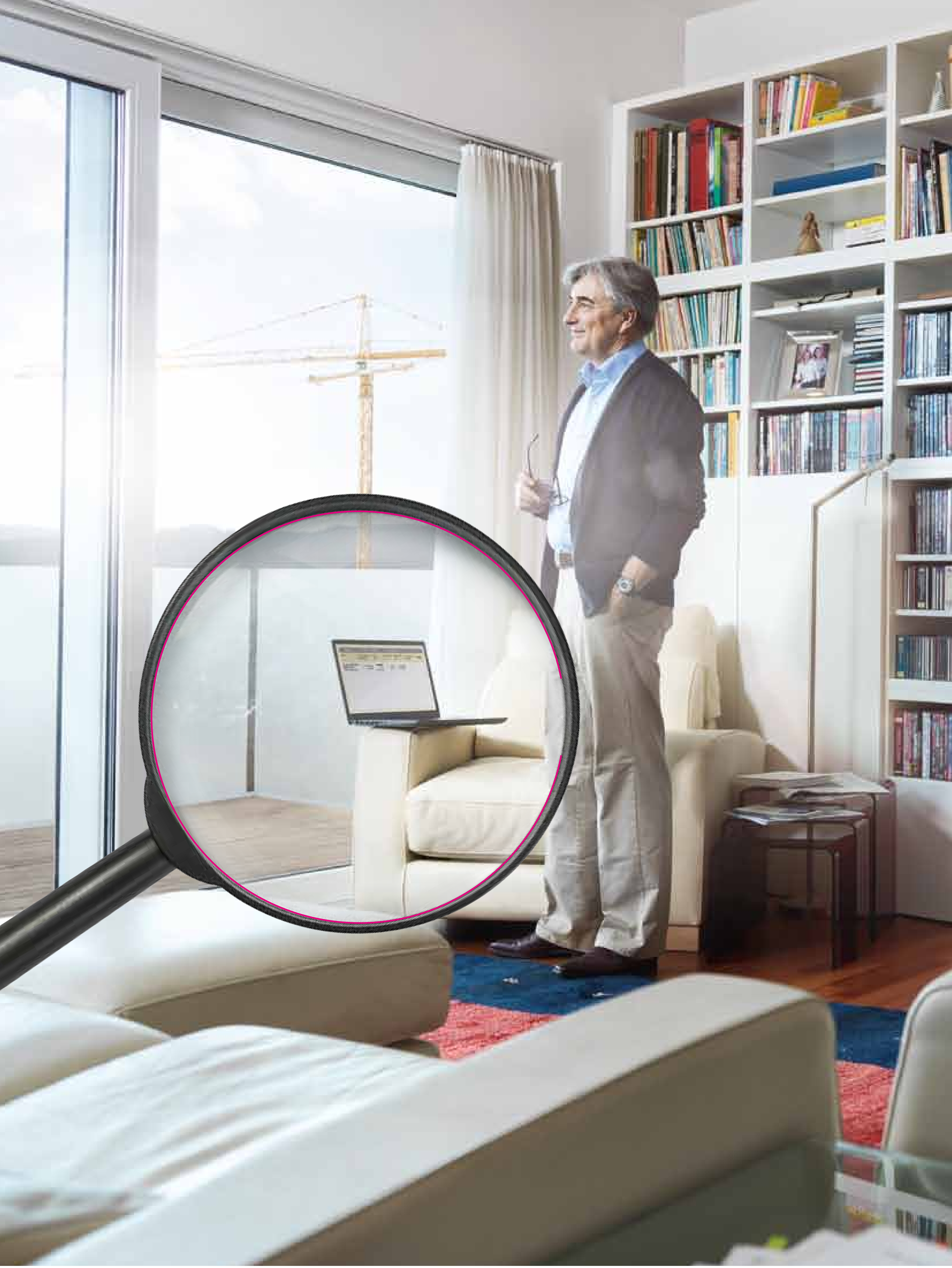
From roe deer to eagle owls to mason bees, many animal species are at home even near active quarries. A prerequisite is a diverse flora that thrives on the chalky soils. The company filled in and revegetated several areas at the former quarry and set up bee hotels and bat boxes that had been made by students from the department of interior design and furniture making at the HTL Mödling secondary school. At a later stage in the project, after the site is refilled, the area will be adapted to the true natural conditions of the Limestone Vienna Woods. The future site will feature steep rock cliffs, loamy areas on the south-facing slopes and a damp biotope. Various details are planned to improve wind protection, microclimate and erosion prevention.

All of these measures were devised in cooperation with relevant experts and approved by the competent authorities.

REDUCED EMISSIONS

At the Mitterotter 2 and 3 sites, conveyor belts were set up to transport material from the quarry to the processing plant that will begin operations soon. This will save 230,000 litres of diesel a year and will avoid annual CO_2 emissions by 500 tonnes – the amount of fuel that had previously been required for transport by heavy trucks. The measure also helps to reduce the amount of dust and noise.

pumped storage hydroelectric plant
storage hydroelectric plant, upper reservoir with a storage area of 9 million
difficult underground conditions
in Western and Eastern Europe




Grass
Der Butt
CARTOONS
NEW

SHARES, BONDS AND INVESTOR RELATIONS

- PRICE ADJUSTMENT OF STRABAG SE SHARES BY 8 %
- PROPOSED DIVIDEND OF € 0.20 PER SHARE
- TEN BANKS COVER STRABAG SE ON A REGULAR BASIS

STRABAG SE SHARE PRICE ADJUSTED AFTER RALLY LAST YEAR

ECONOMIC RESPONSIBILITY

After a year of losses, the international stock markets made an impressive rebound in 2012 and the year was characterised by a surprisingly strong upward trend of share prices. Globally low interest rates were a significant contributor to this development, as they made investments in shares more attractive in comparison to other products. On many stock markets, however, especially in Europe, the share price gains came against the backdrop of a relatively thin trade volume; despite the significantly rising share prices, therefore, there can be no talk of a real recovery phase.

The year began with share price gains. At the start of the second quarter, however, the debt crisis in several European countries again took centre stage – significant share price adjustments followed. A positive counter-reaction, did not take hold until June, after repeat elections in Greece had brought a political majority for far-reaching austerity measures and the European Union had proven that it would maintain its capacity to act despite the new government in France. Mixed developments were seen from this point on: the European stock markets exhibited a volatile upward trend that lasted until year's end; in the wake of growing fears of a recession, however, the welcome upward movement in the US was abruptly interrupted in early November. As a result of this sharp adjustment, the US stock index Dow Jones Industrial (DJI), with a plus of 7 %, was one of the relatively weaker indexes of 2012.

STRABAG SE SHARE AT YEAR'S END: € 20.43

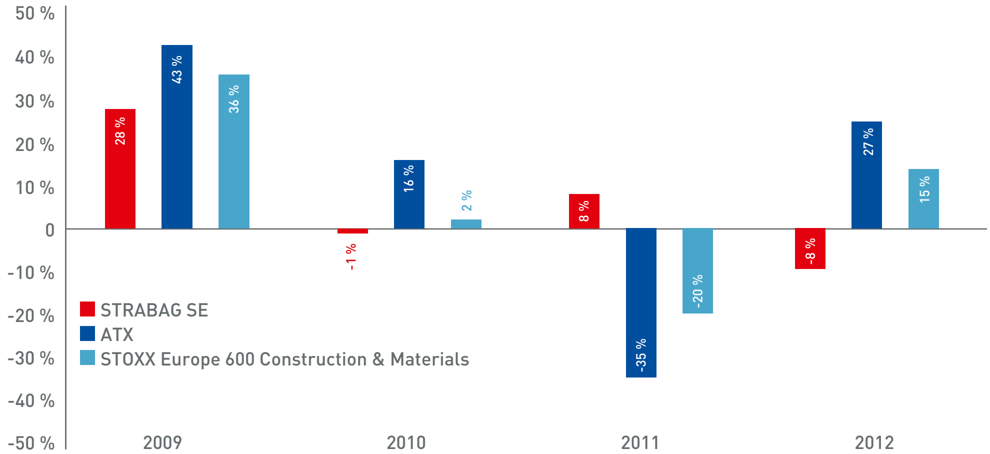
Despite a plus of 14 %, the pan-European stock index Eurostoxx 50 remains far from its historic high. Europe is by no means developing homogenously, however, and a more differentiated examination is called for: weak market performance in southern Europe's "problem" states was accompanied by a significant approximation to historic highs in other countries – Germany's DAX, for example, grew by 29 % in 2012. In Japan, the end-of-the-year elections transformed the rather lacklustre stock market development into a veritable share price fireworks. With a plus of 23 %, the Nikkei 225 provided for excellent full-year results, but still remained far from reaching past highs.

Relatively strong fluctuations characterised the development on the Vienna Stock Exchange in 2012: the Austrian blue-chip index ATX rapidly climbed past 2,000 points at the beginning of the year, but emergent anxieties on the markets soon resulted in a significant decline. Upward movement resumed in June, albeit with some high fluctuations, and continued until the end of the year. The ATX finally closed the year at just over 2,400 points – far from its record high of nearly 5,000 points in July 2007 – which corresponds to a year's plus of 27 % in 2012. The market development on the Vienna Stock Exchange received considerable support from the recovery of bank and real estate shares.

STRABAG SE share fell by 8 % to € 20.43, making the group one of the few losers in the ATX – despite the 15 % plus for the construction sector index STOXX Europe 600 Construction & Materials. This development can clearly be explained by the share's outperformance the previous year: in 2011, STRABAG was one of just two ATX companies in the plus while all others ended the year in negative territory. The low trade activity of STRABAG SE shares also translated into sluggish progress with the buyback programme for own shares: in 2012, STRABAG SE acquired only 2,137,076 shares, or 1.87 % of all shares, ending the year with a 9.57 % stake in its own share capital.

DEVELOPMENT OF STRABAG SE SHARE PRICE AND OF THE BENCHMARK INDEXES

MULTI-YEAR DEVELOPMENT OF STRABAG SE SHARE PRICE AND OF THE BENCHMARK INDEXES



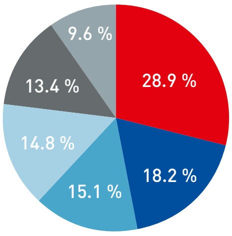
KEY SHARE INDICATORS

STOCK FIGURES[1]	UNIT	2012	2011	2010	2009
Closing price by the end of December	€	20.43	22.11	20.50	20.70
Year's high	€	23.50	24.30	21.96	24.35
Year's low	€	17.20	17.90	16.42	9.86
Number of outstanding bearer shares by the end of December	shares	103,087,657	105,224,733	113,999,997	113,999,997
Number of outstanding bearer shares, weighted	shares	104,083,238	111,424,186	114,000,000	114,000,000
Market capitalisation by the end of December	€ billion	2.1	2.5	2.3	2.4
Average trade volume per day	€ million	1.0	3.3	3.8	6.1
Volume of STRABAG SE shares traded	shares	12,759,384	38,742,980	49,077,310	88,480,878
Volume of STRABAG SE shares traded	€ billion	0.3	0.8	0.9	1.5
P/E ratio by the end of December		35	13	13	15
Earnings per share	€	0.58	1.75	1.53	1.42
Book value per share	€	27.8	27.9	27.1	25.9
Cash flow from operating activities per share	€	2.6	4.5	6.1	9.8
(Proposed) dividend per share	€	0.20	0.60	0.55	0.50
Dividend payout ratio	%	34	34	36	35
Dividend yield	%	1.0	2.7	2.7	2.4
Share capital	€ million	114	114	114	114
Weight in ATX	%	1.22	1.75	1.79	1.63
Weight in ATX Prime	%	1.12	1.57	1.49	1.38
Weight in WBI	%	2.94	3.89	2.53	3.03

1) All trade volume figures double count

LOWER FREE FLOAT THROUGH BUYBACK OF OWN SHARES

SHAREHOLDER STRUCTURE ON 31 JANUARY 2013

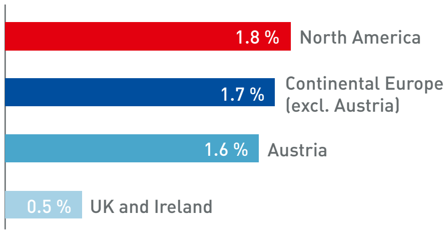


- Haselsteiner Family
- Rasperia Trading
- Raiffeisen Group
- UNIQA Group
- Free float
- Own shares

Total number of shares:

114 million shares

GEOGRAPHIC DISTRIBUTION OF THE INSTITUTIONAL FREE FLOAT



The core shareholder structure changed only slightly in the past financial year: Rasperia Trading Ltd. exercised options in July 2012 and again in January 2013 to acquire 0.6 % of the shares, respectively, from the Haselsteiner Family, Raiffeisen Group and UNIQA Group. At the end of January 2013, the Haselsteiner Family thus held 28.9 % in STRABAG SE, Raiffeisen Group 15.1 % and UNIQA Group 14.8 %. Rasperia Trading Ltd. now holds a stake of 18.2 %, with an option to buy further 6.8 % of STRABAG SE shares. This option to acquire shares from the other core shareholder groups expires in July 2014. As far as we know, no investor other than the core shareholders holds more than 5 % of the company.

As a result of the share buyback programme that was started in July 2011, STRABAG SE held 9.6 % or 10,932,340 own shares at the end of January 2013. These were acquired directly from the free float shareholders, as a result of which the free float stood at 13.4 % versus 15.3 % at the end of 2011.

5.6 % INSTITUTIONAL INVESTORS AND 5.5 % RETAIL INVESTORS

In January 2013, we commissioned a shareholder ID to learn more about the distribution of our free float. The analysis revealed that 5.6 % of all STRABAG SE shares were held by institutional investors – primarily by value-oriented and passively managed funds – while nearly the same percentage (5.5 %) was held by private shareholders. The institutional free float is allotted to 1.8 % investors from North America, 1.7 % from Continental Europe and 1.6 % from Austria. Investors from the UK and the rest of the world currently play a subordinate role.

The buyback of own shares and the resulting lower free float have apparently had the effect that, based on their targets, many institutional investors are unable to maintain an investment in STRABAG. The total number of institutional investors fell from 147 in January 2012 to 103 one year later. The ten largest of these shareholders accounted for 60 % of the institutional shareholding, significantly higher than comparison figures from other companies. We are aware of the restrictions that result from a lower free float. The number of shares in free float should rise again in the medium-term, however: it is our intention to use our own shares as acquisition currency, which means that they will be returned to the free float in the event of an enterprise acquisition.

ANNUAL GENERAL MEETING

With 100 % and 99.99 % of the votes cast, the 2012 Annual General Meeting approved the actions of the management and supervisory boards, respectively, selected the financial auditor, decided on the payment of a dividend in the amount of € 0.60 per no-par share for the 2011 financial year, and authorised the management board to purchase own shares. The General Meeting also passed, with between 98 % and 99 % of the votes, resolutions regarding the authorisation of the management board to issue financial instruments as defined in Section 174 of the Austrian Stock Corporation Act (AktG), on the conditional increase of the company's share capital pursuant to Section 159 Paragraph 2 No. 1 of the Austrian Stock Corporation Act (AktG) regarding the issue to creditors of financial instruments (conditional capital), and on the changes to the Articles of Association. 987 people representing 89,752,203 no-par shares were registered for the Annual General Meeting.

ANNUAL GENERAL MEETING ON 14 JUNE 2013

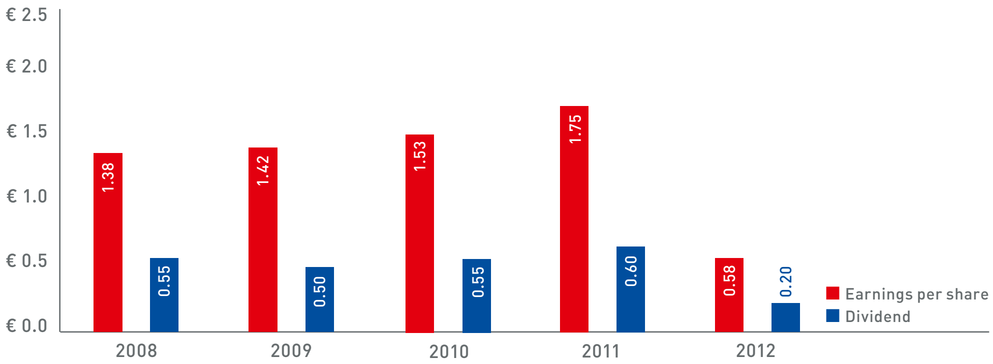
The next Annual General Meeting will take place at the Austria Center Vienna on 14 June 2013 at 10:00 a.m. CEST. Shareholders wishing to attend are requested to provide proof of shareholder status with their bank by 4 June 2013. Details regarding the correct procedure can be found on our website at www.strabag.com > Investor Relations > Annual General Meeting.

DIVIDEND

STRABAG places great value on a constant dividend policy. The management board is keeping to its goal of paying out 30 % to 50 % of the net income after minorities to the shareholders in the form of a dividend once a year. The exact payout ratio is determined by the general development of the business as well as by the group's opportunities for growth. In accordance with this goal, the management board of STRABAG SE will propose to the Annual General Meeting of 14 June 2013 a dividend of € 0.20 per share for the 2012 financial year. This would correspond to a dividend payout ratio of 34 % and, based on the share price of € 20.43 at the end of December 2012, a dividend yield of 1.0 %. The ex-dividend date has been set for 21 June 2013; the dividend payment date for 24 June 2013.

DIVIDEND: € 0.20 PER SHARE

EARNINGS PER SHARE AND DIVIDEND



BONDS AND BONDED LOANS

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

S&P-RATING: BBB-

STRABAG SE (and its predecessor, FIMAG) has to date issued ten corporate bonds, of which four are still listed. With the newest issue of a 2012–2019 bond with a coupon of 4.25 %, STRABAG continued its years-long strategy of bond issues. The proceeds from the issue were used to pay back a matured € 75 million bond issued in 2007 as well as for general business purposes. The issue also helped the group to further improve its financing structure.

For the first time in company history, STRABAG SE in March 2012 placed a bonded loan in the amount of € 140 million. This long-term debt financing instrument is in many ways similar to a bond, with an important difference being that bonded loans are issued directly to institutional investors without using an organised capital market, i.e. an exchange. This reduces the administrative effort compared with a bond issue.

S&P AGAIN CONFIRMS CORPORATE CREDIT RATING OF BBB-

STRABAG SE and its bonds are rated by the ratings agency Standard & Poor's (S&P). In November 2007, S&P raised the corporate credit rating for STRABAG SE from BB+ to BBB-, thus elevating STRABAG SE to "investment grade". In December 2012, S&P again confirmed its BBB- rating and stable outlook for STRABAG SE. Explaining its decision, S&P cited the group's well-diversified and vertically integrated business, its access to raw materials and its adequately high liquidity.

INVESTOR RELATIONS

OUR THANKS TO OUR SHAREHOLDERS

Although we pursued our investor relations activities as persistently in 2012 as the year before, investor interest remained only moderate. In addition to the prescribed quarterly reports, we informed some 61 investors and analysts (2011: 135) in 43 (102) one-on-ones, telephone conferences and group talks. We took part in 6 (15) road shows and investor conferences organised by Baader Bank, Deutsche Bank, Erste Group and Raiffeisen Centrobank. In all, we spent some 5 (13) working days on investor talks in places such as Vienna, London, Frankfurt, Zurich and Milan.

If you want to learn more about our future road show activities, please visit our website at www.strabag.com > Investor Relations. The corporate calendar is updated continuously and includes all the planned road show events as well as the dates for the publication of our financial results.

WE ARE IN CONSTANT CONTACT WITH OUR INVESTORS

Not only are we in constant e-mail and telephone contact with our institutional investors and analysts, we also provide extensive information to our private investors. We do so among other things by offering web and audio broadcasts of portions of our Annual General Meetings, investor conferences and press conferences on our website. We also regularly take part in private investor events – in 2012, for example, we took part in a round table debate during the "GEWINN" trade fair in Vienna. We try to reach our private shareholders and interested parties through a variety of different channels. Every individual investor benefits from our taking the time to communicate with the market and to strive for constant improvement in our investor relations work – because excellent investor relations have a positive effect on the share price.

It is our goal to further increase our investor relations efforts, to maintain a steady flow of information and, in so doing, help bank analysts make correct assessments of STRABAG SE shares. Analyst observations provide current as well as potential shareholders with a first indication of the assessment of STRABAG SE. We are therefore proud that, in the past few months, one further bank has decided to cover our shares, so that now ten banks regularly analyse STRABAG in order to issue target prices and recommendations for our shares:

- Bank of America Merrill Lynch, London (Marcin Wojtal)
- Deutsche Bank, Vienna (Matthias Pfeifenberger)
- DZ Bank, Frankfurt (Marc Nettelbeck)
- Erste Group, Vienna (Franz Hörl)
- Goldman Sachs, London (Will Morgan)
- HSBC Trinkaus & Burkhardt, Düsseldorf (Tobias Loskamp)
- Kepler Capital Markets, Vienna (Stephan Trubrich)
- LBBW, Stuttgart (Hans-Peter Kuhlmann)
- MainFirst Bank, Frankfurt (Christian Korth)
- Raiffeisen Centrobank, Vienna (Markus Remis)

HOW TO RECEIVE INFORMATION ABOUT STRABAG SE

STRABAG SE's Investor Relations department reports directly to the CEO and sees itself as the service department for existing and potential private shareholders, institutional investors and analysts, as well as the point of contact for capital market issues for the group's operating units. For us, quick response times, comprehensive information and a constant dialogue with capital market participants and the public are a matter of course. We place great importance on informing all shareholder groups quickly and simultaneously. To achieve this, we publish all company-relevant news on our website at the same time that we send our shareholder newsletter per e-mail. If you would like to receive this information, please send us the reply card – which you will find at the end of this Annual Report – or register on the Investor Relations page on our website www.strabag.com.

Your questions and suggestions are important to us for the continued improvement of our services. We look forward to hearing from you:

STRABAG SE
Investor Relations
Mag. Diana Neumüller-Klein, CFA,
Head of Investor Relations
Mag. Paula Rys, Investor Relations

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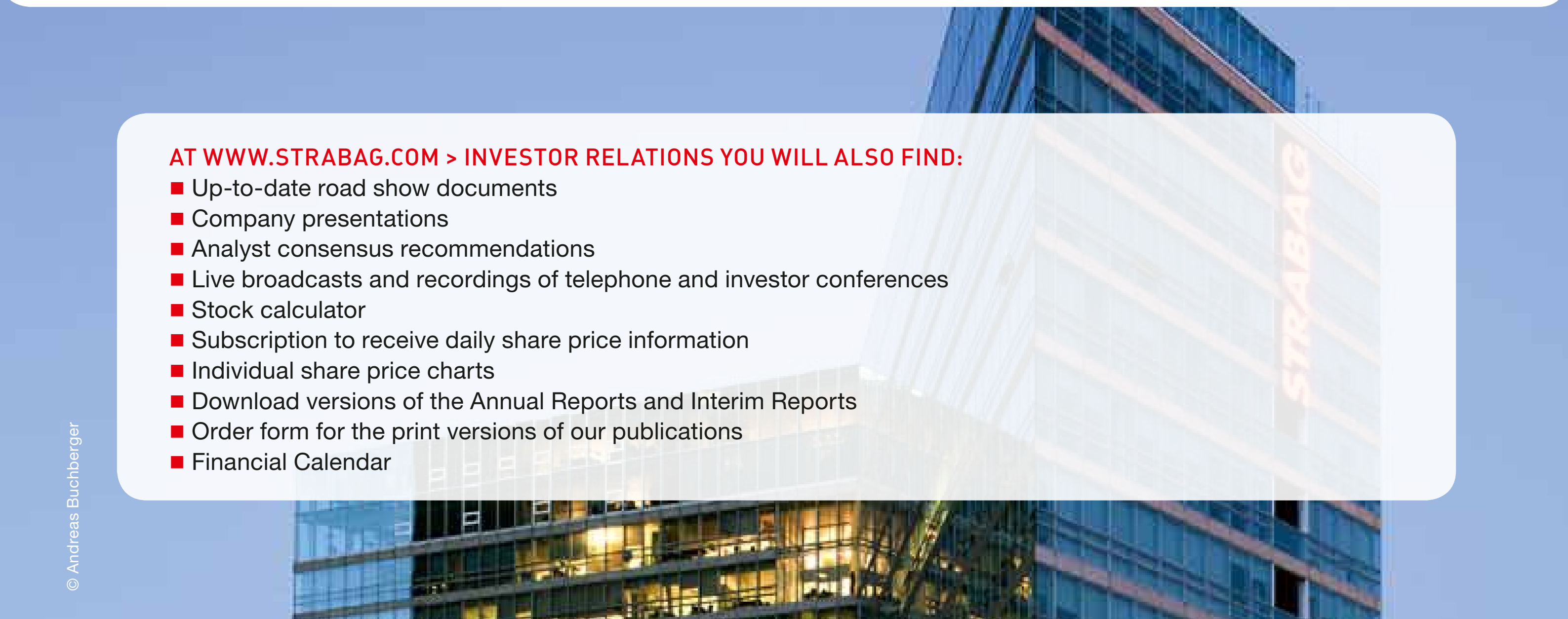


AT WWW.STRABAG.COM > INVESTOR RELATIONS YOU WILL ALSO FIND:

- Up-to-date road show documents
- Company presentations
- Analyst consensus recommendations
- Live broadcasts and recordings of telephone and investor conferences
- Stock calculator
- Subscription to receive daily share price information
- Individual share price charts
- Download versions of the Annual Reports and Interim Reports
- Order form for the print versions of our publications
- Financial Calendar

GROUP MANAGEMENT REPORT

GROUP MANAGEMENT REPORT[1)]

IMPORTANT EVENTS

JANUARY

€ 254 million transportation infrastructures contract in Poland
At the beginning of January, the company signed an approx. € 254 million contract to build a 40 km section of the S8 expressway in Poland. The order also includes the construction of 18 bridges, the conversion of adjacent local and municipal roads, as well as the construction of a rest area including the technical infrastructure.

Offshore wind project companies acquired
In January, the contracts were finalised and signed for the acquisition of a 51 % interest in nine offshore wind project companies for the development, construction and subsequent operation of offshore wind turbines in the German North Sea. The contracts for six further project companies had already been concluded in 2011.

FEBRUARY

Bus rapid transit system in Tanzania
STRABAG is building a bus rapid transit (BRT) infrastructure – an above-ground bus transport system with separate bus lanes and priority right of way – in Tanzania's main city of Dar es Salaam. The € 134 million contract includes the rehabilitation and expansion of a total of three main traffic arteries.

MARCH

Billion-euro Pedemontana Lombarda motorway in Italy
The order for the STRABAG consortium includes the construction of a 50 km dual carriageway motorway with two or three lanes in each direction as well as 50 km of spurs and connecting routes to the existing road network. The contract also comprises 50 cut-and-cover tunnels as well as two bored tunnels including technical facilities, bridges and an approximately 80 km bicycle trail. Work on the € 1.7 billion order (STRABAG's expected share amounts to approx. € 1.0 billion) is to be completed in time for the Milan Universal Exposition in 2015.

STRABAG SE places € 140 million bonded loan
To help diversify its financing structure, STRABAG SE placed a € 140 million bonded loan with European and Asian financial institutions as well as institutional investors from Germany. The volume of the issue is divided among two fixed-interest and two variable tranches with terms to maturity of five and seven years.

Extension of underground line U1 in Vienna
STRABAG was awarded the two construction contract sections U1/9 – "Altes Landgut" and U1/10 – "Troststrasse" forming part of the extension of underground line U1 into the south of Vienna, Austria. The order value amounts to a total of around € 90 million.

STRABAG Switzerland enters into strategic partnership with BH-Holding
STRABAG reached an agreement over a strategic partnership with BH-Holding AG in the Swiss cantons of Zurich and Zug. The agreement gives STRABAG the option of assuming the construction works for projects acquired or developed by BH-Holding's construction subsidiary, Baunova Group. STRABAG will also assume operating management and a stake of 51 % in Baunova AG.

Campus for Hamm-Lippstadt University of Applied Sciences for € 100 million
The Hamm-Lippstadt University of Applied Sciences in Germany opened in temporary premises in 2009. By 2014, STRABAG subsidiary Ed. Züblin AG will have completed the turnkey construction of new lecture halls, laboratories, administration buildings and dining halls, as well as all exterior facilities and the execution planning. Within the planned construction time of 20 months, a total of around 38,000 m² of gross floor area will be built at the Hamm Campus and about 21,000 m² at Lippstadt.

1) This part has been audited by the financial auditor KPMG.

Ed. Züblin AG awarded large contract for "Stuttgart 21" transportation project
The order encompasses the construction of the station concourse, of the access tunnels at the south and north ends of the station using the cut-and-cover method, and of the Hauptsammler West, Cannstatter Strasse and Nesenbach culverts in Stuttgart, Germany. The order has a net value of about € 320 million.

APRIL

Acquisition of Wallsee-based Brandner Wasserbau
Effective retroactively to 1 January 2012, STRABAG SE acquired 100 % of Brandner Wasserbau GmbH, based in Wallsee, Austria. The family SME has been active in the fields of hydraulic engineering, sand and gravel mining, and hydrography for more than 200 years. The acquisition bolsters the STRABAG Group in the business field of hydraulic engineering and will allow the company to work the market with its own equipment and personnel.

MAY

STRABAG SE issues € 100 million corporate bond
STRABAG SE issued a seven-year, € 100 million fixed-interest corporate bond with a face value of EUR 1,000.00 and a coupon of 4.25 %. The issue price was set at 101.45. The international ratings agency Standard & Poor's rates the 2012 STRABAG bond as investment grade with a rating of BBB-.

New contracts for EFKON in India
EFKON AG, a subsidiary of STRABAG SE, was awarded six contracts in the field of intelligent transportation systems (ITS) worth a total of around € 10 million in India.

JUNE

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

Changes to the organisational structure at STRABAG SE
Hans Peter Haselsteiner will resign as CEO of STRABAG SE after the Annual General Meeting that will vote on the approval of the management board actions for the 2013 financial year – most likely in June 2014. As his designated successor, he will propose that the supervisory board select current management board member Thomas Birtel. At the same time, Deputy CEO Fritz Oberlerchner resigned from the management board effective 30 June 2012 to objectively lead the "STRABAG 2013ff" task force charged with evaluating the STRABAG Group's options regarding its organisational and strategic future. STRABAG also departed from the principle of assigning board member responsibility according to business segment as well as from the principle of having a technical and commercial director for each segment at the management board level and is instead assigning business responsibility by region. Effective 1 July 2012, the group is organised into the segments North + West, South + East and International + Special Divisions, as well as Other.

JULY

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

SEPTEMBER

School project in Hamburg
The city of Hamburg, Germany, commissioned HEOS Berufsschulen Hamburg GmbH, a special purpose company set up in part by STRABAG Real Estate GmbH, with the planning, construction, renovation and management of 15 selected vocational schools. The € 700 million project is being carried out under a public-private partnership (PPP) model over 30 years including the approximately five-year construction and renovation period.

STRABAG building waste treatment facility in Ljubljana
The city of Ljubljana, Slovenia, awarded STRABAG the € 112 million contract to build the RCERO waste treatment facility for the generation of biogas from organic waste, the production of refuse-derived fuel and the recycling of reusable materials. The biogas facility with the patented STRABAG LARAN® plug flow fermenter will be one of the most state-of-the-art of its kind in Europe.

NOVEMBER

Large contract for Alto Maipo hydropower complex in Chile
The Chilean tunnelling division of STRABAG SE signed a design and building contract for the majority of the tunnelling and civil engineering works of the Alto Maipo hydropower complex. The contract is one of the biggest private construction contracts in South America. The client is a subsidiary of the Chilean-based AES Gener and the US-based AES Corporation. The complete contract consists of tunnels and shafts with a total length of 46.5 km. The design and construction phase will last approximately four-and-a-half years.

Contract on Vienna–Salzburg high-performance rail line
After the opening of the high-performance rail line through the Tullnerfeld, ÖBB Infrastruktur AG is further upgrading the Westbahn line and awarded STRABAG the contract to build the section West between St. Pölten and Loosdorf. The contract has a value of about € 33 million.

DECEMBER

STRABAG SE appointed Chief Financial Officer (CFO)
At its meeting of 14 December 2012, the supervisory board appointed Christian Harder (44), managing director of BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H., the STRABAG SE subsidiary responsible for the service functions of accounting, taxes, finances, IT, human resources, real estate, insurance and organisational development, to the management of STRABAG SE. He has assumed this position as of 1 January 2013. At the same time, Thomas Birtel was appointed Deputy CEO of the STRABAG SE management board.

Stronger financial position through € 400 million syndicated cash credit line
STRABAG SE arranged a revolving syndicated cash credit line with a consortium of banks in the amount of € 400 million. With a term of five years, the credit line represents a long-term loan commitment with which STRABAG further safeguards its comfortable liquidity position.

COUNTRY REPORT

OUTPUT VOLUME OF STRABAG SE BY COUNTRY 2011–2012

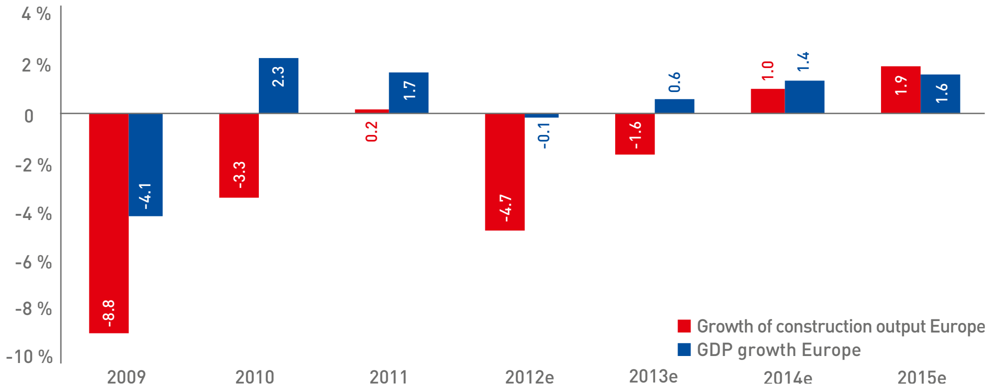
€ MLN.	2012	% OF TOTAL OUTPUT VOLUME 2012	2011	CHANGE %	CHANGE ABSOLUTE	% OF TOTAL OUTPUT VOLUME 2011
Germany	5,779	41 %	5,609	3 %	170	39 %
Austria	1,888	13 %	1,985	-5 %	-97	14 %
Poland	1,139	8 %	1,719	-34 %	-580	12 %
Czech Republic	646	5 %	769	-16 %	-123	5 %
Scandinavia	579	4 %	512	13 %	67	4 %
Russia and neighbouring countries	527	4 %	487	8 %	40	3 %
Benelux	456	3 %	360	27 %	96	3 %
Switzerland	425	3 %	574	-26 %	-149	4 %
Slovakia	400	3 %	441	-9 %	-41	3 %
Hungary	393	3 %	436	-10 %	-43	3 %
Romania	372	3 %	206	81 %	166	1 %
The Americas	348	2 %	257	35 %	91	2 %
Middle East	305	2 %	309	-1 %	-4	2 %
Italy	157	1 %	186	-16 %	-29	1 %
Croatia	130	1 %	106	23 %	24	1 %
Africa	125	1 %	63	98 %	62	1 %
Asia	111	1 %	109	2 %	2	1 %
Rest of Europe	83	1 %	44	89 %	39	0 %
Slovenia	81	1 %	49	65 %	32	0 %
Serbia	72	0 %	87	-17 %	-15	1 %
Bulgaria	27	0 %	18	50 %	9	0 %
Total	**14,043**	**100 %**	**14,326**	**-2 %**	**-283**	**100 %**
thereof CEE[1]	3,787	27 %	4,318	-12 %	-531	30 %

Despite the strong presence in its home markets of Austria and Germany, STRABAG sees itself as a European company. The group has been active in Central and Eastern Europe for several decades in order to diversify the country risk and to profit from the market opportunities in the region. In the 2012 financial year, business in these countries accounted for 27 % (2011: 30 %) of the total group output volume. This gives STRABAG a unique position in comparison to the competition and makes it the market leader in the construction sector in Central and Eastern Europe. Even if the growth rates have fallen over the past few years, the group is sticking to its geographic orientation: the strategy of diversification calls for a long-term focus. Furthermore, STRABAG has for years pursued the strategy of expanding its market shares on the home and growth markets in order to achieve the necessary economies of scale to become a cost leader.

1) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia and neighbouring countries, Serbia, Slovakia, Slovenia.

STILL NO UPSWING OF THE EUROPEAN CONSTRUCTION SECTOR[1]

GROWTH COMPARISON CONSTRUCTION VS. GDP EUROPE



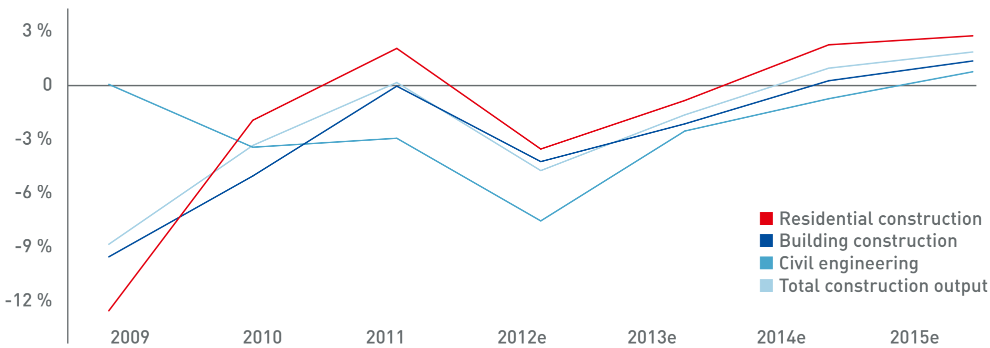
The consequences of the financial crisis continued to burden growth and employment in the euro area. The gross domestic product (GDP) of the 19 Euroconstruct states fell by 0.1 % in 2012. A gradual return to economic growth is not expected until 2013. Flanked by structural reforms, the growth is expected to be stronger and more even in 2014, according to the experts at Euroconstruct, which will be reflected in GDP growth of 0.6 %.

Following slight growth the year before, the European construction industry registered a strong decline by 4.7 % during the period under report. The continuing high unemployment, the dampened macroeconomic outlook and the extensive consolidation measures on the part of the public budgets hindered demand in all three sectors of the construction industry. Further losses of 1.6 % are expected for 2013, and the situation is only expected to improve slightly toward the end of the forecast period – which reaches to 2015.

Due to the restrained public-sector demand in several countries, the field of civil engineering in particular – an important growth driver in the past – has had to register losses. The worsening economy continued to dampen business demand for building construction. Throughout it all, the development of construction production was characterised by country-specific differences: as a general trend, the situation of the construction business was better in northern and central Europe than in the continent's south and east.

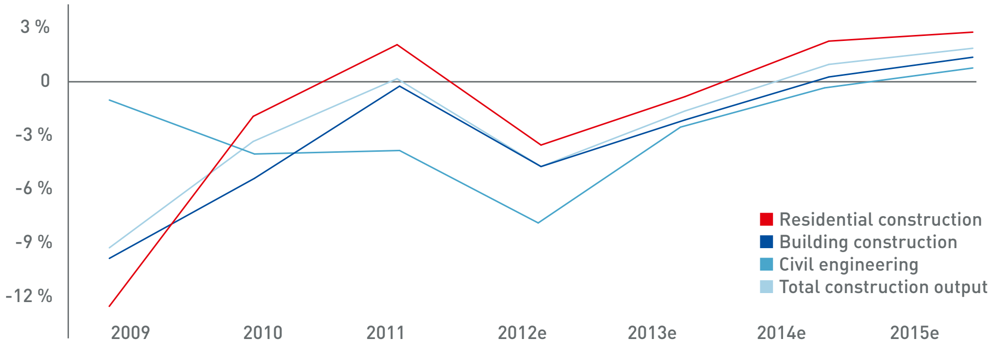
STRONGEST MEDIUM-TERM GROWTH IN RESIDENTIAL CONSTRUCTION

DEVELOPMENT CONSTRUCTION SECTOR EUROPE

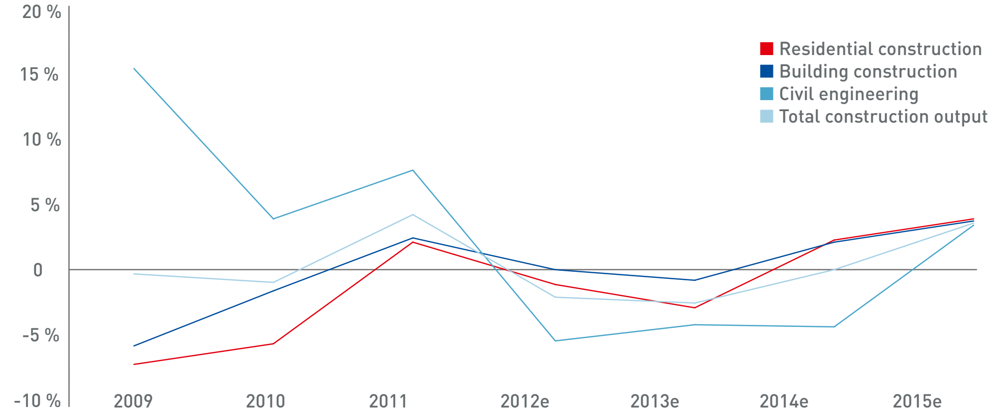


1) All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct's winter 2012 reports.

DEVELOPMENT CONSTRUCTION SECTOR WESTERN EUROPE



DEVELOPMENT CONSTRUCTION SECTOR CENTRAL AND EASTERN EUROPE



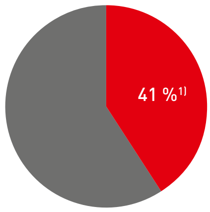
Residential construction in Europe remains strongly influenced by the difficult macroeconomic framework. As a result of the high unemployment, the indebtedness of private households, and the restrictive financing conditions, the field of residential construction slipped another 3.5 % during the period under report, although it still developed better than the fields of building construction or civil engineering. By 2015, stable growth is expected in the Nordic countries in particular, but also in several countries in Central Europe. In all, Euroconstruct forecasts slight growth of 1.5 % for the 19 member countries during the period from 2012 to 2015. But this positive outlook – particularly in new residential construction – depends on stabilisation taking hold in the euro area and in the banking system.

With a minus of 4.2 %, the field of building construction shrank even more strongly than residential construction – and not even in the medium-term is a significant recovery in sight. A country-by-country comparison revealed great differences. While the Central and Eastern European countries – carried by the continued good performance of Poland – were able to avoid negative growth, the countries of Western Europe lost 4.6 % on average. The biggest losses were seen in the countries of Southern Europe, while the Nordic countries, above all Norway and Denmark, already recovered slightly. These regionally distinct trends will continue in the medium-term. Growth of 3.8 % is expected to return to Central and Eastern Europe by the end of the forecast period in 2015, while Southern and Western Europe will continue with only very moderate growth.

The current development in the field of civil engineering reflects the difficult situation of the European economy. The restrictive fiscal policy and the drastic spending cuts led to a 7.5 % decline in this field. The years of growth in the sector also came to an end in the countries of Central and Eastern Europe – a development that will only accelerate even further in the years to come. First positive trends are expected in 2015 at the earliest. This forecast also involves uncertainties and depends on good global economic development.

GERMANY

OVERALL CONSTRUCTION VOLUME: € 273.70 billion



	2012e	2013e
GDP GROWTH[2]	0.8 %	1.0 %
CONSTRUCTION GROWTH	-0.2 %	2.5 %

The strong economic growth of the past few years also slowed in Germany, where the continuing negative economic climate resulted in low GDP growth of just 0.8 % in 2012. However, the experts at Euroconstruct expect a renewed upswing already in the second half of 2013. In view of the recovery of the global economy and an improvement of the economic situation in the countries of the euro area, the German GDP should again exhibit moderate growth in the years to come.

Against the backdrop of high demand for new buildings and intense renovations activity, German residential construction grew by 3 % in 2012. The situation was encouraged especially by the relatively good economic position of the private households and by the sustained low interest rates. However, this development was unable to balance out the decline in civil engineering so that the overall output volume in the period under report shrank by 0.2 %. Euroconstruct expects renewed growth of 2.5 % already in 2013, however.

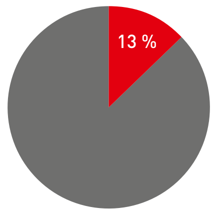
Building construction in Germany continued to suffer greatly from the consequences of the financial and economic crisis. Because of existing overcapacities in office, commercial and industrial buildings, the economic recovery did not lead to an increase of building construction activities. On the whole, this field increased by just 0.9 % during the period under report.

The extensive state stimulus programmes had led to a significant rise in the civil engineering business in the past few years. The discontinuation of these measures resulted in a 5.3 % drop in volume in 2012. In the medium-term, meanwhile, the German government will be suspending its investments especially in the field of transportation. The consequences of this restrictive policy will be felt for years to come.

With a market share of 2.0 %, STRABAG is market leader in Germany. The group's share of the German road construction segment, by comparison, amounts to 10.5 %. With € 5,779.34 million, about 41 % of STRABAG's total group output volume was generated in Germany. Most of this is accounted for by the segment North + West, while the property and facility services provided in Germany are ascribed to the segment International + Special Divisions.

AUSTRIA

OVERALL CONSTRUCTION VOLUME: € 31.93 billion



	2012e	2013e
GDP GROWTH	0.6 %	1.0 %
CONSTRUCTION GROWTH	1.1 %	0.6 %

Austria's economic growth of 0.6 % in 2012 was considerably below the level of the previous years. Significant factors behind this development include the rising unemployment and lower income growth. Due to the ongoing debt crisis and the weak global economy, no significant recovery is in sight for 2013. The economic upswing forecast for 2014, however, means that higher economic growth rates should again be possible.

The construction output in Austria slowed considerably after a strong 2011, growing by just 1.1 % in 2012. However, the experts at Euroconstruct expect higher growth rates to return in 2014 and 2015. Meanwhile, residential construction managed growth of 2.4 % in 2012 despite the difficult macroeconomic development.

Building construction was characterised greatly by the slower economic development in 2012. While this business field had still been the most dynamic segment the year before, with growth topping 8 % in 2011, it stagnated in the period under report with a growth rate of just 0.1 %. Especially weak was the development of office and industrial buildings as well as shopping centres, while investments in schools and healthcare facilities continued to grow.

1) Country output as percentage of group output volume
2) All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct's winter 2012 reports.

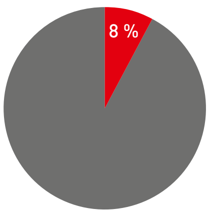
Renovations activities were less affected, as these will continue to be promoted by state measures until 2014. In line with the general economic development, building construction will probably exhibit first signs of a slight recovery in 2014.

Despite the currently very favourable financing conditions, the construction volume in civil engineering sank by 0.2 % in the wake of state austerity programmes and postponed infrastructure projects. The objectives of the Austrian stability pact – the federal government's consolidation project – will put pressure on this business field over the entire forecast period. Especially affected are investments in railway infrastructure. In the years 2014 and 2015, however, the economic growth rates should again reach 1.2 % and 2.3 %, respectively.

In 2012, STRABAG generated a total of 13 % of the group output volume (2011: 14 %) in its home market of Austria. Alongside Germany and Poland, Austria thus continues to be one of the group's top three markets. With a share of 6.2 %, STRABAG also remains market leader here. In road construction, the market share amounts to 15.2 %. The output volume in 2012 reached a volume of € 1,888.14 million.

POLAND

OVERALL CONSTRUCTION VOLUME: € 47.11 billion



	2012e	2013e
GDP GROWTH	2.3 %	2.0 %
CONSTRUCTION GROWTH	1.6 %	-3.4 %

Economic growth in Poland slowed in 2012 and reached only 2.3 % – compared to 4.2 % the year before. The causes can be found in the difficult economic situation of the most important Polish trade partners, on the one hand, and in the declining domestic demand on the other. The rising unemployment led to a significant reduction of budget income. Meanwhile, public spending was also down as part of the government's austerity measures. The experts at Euroconstruct expect a significant recovery in 2014 at the earliest.

With growth of just 1.6 %, the Polish construction industry reacted earlier and more strongly than expected to the macroeconomic decline – with no improvement in sight in the years to come. Euroconstruct does not expect to see an upswing of the construction industry until 2015.

Residential construction remained quite dynamic in the first half of the year, but construction activity slowed due to higher interest rates and more restrictive loan approval processes for private households as the year went on. At the end of the year, growth reached a total of 3.2 %.

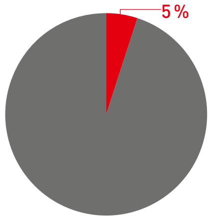
With a growth rate of 3.6 %, building construction proved more stable than residential construction. The main factors driving this development, however, were not the EU-financed projects, but the activities of private investors. The strongest growth rates were seen in hotel construction, followed by office and industrial buildings as well as warehouses. Due to the weaker economic performance, however, this development is expected to slow once more in the years to come.

The weak growth of the overall construction output is explained mainly by the negative growth of civil engineering. With the holding of Euro 2012 and the thus connected completion of sports and tourism structures, the field of civil engineering had to accept a decline of 1.7 % after the high growth rates of the previous years. Road construction activity also shrank significantly, although growth was recorded with airports and runways, rail-way lines, bridge building and tunnelling. A recovery in the civil engineering business is not expected until 2015.

STRABAG is number one in the construction industry in Poland. The country contributed € 1,138.81 million, or 8 %, to the overall group output in 2012, making it STRABAG's third-largest market – despite expectations that the output volume will decline continuously against the backdrop of a difficult market environment. STRABAG's share of the entire Polish construction market amounted to 3.6 %, that of road construction to 12.9 %.

CZECH REPUBLIC

OVERALL CONSTRUCTION VOLUME:
€ 18.38 billion



	2012e	2013e
GDP GROWTH	-0.9 %	0.8 %
CONSTRUCTION GROWTH	-5.4 %	-1.9 %

The year 2012 again failed to bring a recovery to the Czech economy. Following low growth rates in the past two years, the Czech Republic slid back into recession in 2012 – the economy shrank by 0.9 %. Unfavourable factors included especially the unstable political situation, the higher value added tax, the rising unemployment and the constant decline of public-sector investments. Growth is expected to return into positive territory in the coming years, however, albeit at a low level.

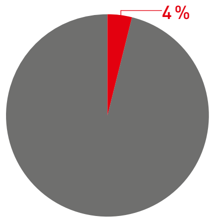
In line with the economic development, the Czech construction output also shrank by 5.4 %. A slight recovery of the construction market is currently expected in 2014 or 2015 at the earliest. Residential construction was affected the most by the renewed recession, with high prices a burden on the already weak demand. Even low interest rates could not compensate this development, so that the volume of residential construction declined by 9.7 % in the period under report.

In building construction, state-financed projects were especially affected by the austerity measures. In this area, EU aid remains the main financing source. Due to the difficult economic situation, however, uncertainty was also on the rise among private clients, so that private investments came to a standstill as well. On the whole, the field of building construction fell by 2.8 % in the period under report. The increasing caution among banks in the field of real estate development also had a negative impact on the sector. Euroconstruct expects slight growth in this field starting in 2014.

Civil engineering suffered the most from the decline in public-sector investments. The austerity measures that were introduced in 2010 prevented a positive development of the sector in the period under report, with an overall decline of 11.2 % the result.

STRABAG is number two on the market in the Czech Republic. With an output volume of € 646.33 million, the group generated around 5 % of its overall output volume on the Czech market in 2012. The share of the construction market as a whole amounts to 4.2 %, even reaching 20.0 % in road construction.

SCANDINAVIA



SWEDEN

OVERALL CONSTRUCTION VOLUME:
€ 31.38 billion

	2012e	2013e
GDP GROWTH	0.9 %	1.8 %
CONSTRUCTION GROWTH	-2.4 %	0.2 %

FINLAND

OVERALL CONSTRUCTION VOLUME:
€ 28.56 billion

	2012e	2013e
GDP GROWTH	-0.5 %	0.5 %
CONSTRUCTION GROWTH	-3.4 %	-2.3 %

DENMARK

OVERALL CONSTRUCTION VOLUME:
€ 25.09 billion

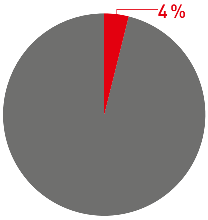
	2012e	2013e
GDP GROWTH	0.5 %	1.0 %
CONSTRUCTION GROWTH	0.5 %	2.2 %

The economic performance in Scandinavia again developed quite poorly in 2012. Sweden and Denmark recorded only moderate growth of 0.9 % and 0.5 %, respectively, while Finland exhibited an adverse trend. In 2013, however, the economic performance is expected to grow once more.

Even more significant were the differences in the construction output in Scandinavia. Against the backdrop of declining volumes in residential construction, Denmark's construction business stagnated and Sweden's construction output even shrank by 2.4 %.

STRABAG's output volume in Scandinavia amounted to € 578.53 million in 2012. The main activities include infrastructure and residential construction in Sweden. In the future, STRABAG intends to strengthen the focus on proprietary project developments.

RUSSIA AND NEIGHBOURING COUNTRIES (RANC)



RUSSIA

OVERALL CONSTRUCTION VOLUME:
€ 155.78 billion

	2012e	2013e
GDP GROWTH	3.5 %	3.8 %
CONSTRUCTION GROWTH	9.2 %	5.9 %

UKRAINE

OVERALL CONSTRUCTION VOLUME:
€ 9.47 billion

	2012e	2013e
GDP GROWTH	3.0 %	3.5 %
CONSTRUCTION GROWTH	8.0 %	2.5 %

Although the Russian economy grew by 3.5 % in 2012, a return to the growth rates from before the 2008 crisis is currently not in sight. Future growth will continue to depend greatly on the development of the oil price. Foreign investment has also failed to reach the levels from before the 2008 crisis year. The country's membership in the WTO should make Russia more attractive for international investors, however. Further positive impulses should come from a general improvement of the investment climate in the country: the Russian government is planning to put Russia into the top 20 countries as regards investment climate.

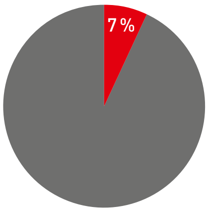
With 9.2 %, growth of the Russian construction output in 2012 was clearly higher than the economic growth. The field of residential construction exhibited the strongest dynamism, reaching 2008 levels already in 2011. Against the backdrop of the positive economic development, remarkable growth rates were recorded in the field of building construction. Office and commercial buildings exhibited especially strong growth rates, at times even reaching the double digits. While residential construction is strongly focused on the Moscow region, building construction is also showing positive development in the regions outside of Moscow and Saint Petersburg.

The strongest growth, with a plus of 12.1 %, was achieved in civil engineering. This development was the result of both major international events as well as ambitious infrastructure projects. Civil engineering continues to hold by far the greatest share of the country's overall construction output and will continue to exhibit substantial growth in the years to come.

With a plus of 3.0 %, the Ukrainian economy grew somewhat more slowly in 2012 than Russia; the 8.0 % plus in construction output also remained slightly below the level of the neighbouring country. The field of civil engineering was significantly less dynamic here, growing by just 0.5 %. Despite a sustained good economic development, the experts at Euroconstruct do not believe that Ukraine will be able to maintain the high growth of the construction output in the years to come.

STRABAG generated an output volume of € 527.39 million in Russia and its neighbouring countries (RANC) in 2012. The contribution to the overall group output volume in the period under report amounted to 4 %. In this region, STRABAG is active almost exclusively in building construction and civil engineering.

REST OF WESTERN AND NORTHERN EUROPE



NETHERLANDS

OVERALL CONSTRUCTION VOLUME: € 66.79 billion

	2012e	2013e
GDP GROWTH	-0.5 %	0.8 %
CONSTRUCTION GROWTH	-6.9 %	-2.8 %

BELGIUM

OVERALL CONSTRUCTION VOLUME: € 9.47 billion

	2012e	2013e
GDP GROWTH	-0.1 %	0.7 %
CONSTRUCTION GROWTH	0.2 %	0.1 %

Against the backdrop of the ongoing turbulence in the euro area, and with a slight decline of the economic performance, the Benelux countries rank at or just above the European average. Euroconstruct expects moderate GDP growth here as early as next year.

With a decline of 6.9 %, the overall construction output in the Netherlands developed significantly below the country's economic performance. The negative trend was distributed fairly evenly across all segments of the construction industry. In Belgium, on the other hand, the growth of 7.2 % in civil engineering was able to compensate negative developments in the other areas. While the construction output in the Netherlands is expected to grow significantly in 2014 and 2015, Euroconstruct expects only continued moderate growth in Belgium.

STRABAG achieved an output volume of € 456.24 million in the Benelux countries in 2012. A stronger involvement is of interest to the company especially in motorway construction.

SWITZERLAND

OVERALL CONSTRUCTION VOLUME: € 49.46 billion

	2012e	2013e
GDP GROWTH	0.9 %	1.3 %
CONSTRUCTION GROWTH	1.1 %	2.5 %

The slower global economic growth led to a stagnation of the Swiss export market and a dampening of the economic growth to 0.9 %. Private consumption, on the other hand, exhibited sustained stable development. The growth rates should pick up again in the coming years.

In line with the economic performance, the construction industry registered only moderate growth of 1.1 % in 2012. Declines because of inclement weather at the beginning of the year also contributed to the reduced dynamism.

With growth of 2 % in 2012, the field of residential construction continued the good development of the previous years. Meanwhile, a consolidation in residential construction is expected as of 2014 due to stricter legislation regarding secondary residences. A regulation for more restrictive credit approval will also negatively impact the sector as of 2014.

After the strong growth of the previous year, the building construction business suffered from the difficult industry situation in several individual branches in 2012, growing by just 0.8 % in the period under report. While the negative environment led to stagnating investments in mechanical engineering and automation technology, investments are increasingly being made in educational facilities as well as in the culture and healthcare sectors. This field should also provide for renewed stronger growth rates in the future.

Investments in road and rail have – after a decline the previous year – led to renewed growth of 2.0 % in civil engineering. As part of the state infrastructure programmes, extensive investments in this sector are also planned for the years to come.

In 2012, Switzerland contributed € 424.68 million, or 3 %, to the group's overall output volume.

ITALY

OVERALL CONSTRUCTION VOLUME:
€ 178.12 billion

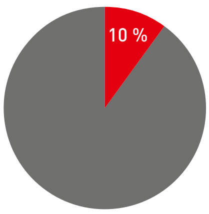
	2012e	2013e
GDP GROWTH	-2.4 %	-0.4 %
CONSTRUCTION GROWTH	-5.8 %	-1.4 %

The Italian economy has been in a recession since the second half of 2011. In 2012, the GDP shrank by 2.4 %, and positive growth rates are not expected until 2014.

The Italian construction output continued its negative trend for the sixth time in a row, shrinking by 5.8 % during the year under report. Euroconstruct expects a moderate recovery of the construction industry in 2014 at the earliest. In all, the market has lost nearly one third since 2006, with new construction collapsing by a total of 40 %. Investments in civil engineering have fallen by 32 % since the high of 2004.

STRABAG's output volume in Italy amounted to € 156.87 million in 2012. The company is mainly active in tunnelling and road construction in the north of the country, which is why most of the output volume is to be found in the segment International + Special Divisions.

REST OF CEE



SLOVAKIA

OVERALL CONSTRUCTION VOLUME:
€ 5.30 billion

	2012e	2013e
GDP GROWTH	2.5 %	2.1 %
CONSTRUCTION GROWTH	-13.3 %	-1.0 %

The Slovak economy grew by 2.5 % in 2012, somewhat more slowly than in the previous years. Growth will likely be even less dynamic in 2013, but it should again cross the 3 % mark in 2014. The growth of Slovakia's economic performance remains to a high degree dependent on foreign demand from large economies such as Germany, France and China.

Despite the solid economic development, the negative trend continued in the country's construction industry. The overall construction output suffered greatly under the European financial crisis and, with a minus of 13.3 %, shrank even more strongly than in 2009. The continuous decline of the order backlog, the restrictive budget measures from the government and the renewed postponement of planned infrastructure projects allow only a slight recovery to be expected in 2013.

After moderate growth the previous year, the field of building construction shrank by 11.1 % in the period under report. Cause for this negative development was the completion of several large projects as well as the postponement or resizing of new projects. The realisation of planned structures is not expected until 2014 to 2015.

Because of postponed infrastructure projects, the field of civil engineering shrank by a total of 25.7 %. Besides the restrictive budget policy, this development can be blamed on difficulties with contract partners, the necessary repetition of tender procedures, and the suspension of projects due to negative feasibility studies. The situation should improve significantly in the long-term, as the demand for modern infrastructure is continuously on the rise. The financing of such projects, however, is greatly dependent on EU aid.

With a market share of 8.3 % and an output volume of € 399.60 million in 2012, STRABAG is market leader in the Slovak market. STRABAG's share of the road construction market even amounts to 17.7 %. In 2012, Slovakia contributed 3 % to the group's overall output volume.

HUNGARY

OVERALL CONSTRUCTION VOLUME: € 8.18 billion

	2012e	2013e
GDP GROWTH	-1.5 %	0.8 %
CONSTRUCTION GROWTH	-9.0 %	0.9 %

Hungary's economic performance suffered strongly from the consequences of the budget restructuring, registering a decline of 1.5 % in 2012. For 2013, the experts at Euroconstruct expect a return to growth, but the ongoing difficult framework will keep it below the 1 % mark. Declining private consumption in particular, as well as the uncertain agreements with the European Union and the International Monetary Fund, resulted in more expensive financing. If conditions improve, and especially given accelerated delivery of EU funds, growth in the amount of 3–4 % could again be achieved in the years 2014 to 2015.

The construction output in Hungary has been falling continuously for seven straight years, with another decline of 9 % in 2012. Residential construction sank by 9.4 % in the year under report due to the difficult environment, rising unemployment and declining incomes. Without the necessary state stimulus, the renovations business was also unable to provide a positive impulse.

Building construction's share of the overall construction output slipped to about 38 % in 2012 and the sector is not expected to recover until 2015 at the earliest. While the volume of new construction lost 20 %, renovations remained close to the previous year's levels. The financing of public buildings in the future will continue to depend to a high degree on the government's budget policy and the availability of EU funds. Private investments are very strongly guided by the macroeconomic development of the country.

The field of civil engineering also recorded another decline by 4.9 % in 2012. The approval of EU aid accelerated the realisation of infrastructure projects, but growth is unlikely to be possible until next year. Factors driving growth will be the metro construction in Budapest, new IT services, water management and investments in energy.

With an output volume of € 392.65 million in 2012, STRABAG is the leading provider on the Hungarian construction market. The share of the overall market reached 5.3 %; in the road construction business, STRABAG even generated 14.8 % of the total output volume.

ROMANIA

OVERALL CONSTRUCTION VOLUME: € 18.84 billion

	2012e	2013e
GDP GROWTH	1.0 %	2.5 %
CONSTRUCTION GROWTH	0.3 %	2.9 %

The Romanian economy grew by 1.0 % in 2012. Although the country saw its share of political turmoil, it has so far been possible to keep the consequences for the economy at a minimum.

Romania's construction output, on the other hand, achieved only moderate growth of 0.3 %. Private residential construction continued to suffer from the very low demand, leading to declines of more than 10 %. Building construction, which holds the lowest share of the overall productive output, declined slightly during the period under report. A moderate recovery is expected here for the years 2013 or 2014. The negative developments in residential and housing construction were compensated by growth in civil engineering, which again grew by 10.3 %. More than 40 % of the output volume could be attributed to the field of road construction.

With an output volume of € 372.04 million, corresponding to a market share of 1.3 %, STRABAG took second place on the Romanian construction market in 2012. In road construction, the share amounts to 1.5 %. The rather lively business for the company in Romania can be explained by several large projects in transportation infrastructures that were won in the past few years and are now being executed, as well as by successful acquisitions of orders in building construction.

CROATIA

OVERALL CONSTRUCTION VOLUME: € 2.82 billion

	2012e	2013e
GDP GROWTH	0.8 %	1.2 %
CONSTRUCTION GROWTH	2.7 %	1.1 %

The Croatian economy continued to suffer from the consequences of the financial and economic crisis in 2012, achieving growth of just 0.8 % against this backdrop. Due to the low level of exports, the development of the Croatian market is more strongly dependent on domestic demand than other CEE countries. Domestic demand, however, is increasingly affected by the government's strict austerity programme.

Against the backdrop of the weak economic development, only a moderate recovery could be seen in the construction industry; still, the construction output was able to grow by 2.7 % during the period under report. Growth potential exists especially in private residential construction, although the construction boom of the past few years has left a high number of unsold flats. As public-sector investment in building construction also fell victim to the austerity measures, growth in this field is greatly dependent on private investments. Croatia's accession to the EU in July of this year could bring some momentum into individual market segments.

Civil engineering remains the most difficult sector to judge; its development is strongly dependent on state spending and is thus the most affected by the government's savings measures. The Croatian government has announced an ambitious infrastructure programme, but its realisation is in doubt.

In 2012, STRABAG generated an output volume of € 129.63 million in Croatia, where it ranks among the top five construction companies.

SLOVENIA

OVERALL CONSTRUCTION VOLUME: € 1.83 billion

	2012e	2013e
GDP GROWTH	-0.9 %	1.2 %
CONSTRUCTION GROWTH	-6.2 %	23.4 %

Due to its high export ratio, the Slovenian economy suffered greatly from the consequences of the economic and financial crisis of 2008 and 2009. After a brief recovery phase, the GDP shrank again by 0.9 % in 2012 due primarily to the weak domestic demand and Slovenia's low competitiveness.

Slovenia's weak economic performance again prevented an upswing of the construction industry, so that the crisis in the sector continued with a 6.2 % decline of the construction output in the period under report. Residential construction shrank due to the high number of unsold buildings, the ongoing difficulties on the credit market and a sustained high price level. The generally restrained investment climate in the country had a dampening effect on both building construction and civil engineering. As extensive infrastructure measures are currently in the planning phase, the civil engineering business should again achieve significant gains in 2013.

In 2012, STRABAG generated an output volume of € 81.44 million in Slovenia, placing itself among the top five construction companies in the country.

SERBIA

OVERALL CONSTRUCTION VOLUME: € 2.25 billion

	2012e	2013e
GDP GROWTH	-1.9 %	2.0 %
CONSTRUCTION GROWTH	3.7 %	15.0 %

Serbia also continues to suffer from the consequences of the global economic and financial crisis, registering another decline by 1.9 % of its economic performance in 2012. Based on an agreement with the IMF as well as a number of bilateral trade agreements, the export volume should grow once more in the years to come and will move the economic performance back into the positive already next year.

Counter to the general economic trends, public-sector financing measures helped the Serbian construction output grow by 3.7 % in the year under report. A return to the double-digit growth rates of the previous year are expected in 2013. While the volume in residential construction fell further, the building construction business delivered renewed solid growth. With growth of just 1.5 %, the development of the civil engineering business slowed significantly in the year under report. As a result of large planned infrastructure projects in road and rail construction, as well as projects in the field of energy, Euroconstruct expects growth of 13 % in 2013, however.

STRABAG generated an output volume of € 71.55 million on the Serbian market in 2012.

BULGARIA

OVERALL CONSTRUCTION VOLUME: € 5.21 billion

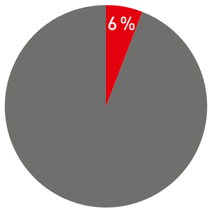
	2012e	2013e
GDP GROWTH	1.1 %	2.1 %
CONSTRUCTION GROWTH	-4.4 %	-0,1 %

Due to declining exports, Bulgaria was unable to fulfil the high expectations of its economic performance in 2012. With growth of just 1.1 %, the GDP development remained clearly below the value of the previous year. The impulses from the slow recovery of the domestic demand contributed little to the growth of the economy.

With a 4.4 % decline of the construction output, the enormous collapse of the past years could at least be slowed. Due to the low domestic demand and the economic uncertainties, private residential construction remains unattractive for investors. The field of building construction also developed only moderately, with large shopping centres serving as the main factors driving growth. Despite the negative development in the past few years, civil engineering continues to hold the largest share of the construction output. Stable growth is expected in this sector, but an intense price battle has set in for the upcoming public-sector tenders.

STRABAG generated € 27.43 million in the Bulgarian market in 2012.

MIDDLE EAST, AFRICA, THE AMERICAS, ASIA – REST OF WORLD



In addition to its main markets in Europe, the STRABAG Group is also active in individual non-European regions – these include Asia, Canada, Chile, Africa and the Middle East – in order to become more independent from the economic framework in the past growth markets. In all, the group generated € 888.97 million in these regions in 2012, which corresponds to 6 % of the group's overall output volume.

In the non-European markets, STRABAG is usually active as a general contractor through direct export. The focus in these regions is on civil engineering, industrial and infrastructure projects and tunnelling – areas in which high technological expertise is required.

Among the most important new orders received in the past year are two projects in Chile, including the tunnelling contract at the world's largest copper mine in Chuquicamata.

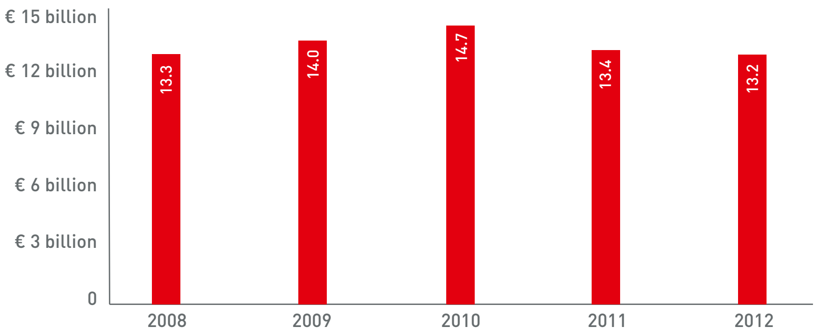
STRABAG's activities in non-European countries are included – with a few minor exceptions – in the segment International + Special Divisions.

ORDER BACKLOG

ORDER BACKLOG OF STRABAG SE BY SEGMENT 2011–2012

31.12. € MLN.	TOTAL (INCL. OTHER) 2012	NORTH + WEST	SOUTH + EAST	INTERNATIONAL + SPECIAL DIVISIONS	TOTAL (INCL. OTHER) 2011	CHANGE GROUP %	CHANGE GROUP ABSOLUTE
Germany	4,544	3,251	246	1,039	3,909	16 %	635
Austria	1,466	14	964	486	1,633	-10 %	-167
Italy	1,351	3	316	1,032	435	211 %	916
Poland	700	432	234	33	932	-25 %	-232
Russia and neighbouring countries	635	27	599	9	1,121	-43 %	-486
Middle East	596	8	27	561	746	-20 %	-150
Benelux	555	391	3	161	724	-23 %	-169
Czech Republic	499	0	486	12	408	22 %	91
Scandinavia	434	432	0	2	668	-35 %	-234
The Americas	416	237	6	173	601	-31 %	-185
Slovakia	331	0	322	9	328	1 %	3
Hungary	326	2	296	28	272	20 %	54
Romania	326	3	306	17	573	-43 %	-247
Switzerland	268	12	196	60	330	-19 %	-62
Africa	236	0	8	228	145	63 %	91
Asia	163	1	6	156	189	-14 %	-26
Slovenia	144	3	141	0	61	136 %	83
Croatia	113	0	110	3	140	-19 %	-27
Rest of Europe	78	11	40	27	92	-15 %	-14
Bulgaria	14	0	12	2	17	-18 %	-3
Serbia	8	0	8	0	30	-73 %	-22
Order backlog total	**13,203**	**4,827**	**4,326**	**4,038**	**13,354**	**-1 %**	**-151**
thereof CEE[1]	3,096	467	2,514	113	3,882	-20 %	-786
Segment contribution to group order backlog		36 %	33 %	31 %			

DEVELOPMENT OF ORDER BACKLOG 2008–2012



CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG ON 31 DECEMBER 2012

Categories of order size

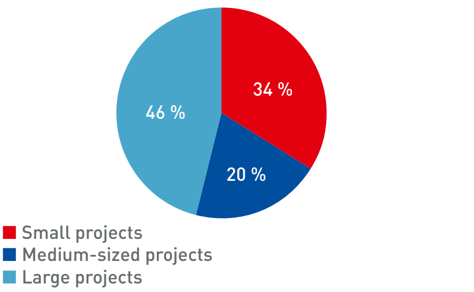
Small: € 0 million to € 15 million
Medium: € 15 million to € 50 million
Large: over € 50 million

CATEGORY	NUMBER OF CONSTRUCTION SITES	ORDER BACKLOG T€
Small orders	15,015	4,487
Medium-sized orders	211	2,682
Large orders	86	6,033
Total	**15,312**	**13,203**

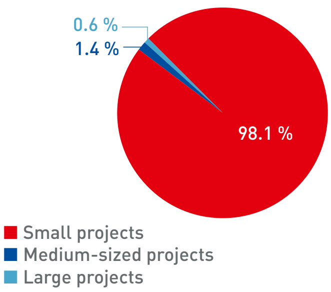
1) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia and neighbouring countries, Serbia, Slovakia, Slovenia.

At € 13.20 billion, the order backlog on 31 December 2012 remained at about the previous year's level (-1 %). Large projects were worked off in Poland, in the RANC region (Russia and neighbouring countries) and in Romania, thus transforming order backlog into output. Meanwhile, the order backlog was bolstered by a large road construction project in Italy and significant building construction projects in Germany.

ORDER BACKLOG ON 31 DECEMBER 2012
BY ORDER SIZE



NUMBER OF PROJECTS IN PROCESS ON 31 DECEMBER 2012 BY ORDER SIZE



The overall order backlog is comprised of 15,312 individual projects. More than 15,000 of these are small projects with a volume of up to € 15 million each. They account for 34 % of the order backlog; a further 20 % are medium-sized projects with order volumes between € 15 million and € 50 million; 46 % are large projects of € 50 million or more. The high number of individual contracts guarantees that the risk involved with one project does not threaten the group success as a whole. The ten largest projects in the order backlog on 31 December 2012 added up to 24 % of the order backlog, compared to 19 % at the end of 2011.

THE TEN LARGEST PROJECTS CURRENTLY IN PROGRESS

COUNTRY	PROJECT	ORDER BACKLOG IN € MLN	AS % OF TOTAL ORDER BACKLOG
Italy	Pedemontana motorway	1,051	8.0 %
Austria	Koralm Tunnel, contract section 2	408	3.1 %
Germany	Stuttgart 21, underground railway station	318	2.4 %
Russia	Kautschuk residential complex	305	2.3 %
United Arab Emirates	STEP wastewater systems	274	2.1 %
Netherlands	A-Lanes A15 motorway	180	1.4 %
Germany	Upper West Berlin	177	1.3 %
Germany	Milaneo Stuttgart	170	1.3 %
Chile	Candelaria Mine 2011	147	1.1 %
Russia	Olympic Village	138	1.0 %
Total		**3,169**	**24.0 %**

IMPACT OF CHANGES TO THE SCOPE OF CONSOLIDATION

In the 2012 financial year, 43 companies (thereof 20 mergers with fully consolidated companies) were included in the scope of consolidation for the first time. These companies contributed a total of € 46.02 million to the consolidated revenue and € -7.04 million to the net income. As a result of first-time inclusions, current and non-current assets increased by € 152.62 million, current and non-current liabilities by € 85.67 million.

FINANCIAL PERFORMANCE

STRABAG SE generated an output volume of € 14,042.60 million in the 2012 financial year. Even against the backdrop of low public-sector infrastructure expenditures, the output volume, with a decrease of just 2 %, remained practically at the same high level of the previous year. The largest reduction was registered in Poland due to the end of the construction boom in that country. Declines in several countries in Eastern Europe were countered by increases in Germany and in Romania.

The consolidated group revenue for the 2012 financial year stood at € 12,983.23 million, which corresponds to a decrease of 5 %. The ratio of revenue to construction output sank from the high levels in the previous years to 92 % (2011: 96 %). The segment North + West contributed 42 %, South + East 37 % and International + Special Divisions 20 % to the revenue.

The changes in inventories fell by nearly one half despite the fact that the real estate project development business was pursued as actively as in the past. The own work capitalised remained at a very low level – the year before, this item had still included final works related to the construction of the proprietary cement work in Hungary.

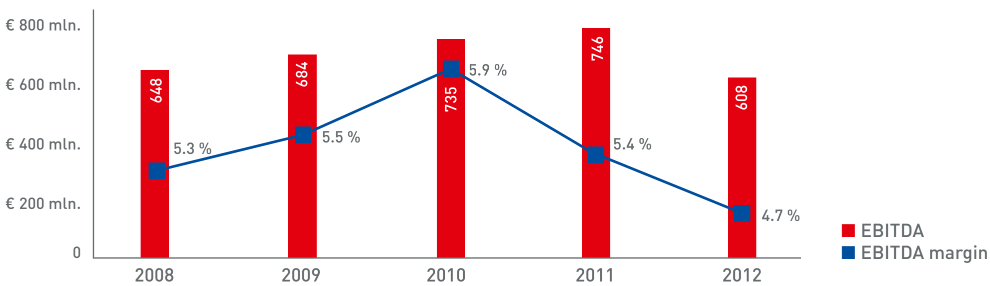
With the slightly lower revenue, the raw materials, consumables and services used were down as well, falling by 7 % to € 8,655.10 million, while the employee benefits expense grew slightly (2 %) to € 3,051.78 million. In total, however, the ratio of these two items versus revenue remained unchanged at 90 %.

In line with revenue, the other operating expenses fell significantly by 7 % despite charges to this item in the form of damage compensation payments amounting to € 43 million related to an arbitration ruling on a failed acquisition in the concrete business as well as noteworthy losses from consortia. At the same time, the other operating income was down by 17 %. This item also includes income from the fully consolidated concession companies.

	2012 € MLN.	2011 € MLN.	CHANGE %
Raw materials, consumables and services used	8,655	9,320	-7 %
Employee benefits expense	3,052	3,004	2 %
Other operating expenses	938	1,014	-7 %
Depreciation and amortisation	401	412	-3 %

The share of profit or loss of associates was less strongly in negative territory in the 2012 financial year than in the previous year, when it still included an extraordinary write-down in the mid-double-digit millions related to an interest in cement activities. With € 4.35 million, the net income from investments, composed of the dividends and expenses of many smaller companies or financial investments, remained at about the previous year's level. The missing revenue for services already rendered in Central and Eastern Europe, as well as damage compensation payments and loss-making acquisitions of joint ventures, led to a decline of the earnings before interest, taxes, depreciation and amortisation (EBITDA) by 18 % to € 608.35 million and an associated decline of the EBITDA margin from 5.4 % to 4.7 %.

DEVELOPMENT OF EBITDA AND EDITDA MARGIN 2008–2012



The depreciation and amortisation fell by 3 % to € 401.17 million. The goodwill impairment contained in this item was down from € 16.15 million in 2011 to € 10.08 million in 2012. This resulted in a decrease in the earnings before interest and taxes (EBIT) by 38 % to € 207.19 million and an EBIT margin of 1.6 % versus 2.4 % in the previous year.

While positive exchange rate differences amounting to € 37.27 million had still been registered in 2011, the net interest income in the past financial year now contained negative foreign currency effects of € 11.75 million. This resulted in a negative net interest income of € -50.73 million compared to a positive figure of € 8.54 million in the previous year. As a result, the profit before tax fell by more than half to € 156.46 million.

STRABAG considers an average tax rate of 30 % to be realistic. The actual rate of 29.7 % in 2012 confirms this expectation. This led to a net income of € 110.04 million.

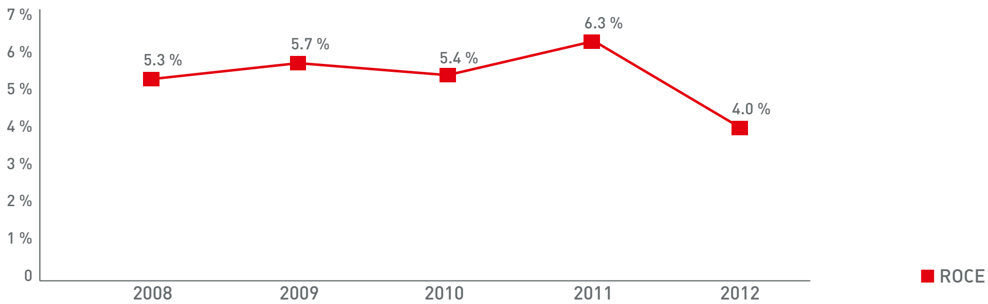
EFFECTIVE TAX RATE: 29.7 %

The earnings owed to the other shareholders (minority interest) again climbed from € 44.30 million to € 49.41 million in the past financial year. The net income after minorities for 2012 therefore stood at € 60.63 million, 69 % below the level of the previous year. The number of weighted outstanding shares decreased due to the buyback of own shares from 111,424,186 to 104,083,238, so that the earnings per share fell by about two thirds to € 0.58.

EARNINGS PER SHARE: € 0.58

The return on capital employed (ROCE)[1] sank to 4.0 % (2011: 6.3 %), its lowest value since the IPO in 2007.

DEVELOPMENT OF ROCE 2008–2012



FINANCIAL POSITION AND CASH FLOWS

	2012 € MLN.	% OF BALANCE SHEET TOTAL	2011 € MLN.	% OF BALANCE SHEET TOTAL
Non-current assets	4,546	45 %	4,534	44 %
Current assets	5,591	55 %	5,852	56 %
Equity	3,163	31 %	3,150	30 %
Non-current liabilities	2,432	24 %	2,359	23 %
Current liabilities	4,543	45 %	4,877	47 %
Balance sheet total	**10,138**	**100 %**	**10,386**	**100 %**

The balance sheet total of STRABAG SE remained very stable at € 10.14 billion. This was in large part due to the renewed increase of inventories in response to several new real estate project developments as well as the finalisation of the transaction to acquire a 51 % interest in a portfolio of several companies to develop, build and operate offshore wind turbines in the German North Sea. This also led to an increase in the minority interest in shareholders' equity, resulting in an improvement of the equity ratio from 30.3 % to 31.2 % despite the lower retained earnings – a result of the buyback programme of own shares and the lower net income. The management board considers an equity ratio between 20 % and 25 % to be a realistic target in the medium-term.

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

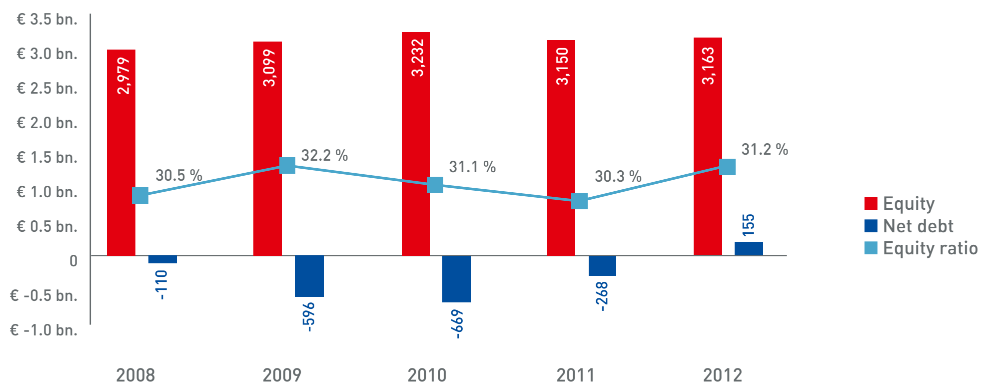
	2012	2011	2010
Equity ratio %	31.2 %	30.3 %	31.1 %
Net debt. € mln.	155	-268	-669
Gearing Ratio %	4.9 %	-8.5 %	-20.7 %
Capital employed € mln.	5,322	5,336	5,236

As expected, but unlike in previous years, STRABAG did not register a net cash position on 31 December 2012, but instead a net debt in the amount of € 154.55 million. This is due on the one hand to the lower cash and cash equivalents – noteworthy here are investments of € 42.88 million for the purchase of own shares as well as the build-up of working capital in the year under report – and, on the other hand, to the significantly higher pension and severance provisions resulting from a change to the mathematical interest rate.

CALCULATION OF NET DEBT (€ MLN.)

	2012	2011	2010
Financial liabilities	1,650	1,732	1,559
Severance provisions	80	70	69
Pension provisions	430	384	375
Non-recourse debt	-630	-754	-720
Cash and cash equivalents	-1,375	-1,700	-1,952
Net debt	**155**	**-268**	**-669**

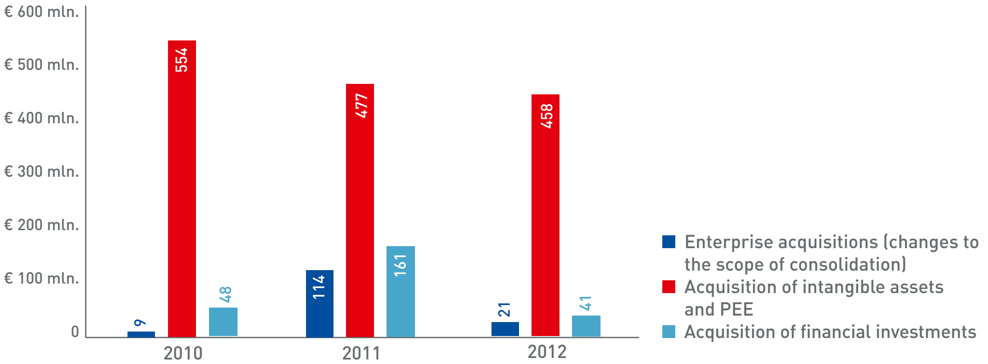
EQUITY, NET DEBT AND EQUITY RATIO 2008–2012



Due to the 28 % decline of the cash flow from profits and the somewhat stronger build-up of working capital, the cash flow from operating activities in the past financial year fell by 46 % to € 268.80 million. In the previous year, the investment for an interest in a cement plant had still affected the cash flow from investing activities. The absence of this investment in the past financial year, and the cautious attitude regarding enterprise acquisitions, let the cash flow from investing activities fall by 27 % to € -447.19 million. The cash flow from financing activities, which amounted to € -176.26 million, was defined by a significant repayment of bank borrowings related to a motorway concession project in Denmark that was completed and transferred to the client. This could not be compensated for by increasing the financial resources from the bonded loan and from the bond.

CAPITAL EXPENDITURES

COMPOSITION OF CAPEX



STRABAG had forecast capital expenditures (CAPEX) in the amount of approximately € 475 million for the 2012 financial year. In the end, the net capital expenditures totalled € 447.19 million and so remained slightly under budget. CAPEX before subtraction of proceeds from asset disposals stood at € 520.65 million. This figure includes expenditures on intangible assets and on property, plant and equipment of € 458.28 million, the purchase of financial assets amounting to € 41.17 million and enterprise acquisitions (changes to the scope of consolidation) of € 21.19 million.

About € 250 million is spent annually as maintenance expenditures related to the equipment fleet in order to prevent inventory obsolescence. The high proportion of expansion expenditures is due to STRABAG's focus of its capital expenditures: a large portion went to expansions in the equipment fleet for large construction sites in tunnelling in Austria and in the international business, e.g. in Abu Dhabi and Tanzania. The company also made significant investments in 2012 in equipment for hydraulic engineering, including a ship. Another focus still remains on increasing the level of self-sufficiency with construction materials and on the German market.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against amortisation on intangible assets and depreciation on property, plant and equipment in the amount of € 401.17 million. This figure also includes goodwill impairment in the amount of € 10.08 million.

FINANCING/TREASURY

The number one objective for the treasury management of STRABAG SE is assuring the continued existence of the company through the maintenance of constant solvency. This objective is to be reached through the provision of sufficient short-term, medium-term and long-term liquidity.

Liquidity for STRABAG SE means not only solvency in the strict sense but also the availability of guarantees. The building activity requires the constant availability of bid, contract fulfilment, pre-payment and warranty guarantees and/or sureties. The financial scope of action is thus defined on the one hand by sufficient cash and cash credit lines, on the other hand by sufficient surety credit lines.

The management of liquidity risks has become a central element of the corporate management at STRABAG. In practice, liquidity risks come in various forms:

- In the short-term, all daily payment obligations must be covered in time and/or in their entirety.
- In the medium-term, liquidity levels must be sufficient so that no transaction or projects become impossible due to a lack of sufficient financial means or guarantees or that they cannot be executed at the desired pace.
- In the long-term, there should be sufficient financial means available to be able to pursue the strategic development targets.

TOTAL CREDIT LINE FOR CASH AND SURETY LOANS: € 6.6 BILLION

In the past, STRABAG has always oriented its financing decisions according to the risk aspects outlined above and has organised the maturity structure of the financial liabilities in such a way as to avoid a refinancing risk. In this way, the company has been able to maintain a great scope for action, which is of particular importance in a difficult market environment.

The necessary liquidity is determined by liquidity planning. Based on this, liquidity assurance measures are made and a liquidity reserve is defined for the entire group.

The medium- and long-term liquidity needs have so far also been covered by the issue of corporate bonds. STRABAG SE has regularly issued bonds on the Austrian capital market since 2002. However, due to the market conditions, STRABAG opted against issuing a new bond in the 2009 financial year. In the 2012 financial year, STRABAG successfully issued a € 100 million tranche with a coupon of 4.25 % and a term to maturity of seven years. The proceeds from the issue were used for general business purposes and to pay back a bond which matured in 2012. At present, this leaves four bonds of STRABAG SE with a total volume of € 450 million on the market.

In order to diversify the financing structure, STRABAG SE placed its first bonded loan in the amount of € 140 million in the past financial year. This long-term debt financing instrument is in many ways similar to a bond, with an important difference being that bonded loans are issued directly to institutional investors without using an organised capital market, i.e. an exchange.

In December 2012, STRABAG SE arranged a revolving syndicated cash credit line with a consortium of banks in the amount of € 400 million. With a term of five years, the credit line represents a long-term loan commitment with which STRABAG will be able to maintain its comfortable liquidity position. The syndicated cash credit line partially replaces already existing short-term bilateral credit lines, provides an overall improvement of the liquidity reserves and in particular can be used to balance out the cash infusions as required over the course of the year.

The existing liquidity of € 1.4 billion and cash credit lines of € 0.6 billion assure the group's liquidity needs. Nevertheless, further bond issues are planned, depending on the market situation, in order to maintain a high level of liquidity reserves in the future as well.

STRABAG SE has a total credit line for cash and surety loans in the amount of € 6.6 billion at its disposal. These credit lines include a syndicated surety credit line in the amount of € 2.0 billion and the syndicated cash credit of € 0.4 billion. Furthermore, there exist bilateral credit lines with banks. A high degree of diversification creates an adequate risk spread in the provision of the credit lines.

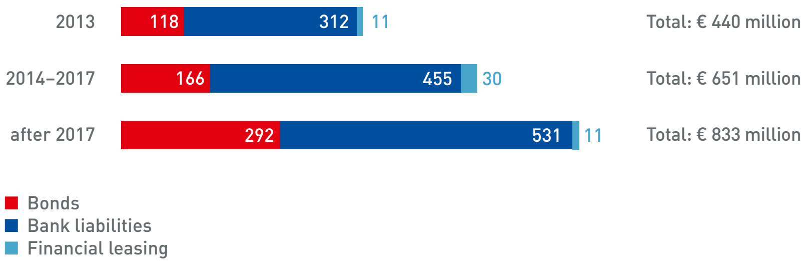
In December 2012, S&P again confirmed its BBB- rating and stable outlook as STRABAG SE benefits from the well-diversified and vertically integrated business, its good access to raw materials and the group's adequately high liquidity.

	2012	2011	2010
Interest and other income (€ million)	73	112	79
Interest and other expense (€ million)	-124	-104	-98
EBIT/net interest income	-4.1x	39.2x	-15.2x
Net Debt/EBITDA	0.3x	-0.4x	-0.9x

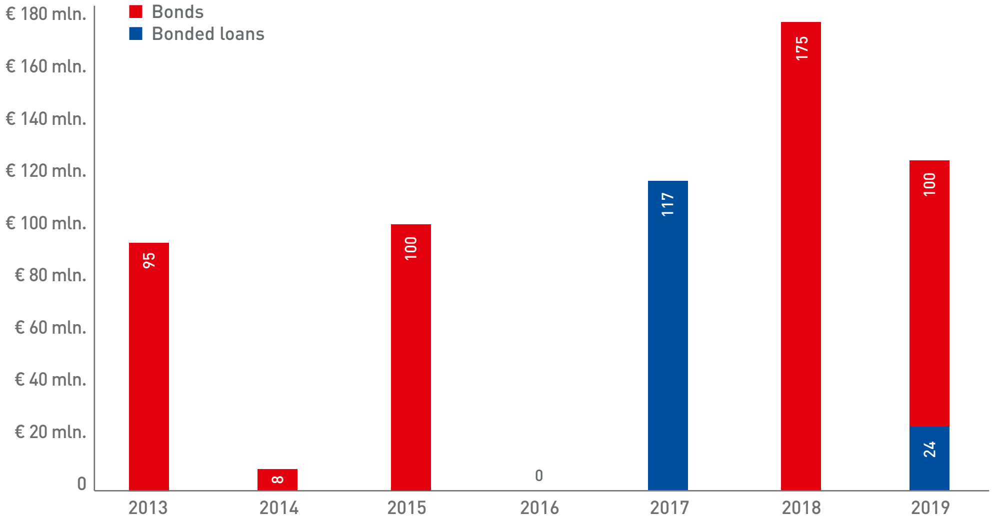
PAYMENT OBLIGATIONS

	BOOK VALUE 31 DECEMBER 2012 € MLN.
Bonds	478
Bank borrowings	1,129
Liabilities from finance leases	43
Total	**1,650**

PAYMENTS INCL. INTERESTS



REPAYMENT PROFILE



SEGMENT REPORT

OVERVIEW OF THE SEGMENTS OF STRABAG SE

The operating business of STRABAG SE is divided into three segments: North + West, South + East and International + Special Divisions. A further segment defined as "Other" encompasses expenditures, income and employees at the group's service companies and central staff units. Since 1 July 2012, STRABAG presents its business mainly by region and not – as it had done in the past – by construction segment.

The segments are comprised as follows:

North + West
Management board responsibility:
Peter Krammer
Germany, Poland, Benelux, Scandinavia, Ground and Hydraulic Engineering, Offshore Wind

South + East
Management board responsibility:
Siegfried Wanker
Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Railway Structures, Environmental Technology
Management board responsibility:
Thomas Birtel
Russia and neighbouring countries

International + Special Divisions
Management board responsibility:
Hannes Truntschnig
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

Service Companies
Management board responsibility:
Thomas Birtel and Christian Harder

Construction projects are assigned to one of the segments (see chart below). Of course, projects may also be assigned to more than one segment. This is the case, for example, with PPP projects in which the construction part is assigned to its respective geographic segment, but the concession part is assigned to the concessions unit of International + Special Divisions. In projects which span more than one segment, the commercial and technical responsibility is generally assigned to that segment which has the higher share of the overall project value.

With only a few exceptions, we offer our services in all areas of the construction industry in the individual European markets in which we operate and cover the entire construction value chain. Our services include:

	NORTH + WEST	SOUTH + EAST	INTERNATIONAL + SPECIAL DIVISIONS
Residential Construction	✓	✓	✓
Commercial and Industrial Facilities	✓	✓	✓
Public Buildings	✓	✓	✓
Production of Prefabricated Elements	✓	✓	✓
Civil Engineering	✓	✓	✓
Bridges	✓	✓	✓
Power Plants	✓	✓	✓
Environmental Technology		✓	
Railway Structures		✓	
Roads, Earthworks	✓	✓	✓
Hydraulic Engineering, Waterways, Dyking	✓	✓	
Landscape Architecture and Development	✓	✓	
Paving	✓	✓	
Large-Area Works	✓	✓	✓
Sports and Recreational Facilities	✓	✓	
Protective Structures	✓	✓	✓
Sewer Systems	✓	✓	✓
Production of Construction Materials	✓	✓	✓
Ground Engineering	✓		
Offshore Wind	✓		✓
Tunnelling			✓
Real Estate Development			✓
Infrastructure Development			✓
Operation/Maintenance/Marketing of PPP Projects			✓
Property and Facility Services			✓

SEGMENT NORTH + WEST

The segment North + West executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground and hydraulic engineering as well as offshore wind can also be found in this segment.

	2012 € MLN.	CHANGE 2011–2012 %	2011 € MLN.
Output volume	6,237	-3 %	6,397
Revenue	5,510	-8 %	5,961
Order backlog	4,827	-2 %	4,912
EBIT	-51	n.a.	149
EBIT margin % of revenue	-0.9 %		2.5 %
Employees	25,108	-3 %	25,962

OUTPUT VOLUME NORTH + WEST 2011–2012

€ MLN.	OUTPUT VOLUME TOTAL 2012	OUTPUT VOLUME TOTAL 2011	CHANGE %	CHANGE ABSOLUTE
Germany	4,185	4,103	2 %	82
Poland	777	1,290	-40 %	-513
Scandinavia	575	487	18 %	88
Benelux	329	271	21 %	58
The Americas	131	92	42 %	39
Russia and neighbouring countries	88	52	69 %	36
Switzerland	35	38	-8 %	-3
Rest of Europe	33	14	136 %	19
Slovenia	19	0	n.a.	19
Austria	18	18	0 %	0
Hungary	16	9	78 %	7
Italy	9	2	350 %	7
Asia	7	8	-13 %	-1
Romania	6	6	0 %	0
Middle East	5	4	25 %	1
Serbia	3	0	n.a.	3
Africa	1	3	-67 %	-2
Output volume total	**6,237**	**6,397**	**-3 %**	**-160**

Output volume, revenue and result

With € 6,237.17 million, the segment North + West exhibited a 3 % lower output volume in 2012 as compared to the year before. Good demand in the German building construction and civil engineering business, as well as the expansion in Northern Europe, were unable to fully compensate the significant decline in Poland that followed the end of the construction boom in that country.

The revenue for the segment even fell by 8 %, and the earnings before interest and taxes (EBIT) moved from positive territory deep into the negative. While satisfactory earnings contributions could still be reported from Poland and Germany during the same period of the previous year, losses on large projects in hydraulic engineering, the tense price situation affecting the asphalt mixing plants in Germany, and losses in Poland have been a burden on the segment result in the past few months.

Order backlog

The order backlog decreased only slightly by 2 % to € 4,826.52 million. Here, too, Germany – with several new large contracts in building construction and civil engineer-ing – helped to narrow the decline in countries such as Poland, for example. In the first half of the year, STRABAG subsidiary Ed. Züblin was able to win the tender for the station building and further infrastructure measures related to the Stuttgart 21 rail project. The company was also selected to construct new buildings for the Hamm-Lippstadt University of Applied Sciences. It also won the nearly € 95 million contract to build the new Germany headquarters for the Thales Group in Ditzingen near Stuttgart.

Employees

The employee figures, like the output volume, offer a reflection of the economic situation. An increase in Germany was accompanied by a significant reduction in Poland. A decline was also registered in the Americas region: although all non-European activities are concentrated in the segment International + Special Divisions, the activities of Züblin Chile and Züblin Ground Engineering globally are represented in the segment North + West.

Outlook

The absence of negative special items, for example in hydraulic engineering or in Poland, should lead to an improved result in the segment North + West in the 2013 financial year. Regarding the output volume, on the other hand, the STRABAG SE management board expects to see a decline to € 5.8 billion.

STRABAG expects the employment situation in the German building construction and civil engineering business to remain at a high level. Here STRABAG was able to start the year 2013 with an order backlog accounting for around three quarters of the expected output volume. Positive impulses are expected from the expansion of the timber engineering business field.

The German entities in transportation infrastructures are cautiously optimistic as well: the financial policy framework for the most important client, the public sector, may be solid, but while the federal and state governments are expected to make transportation infrastructure investments at last year's levels, it is uncertain to which extent local governments will use their financing flexibility for investments. Despite the fact that some communities will devote their budget surpluses toward debt reduction, STRABAG expects to maintain a constant output volume in the German transportation infrastructures segment in 2013 as in 2012.

A burden in Germany is the business with asphalt mixing facilities. It remains difficult to sell asphalt at a sufficiently high price everywhere where it is needed. Because of this tense market situation, dependence on bitumen price developments is expected to remain high.

In Poland, the number of public-sector tenders for infrastructure projects in 2013 will be below the previous year's levels. In connection with the new EU budget for the years 2014–2020, however, there is a possibility of higher tender activity toward the end of the year. Until then, business will be hindered by price battles. The low volume of public-sector tenders is also having an impact on building construction and civil engineering. In the face of restrictive credit approvals, the field of residential construction is also subject to reductions. STRABAG therefore sees shopping and logistics centres as well as industrial construction as the segments of the future in the Polish building construction sector.

In Sweden, the market is expected to shrink slightly in 2013. However, the housing market for project developments is booming in Stockholm, which, according to forecasts by STRABAG, will last for several more years. In the Stockholm, Gothenburg and Helsingborg/Malmö regions, there is high demand for new commercial real estate, hotels and shopping centres. The situation is expected to remain unchanged in the field of infrastructure and tunnelling, with stable public-sector finances contributing significantly to the positive outlook. The long-term activities in the Greater Stockholm Area and in the north of Sweden therefore offer good potential.

In the field of hydraulic engineering, STRABAG in 2012 managed to enter the market for port construction in Russia and in Ukraine. The company sees the entire Northern and Baltic area and Black Sea region as a strategic area and is therefore working on several bids for large projects here.

SELECTED PROJECTS NORTH + WEST

COUNTRY	PROJECT	ORDER BACKLOG € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Chile	Candelaria Mine 2011	147	1.12 %
Germany	Motorway A8 Ulm–Augsburg	113	0.86 %
Germany	Taunus Tower Frankfurt on the Main	99	0.75 %
Germany	Naval port Wilhelmshaven	98	0.75 %
Poland	S8 Złoczew–Sieradz section 4	93	0.71 %
Poland	S8 Złoczew–Sieradz section 2	91	0.69 %

SEGMENT SOUTH + EAST

The geographic focus of the segment South + East is on Austria, Switzerland, Hungary, the Czech Republic, Slovakia, Russia and neighbouring countries as well as the region South-East Europe. The railway construction and environmental technology activities are also handled within this segment.

	2012 € MLN.	CHANGE 2011–2012 %	2011 € MLN.
Output volume	4,756	-3 %	4,882
Revenue	4,792	-2 %	4,877
Order backlog	4,326	-7 %	4,647
EBIT	149	6 %	140
EBIT margin % of revenue	3.1 %		2.9 %
Employees	22,699	-2 %	23,197

OUTPUT VOLUME SOUTH + EAST 2011–2012

€ MLN.	OUTPUT VOLUME TOTAL 2012	OUTPUT VOLUME TOTAL 2011	CHANGE %	CHANGE ABSOLUTE
Austria	1,573	1,621	-3 %	-48
Czech Republic	532	640	-17 %	-108
Russia and neighbouring countries	432	420	3 %	12
Slovakia	360	396	-9 %	-36
Switzerland	351	438	-20 %	-87
Germany	339	312	9 %	27
Romania	315	159	98 %	156
Hungary	293	330	-11 %	-37
Poland	232	276	-16 %	-44
Croatia	111	87	28 %	24
Serbia	66	86	-23 %	-20
Slovenia	49	35	40 %	14
Rest of Europe	42	31	35 %	11
Bulgaria	24	15	60 %	9
Italy	13	7	86 %	6
Asia	7	11	-36 %	-4
Middle East	7	1	600 %	6
The Americas	6	4	50 %	2
Benelux	2	13	-85 %	-11
Scandinavia	2	0	n.a.	2
Output volume total	**4,756**	**4,882**	**-3 %**	**-126**

Output volume, revenue and result

The segment South + East generated an output volume of € 4,755.74 million in the 2012 financial year. This is just slightly lower, specifically by 3 %, than the previous year. The result of working off several large contracts in the transportation infrastructures business in Romania more or less balanced out the declines in the Czech Republic and in Switzerland.

With a minus of 2 % the revenue developed similary to the output volume. The segment is characterised by a strong competition and price pressure. Additional burdens include charges in the field of environmental technology and reorganisation costs in Switzerland. Nonetheless, the earnings before interest and taxes (EBIT) could be grown by 6 % to € 148.89 million, the EBIT margin from 2.9 % to 3.1 %.

Order backlog

The order backlog of this segment was down by 7 % to € 4,326.12 million. A country-by-country comparison reveals quite a differentiated situation, however: Despite the large contracts for the extension of the U1 underground line in Vienna and the construction of the high-performance rail line between Vienna–Salzburg, the order backlog in Austria fell slightly due to a significant reluctance on the part of public-sector clients, in particular in the federal states of the country's south. The order backlog was also burdened in part by contract cancellations in the RANC region (Russia and neighbouring countries). Here, strategic changes are on the agenda, with activities gradually shifting from building construction in the major cities to industrial projects in the regions. STRABAG is also preparing for market entry in Turkmenistan and Kazakhstan.

In Slovenia, Hungary, the Czech Republic and Italy, on the other hand, new projects helped to enlarge the order backlog. In Ljubljana, Slovenia, STRABAG is building a waste treatment facility for € 112 million to produce biogas from organic waste, among other things. In Hungary, STRABAG is working in a consortium to renew the Gyoma–Békéscsaba rail line; and in Italy, the order backlog was bolstered by the contract award of a portion of the construction works for a bypass around the city of Milan.

Employees

The employee figures exhibited a similar situation as the output volume: growth in Romania, with a reduction of the employee levels in nearly all other markets. In total, the workforce fell by 2 % to 22,699 employees.

Outlook

The management board expects a slight improvement of the EBIT and a higher output volume of € 5.0 billion in the segment South + East for 2013. Price pressure will remain high in the Central and Eastern European transportation infrastructures business, but there is hope for a series of tenders – albeit at lower prices – in markets such as Romania, Moldova and the Czech Republic. Meanwhile, interesting projects are expected to be awarded soon in the field of railway construction in Poland and in building construction in Slovakia. The reorganisation in Switzerland should be concluded and individual loss-making projects in environmental technology – a business on which STRABAG will focus more in the core markets in the future – will no longer burden the results.

The management board expects continuous positive business in the building construction sector in Vienna, while the price pressure in the rest of Austria is unlikely to let up. The stagnating to declining market for transportation infrastructures is a hotly contested one here. The Hungarian market lost significant volume – and attractiveness – in the past few years. Currently only a few public-sector tenders, mostly in the fields of environmental protection and railway construction, are still ongoing; long-awaited highway investments, however, could improve the climate in the construction sector in 2013.

SELECTED PROJECTS SOUTH + EAST

COUNTRY	PROJECT	ORDER BACKLOG € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Russia	Kautschuk residential complex, Moscow	305	2.31 %
Russia	Olympic village, Sochi	138	1.04 %
Slovenia	Ljubljana waste treatment facility	112	0.85 %
Czech Republic	Road I/11 Rudna	75	0.57 %
Romania	Modernisation of national road DN67B	58	0.44 %
Romania	Promenada Mall, Bucharest	48	0.37 %
Slovakia	D1 motorway	43	0.32 %

SEGMENT INTERNATIONAL + SPECIAL DIVISIONS

The segment International + Special Divisions includes, on the one hand, the field of tunnelling. The concessions business, on the other hand, represents a further important area of business, with global project development activities in transportation infrastructures in particular. Regardless of where the services are rendered, our construction materials business, including our dense network of raw materials operations but with the exception of asphalt, also belongs to this segment. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services. Additionally, most of the services in non-European markets are also bundled in the International + Special Divisions segment.

	2012 € MLN.	CHANGE 2011–2012 %	2011 € MLN.
Output volume	2,925	2 %	2,880
Revenue	2,661	-6 %	2,842
Order backlog	4,038	7 %	3,782
EBIT	127	115 %	59
EBIT margin % of revenue	4.8 %		2.1 %
Employees	20,426	-7 %	22,068

OUTPUT VOLUME INTERNATIONAL + SPECIAL DIVISIONS 2011–2012

€ MLN.	OUTPUT VOLUME TOTAL 2012	OUTPUT VOLUME TOTAL 2011	CHANGE %	CHANGE ABSOLUTE
Germany	1,196	1,132	6 %	64
Middle East	293	304	-4 %	-11
Austria	268	297	-10 %	-29
The Americas	211	161	31 %	50
Italy	135	177	-24 %	-42
Benelux	124	76	63 %	48
Africa	124	57	118 %	67
Poland	118	132	-11 %	-14
Czech Republic	109	119	-8 %	-10
Asia	96	90	7 %	6
Hungary	80	92	-13 %	-12
Romania	50	40	25 %	10
Slovakia	39	44	-11 %	-5
Switzerland	35	92	-62 %	-57
Croatia	18	18	0 %	0
Slovenia	13	14	-7 %	-1
Rest of Europe	8	0	n.a.	8
Russia and neighbouring countries	5	9	-44 %	-4
Bulgaria	2	2	0 %	0
Serbia	1	0	n.a.	1
Scandinavia	0	24	-100 %	-24
Output volume total	**2,925**	**2,880**	**2 %**	**45**

Output volume, revenue and result

The output volume in the segment International + Special Divisions improved slightly by 2 % to € 2,924.86 million. Germany – specifically the field of Property & Facility Services – continues to generate the most significant portion of the output volume, followed by the non-European markets.

The revenue, on the other hand, fell by 6 % to € 2,661.29 million. This can be explained by the completion of a public-private partnership project which had defined the revenue in 2011. Nonetheless, the earnings before interest and taxes (EBIT) could be more than doubled to € 126.93 million despite the volatile business in tunnelling and internationally – and despite the fact that this figure includes damage compensation payments in the amount of € 43 million.

Order backlog

The order backlog registered a significant increase of 7 % to € 4,038.33 million. While the completion of infrastructure contracts in the Netherlands helped to reduce the order backlog, the segment International + Special Divisions added several new large orders to the books in the 2012 financial year. One of these was in Italy: The project volume of € 1.7 billion (STRABAG's share amounts to about € 1.0 billion, that of the segment to about € 720 million) for the Milan bypass includes the construction of a 50 km section of dual-carriage motorway with two to three lanes in each direction plus 50 km of spurs and connecting routes to the existing road network. The works also include 50 cut-and-cover tunnels as well as two bored tunnels including technical facilities, several bridges and an approx. 80 km bicycle trail.

In Germany, the city of Hamburg commissioned a special purpose company set up in part by STRABAG Real Estate GmbH to plan, build, modernise and operate 15 vocational schools. The project has a total value of € 700 million (STRABAG's share is 50 %) and is being carried out under a public-private partnership model. STRABAG also won several contracts internationally, including one to set up a bus rapid transit system in Tanzania as well as a tunnelling project at the world's largest copper mine in Chuquicamata in the desert of Chile.

The services sector also contributed several new large projects to the order backlog: STRABAG Property and Facility Services was awarded contracts in the field of facility management from DFS Deutsche Flugsicherung GmbH and maintenance contracts from telecommunications provider Versatel AG and AOK Bayern. In property management, the company won Union Investment and real estate investor Pramerica Real Estate Investors as new clients. The acquisition of Berlin-based real estate manager BWG (GSW Betreuungsgesellschaft für Wohnungs- und Gewerbebau mbH) allowed us to expand our own range of services in property management to include the field of residential real estate.

Employees

Development of the employee figures ran counter to the order backlog. This number fell by 7 % to 20,426 employees in part due to the completion of construction projects in the Middle East.

Outlook

The output volume in the segment International + Special Divisions is expected to reach about € 3.0 billion in 2013. The EBIT should remain at a high level due to the absence of the one-time compensation expense in 2012 in the amount of € 43 million as a result of partially lost arbitration proceedings. At the same time, the construction materials business will continue to put pressure on the margins of the segment. In the field of concrete, the situation is burdened by delays in the tendering of large-scale projects as well as by overcapacities on the market. Growth of production in Central Europe is not expected until the spring of 2013 at the earliest. In the field of stone and gravel, ruinous price competition has become apparent in several regions, with no improvement in sight for the next one to two years.

Target markets which are currently being worked more intensely outside of Europe regardless of the type of service are the United Arab Emirates, Algeria, Qatar – STRABAG expects the construction boom in preparation for the 2022 FIFA World Cup to begin here soon –, Oman and Saudi Arabia. Because of the low price level in these regions as a result of the high degree of competition, STRABAG is successfully offering specialty construction services such as pipe jacking (a special form of tunnelling), test track construction or services in the field of liquefied natural gas (LNG). In India, STRABAG subsidiary EFKON AG was awarded six new contracts in the field of intelligent transportation systems in the last financial year.

Competition is also on the rise in the PPP infrastructure business. For this reason, STRABAG is exploring other markets besides the core markets in Europe, such as Canada, India, selected countries in South America, and the Middle East. Despite the high costs involved in bid processing, some of these countries are also of interest for tunnelling projects. Although several projects will be tendered in Austria, Germany and Norway in the short to medium term, the prices in the home markets are in part at a ruinously low level. Meanwhile, STRABAG already has an established tunnelling presence in Canada and the company entered the mining market with contracts in Chile and Australia in the past financial year.

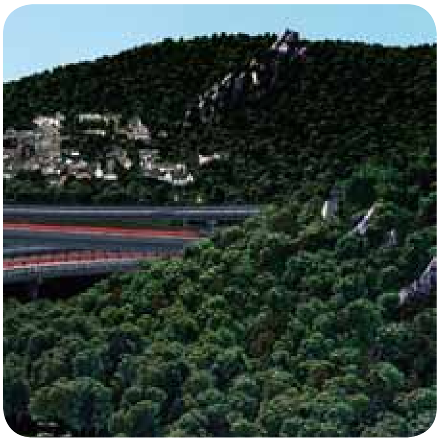
By contrast, the activities of the PPP building construction business are concentrated on the home market of Germany. PPP financing widens the public sector's scope of action on the one hand; on the other hand, the consequences of the financial crisis – significantly higher interest premiums and liquidity costs with a trend to shorter financing terms – are still having an inhibitory effect. The efficiency advantages of having an integrated solutions approach, i.e. through the observation of the lifecycle costs, are offsetting the disadvantages in the current market environment. Thanks to the inclusion of specialist providers from within the group, such as STRABAG Property and Facility Services, STRABAG is in a position to completely cover all specifications from structuring to financing and planning all the way to construction and operation.

A positive mood can be observed in the field of real estate development. In Germany, growth forces have shifted toward residential construction, which, given the clear lack of rental flats in urban agglomerations, should provide some positive impulses. STRABAG therefore remains active in the development of apartment buildings, i.e. residential properties for global investors. In September 2012, the Donnersberger Höfe, a residential building project in Munich, was handed over to the investor with full tenant occupancy. Several successes were also registered in the field of commercial real estate last year: STRABAG began construction on the Milaneo shopping centre in Stuttgart and on the multiuse building Upper West in Berlin. Additionally, several properties were acquired for future project developments, for example in Aachen and in Bremen.

SELECTED PROJECTS INTERNATIONAL + SPECIAL DIVISIONS

COUNTRY	PROJECT	ORDER BACKLOG € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Italy	Pedemontana motorway, Milan bypass	1,051	7.96 %
Austria	Koralm Tunnel, contract section 2	379	2.87 %
Germany	Upper West, project development	168	1.27 %
Netherlands	A-Lanes A15, bridge construction	138	1.05 %
Oman	Duqm port facility	118	0.89 %
Tanzania	Bus rapid transit system Dar Es Salaam	90	0.68 %





RISK MANAGEMENT

The STRABAG Group is subject to a number of risks in the course of its business activities. These risks are identified and assessed using an active risk management system and dealt with using an appropriate risk policy.

The group's goals are defined at all company levels. This was a prerequisite to setting up processes for the timely identification of potential risks standing in the way of the achievement of company objectives. The organisation of STRABAG's risk management builds on project-related jobsite and acquisitions controlling, supplemented by the higher-level assessment and steering management. The risk controlling process includes a certified quality management system, internal group guidelines for the workflow in the operating units, a central administration, controlling, auditing and contract management. Through the establishment of company-wide quality standards in quotation processing and supplemental services management, the centrally organised contract management department can better assert claims for outstanding debt.

The group's internal risk report defines the following central risk groups:

EXTERNAL RISKS

The entire construction industry is subject to cyclical fluctuations and reacts to varying degrees depending on region and sector. Overall economic growth, development of the construction market, the competitive situation, the conditions on the capital markets and technological changes in construction can all result in risks. These risks are continually observed and monitored by the central departments and operating units. Changes in external risks lead to adjustments in STRABAG's organisation, market presence and range of services as well as the adaptation of strategic and operating planning. STRABAG further responds to market risk with geographic and product-related diversification in order to keep the influence on the company's success exerted by an individual market or by the demand for certain services as low as possible. To avoid bearing the entire risk of rising prices by itself, STRABAG makes efforts at signing cost escalation clauses and "cost-plus-fee" contracts in which the client pays a previously agreed margin on the costs of the project.

OPERATING RISKS

The operating risks primarily include the complex risks of project selection and execution. STRABAG keeps acquisition lists in order to review the project choice. Business transactions requiring consent are reviewed and approved by business unit and subdivision managers or by division managers according to internal rules of procedure. Depending on the risk profile, bids must be analysed by commissions and reviewed for their technical and economic feasibility. Cost accounting and expense allocation guidelines have been set up to assure a uniform process of costing and to establish a performance profile at the construction sites. Project execution is managed by the construction team on site and controlled by monthly target/performance comparisons; at the same time, the central controlling provides constant commercial backing, ensuring that risks of individual projects do not endanger the continuance of the company.

FINANCIAL RISKS

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the liquidity and accounting receivables management, which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is guaranteed by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process.

Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by all business areas in general and by the internal audit department in particular. STRABAG last commissioned PwC Wirtschaftsprüfung GmbH in 2007 to review and assess the group's compliance systems and the activities designed to combat corruption and unethical behaviour. The results were presented to the management board of STRABAG SE and the auditors' recommendations were passed on to the relevant departments for implementation.

In order to convey STRABAG's values and principles, the group drew up its Code of Ethics and internal Compliance Guidelines in 2007. The values and principles contained within these documents are reflected in the guidelines and instructions of the STRABAG companies and divisions. Compliance with these values and principles is expected not only from the members of the management and supervisory boards as well as from other management-level employees but from all group employees. The Compliance Guidelines and the Code of Ethics are designed to guarantee honest and ethical business practices. The Code of Ethics is available for download at www.strabag.com > Investor Relations > Corporate Governance > Code of Ethics.

Detailed information regarding interest risk, currency risk, credit risk and liquidity risk can be found in the Notes under item 25 Financial Instruments.

ORGANISATIONAL RISKS

Risks concerning the design of personnel contracts are covered by the central personnel department with the support of a specialised data base. The company's IT configuration and infrastructure (hardware and software) is handled by the central IT department, controlled by the international IT steering committee.

PERSONNEL RISIKS

Past experience has shown that having a highly qualified and motivated workforce is an important factor in competition. In order to properly assess the potential of employees, STRABAG uses an IT-supported aptitude diagnostics process, the so-called behaviour profile analysis. In subsequent feedback talks and employee appraisal interviews, employees and their supervisors analyse the results and agree on specific training and further education measures.

INVESTMENT RISKS

STRABAG can exert influence on the management of associated companies through its shareholder position and, if applicable, any existing advisory functions. The shares in asphalt and concrete mixing companies usually involve minority holdings, which is typical for the sector. With these companies, economies of scope are at the fore.

POLITICAL RISK

The group also operates in countries which experience political instability. Interruptions of construction activity, restrictions on ownership interests of foreign investors, and even dispossession or expropriations could be the consequence of political changes which could have an impact on the group's financial structure.

A review of the current risk situation reveals that the reporting period shows no risks which jeopardised the company's existence, nor were there any visible future risks.

NO RISKS JEOPARDISING THE COMPANY'S EXISTENCE

REPORT ON KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

Introduction

The control structure as defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) provides the basis for the description of the key features of the internal control and risk management systems. The COSO framework consists of five related components: control environment, risk assessment, control activities, information and communication, and monitoring. On this basis, the STRABAG Group set up a company-wide risk management system according to generally accepting principles.

The aim of the internal control system is to support management in such a way that it is capable of assuring internal controls in relation to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

Control environment

The corporate culture determines the control environment in which management and employees operate. STRABAG is constantly working to improve its communication and to convey its corporate values as defined in the STRABAG Code of Ethics in order to guarantee moral standards, ethics and integrity within the company and in its dealings with others.

The implementation of the internal control system in relation to the financial reporting process is done on the basis of internal rules and guidelines. Responsibilities for internal control were adapted to fit the corporate organisation.

The internal audit department carries out periodic, unannounced inspections of all relevant business units as part of its responsibility for monitoring compliance with the law and corporate guidelines in the technical and commercial areas. The internal audit department also monitors the effectiveness of the compliance organisation. During these inspections, the internal audit department analyses the legality and correctness of individual actions. The internal audit department also conducts regular, independent reviews of compliance with internal guidelines in the area of accounting. The head of the internal audit department reports directly to the CEO.

Risk assessment

The management identifies and monitors risks relating to the financial reporting process, with a focus on those risks that are typically considered to be material.

The preparation of the financial statements requires regular forecasts, with the inherent risk that the actual future development will deviate from the forecast. This especially affects the following matters/items of the consolidated financial statements: assessment of unfinished construction projects, recognition and measurement of provisions (including social capital), the outcome of legal disputes, the collectability of receivables as well as the recoverability of investments and goodwill. In individual cases, external experts are called in or publicly available sources are considered in order to minimise the risk of a false assessment.

Control activities

All control activities are applied in the current business process to ensure that errors or deviations in financial reporting are prevented or detected and subsequently corrected. The control activities range from a management review of the period results to specific monitoring of accounts to the analysis of ongoing accounting processes.

It is the responsibility of the management to design the levels of hierarchy in such a way that an activity and the control of that activity are not performed by the same person ("four-eyes" principle).

IT security control activities represent a cornerstone of the internal control system. The separation of sensitive activities is supported by a restrictive approach to IT access authorisation. For its accounting and financial reporting, the company mainly uses self-developed software which reflects the unique features of the construction sector. The effectiveness of the financial reporting system is further assured through automated IT controls included in the system.

Information and Communication

The management regularly updates the rules and regulations for financial reporting and communicates them to all employees concerned. Regular discussions regarding the financial reporting and the rules and regulations in this context take place in various committees. These committees are composed of the corporate management as well as the department head and senior staff from the accounting department. The committee's work aims, amongst others, at guaranteeing compliance with accounting rules and regulations and to identifying and communicating weak points and potential areas for improvement in the financial reporting process. Accounting employees receive regular training regarding new methods of national and international financial reporting in order to identify risks of unintended misreporting at an early stage.

Monitoring

The management and supervisory boards bear responsibility for the ongoing company-wide monitoring. Additionally, the remaining management levels – all the way to the department heads – are responsible for the monitoring of their respective areas of responsibility. Controls and plausibility checks are carried out at regular intervals. The internal audit department is also involved in the monitoring process.

The top management receives monthly summary financial reports on the development of the output volume, the results of the respective segments and countries, and the liquidity. Financial statements to be published are submitted for final appraisal to the senior accounting staff and the commercial management board members before they are passed on to the audit committee of the supervisory board.

EMPLOYEES

In 2012, STRABAG employed an average of 74,010 employees in all countries in which the group operates (2011: 76,866 employees), of which 28,295 were white-collar and 45,715 were blue-collar workers. Consequently, the number of employees sank by 4 % in comparison to the previous year – more strongly than the group's output volume. The largest portion of the decline can be attributed to the conclusion of large projects – for example, in Poland or the Middle East. With difficult economic conditions affecting construction activity, however, employee levels were on the decline in other markets as well.

The segment North + West accounted for 25,108 (-3 %), South + East for 22,699 (-2 %) and International + Special Divisions for 20,426 employees (-7 %). The percentage of women in the group in 2012 remained unchanged at 13 % overall and 8 % (2011: 9 %) at the group management level. There were 1,129 blue-collar apprentices (2011: 1,093) and 259 white-collar trainees (2011: 246) in the group.

Several human resource development projects were launched in 2012. STRABAG implemented a new process to systematically identify and appropriately develop high-potential employees. The company is also offering new career opportunities: the model, developed by an interdisciplinary task force, gives current and future employees a more varied choice of development opportunities within the group than before. Following initial specialist training or experience as a team leader, employees now have a total of three different career paths which they can follow: the classical management ladder, the project ladder or the expert ladder.

RESEARCH AND DEVELOPMENT

With public-sector as well as private clients cutting costs, competitive pressure in the construction industry has been on the rise in recent years. This has led to a situation in which clients are looking not only at the quality of the services being offered, but are also increasingly seeing the price as a decisive argument. Despite this price pressure, it is important for STRABAG to continue to offer convincing services. An essential part of this is the investment in research and development (R&D).

Within the STRABAG Group, Zentrale Technik (ZT) is in overall charge of the planning and execution of research and development projects. Organised as a central division with 700 highly qualified employees at 19 locations, ZT reports directly to the Deputy CEO. The division supports the group's operating units in the areas of tunnelling and civil engineering, structural engineering and turnkey construction. The range of services covers the entire construction process, from the early acquisition stage and bid processing to execution planning and site management. Research and development activities include the areas of building and construction physics, software, information & communications technology, energy, construction materials technology, civil engineering and tunnelling, transportation infrastructures and safety. ZT also fosters international innovation networks.

Central topics for our innovation activities are sustainable construction and renewable energy. The employees at the R&D locations develop methods and tools to control the impact that construction activities have on the environment. In this context, the CarbonTracker software developed by STRABAG was presented in 2012. CarbonTracker involves the systematic, automatic calculation of energy and carbon data contained within the available group databases.

2012 saw structural changes at the group's internal Gesellschaft zur Optimierung von Technischen Prozessen, Arbeitssicherheit und Qualität (TPA). TPA will remain the STRABAG Group's competence centre for quality management and construction materials-related research and devel-opment. Lean management adds new competences for the efficient planning of supply and production chains. The restructured TPA has 868 employees at 129 locations.

STRABAG's EFKON AG subsidiary provides the group with expertise in the research and development of intelligent transportation systems in general and electronic toll collection solutions in particular. The company has developed innovative products and solutions in the electronic toll collection segment for multi-lane traffic flow and has already introduced these onto the international market. The technology company based in Raaba near Graz, Austria, is seeing a lot of international demand and was able to achieve an export ratio of 87 % in 2012.

In addition to specific research projects at the group's units and subsidiaries, a large part of the research and development activities takes place at ongoing construction projects – especially involving façade technology, tunnelling, construction engineering and ground engineering. During construction in these areas, new challenges or concrete questions often arise which require new technological processes or innovative solutions on site and which thus also contribute to the group's research, development and innovation activity.

The STRABAG Group spent about € 17 million (2011: € 15 million) on research, development and innovation activities during the 2012 financial year.

ENVIRONMENT

Ecological responsibility has been a topic within the group for years. It begins with the planning of buildings and structures and continues through to their construction and related services such as property and facility management. A topic of increasing relevance is energy. In the year under report, the energy costs for the companies within STRABAG SE's scope of consolidation amounted to nearly € 347 million and represented a considerable portion of the total costs within the group. Without measures to raise energy efficiency, energy costs in the next few years can be expected to go up in response to price hikes and legislative changes. For this reason, the company has begun with the realisation of a comprehensive energy management programme. This is targeted on the following positive results: reduced energy costs, increased potential for tax savings, better environmental protection as a result of reduced emissions, and more sustainability regarding resource use.

Energy management at STRABAG consists of the three stages of "measure", "analyse & develop" and "implement". The group's carbon footprint for 2012, which comprises all consolidated companies in 60 countries, yielded the following results: within the group, a total of 1,293,352 tonnes of CO_2 were emitted in the period under report, which represents a decline of 1 %, or approx. 19,500 tonnes of CO_2, compared to the previous year.

Following data calculation, the focus was on data analysis. The company is working on an "energy atlas" to make the data for energy and resource use within the STRABAG Group easier to compare. This involves defining key performance indicators, assigning energy and resource use to individual areas and comparing these with each other using the data from the CarbonTracker as a basis.

DISCLOSURES PURSUANT TO SECTION 243A PARA 1 UGB

1. The share capital of STRABAG SE amounts to € 114,000,000 and consists of 114,000,000 fully paid-in, no-par value shares with a pro-rata value of € 1 per share of the share capital. 113,999,997 shares are bearer shares and are traded on the Prime Market Segment of the Vienna Stock Exchange. Three shares are registered shares. Each bearer share and each registered share accounts for one vote (one share – one vote). The nomination rights associated with registered shares No. 1 and No. 2 are described in more detail under Item 4.

2. The Haselsteiner Group (Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner), the Raiffeisen Group (Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H, BLR-Baubeteiligungs GmbH, "Octavia" Holding GmbH), the UNIQA Group (UNIQA Versicherungen AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H., Raiffeisen Versicherung AG) and Rasperia Trading Limited (controlled by Oleg Deripaska), as shareholders of STRABAG SE, have signed a syndicate agreement governing (1) nom-ination rights regarding the supervisory board, (2) the coordination of voting during the Annual General Meeting, (3) restriction on the transfer of shares and (4) joint development of the Russian market as a core market. The Haselsteiner Group, the Raiffeisen Group together with the UNIQA Group, and Rasperia Trading Limited each have the right to nominate two members of the supervisory board. The syndicate agreement also requires the syndicate partners to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. The syndicate agreement further foresees restrictions on the transfer of shares in the form of mutual pre-emptive rights as well as a minimum shareholding on the part of the syndicate partners.

In accordance with Sec 65 Para 5 of the Austrian Stock Corporation Act (AktG), all rights were suspended for 10,912,340 no-par shares (about 9.57 % of the share capital) effective 31 December 2012 as these shares are held by STRABAG SE as own shares as defined in Sec 65 Para 1 No 8 of the Austrian Stock Corporation Act (AktG) (see also Item 7).

3. To the knowledge of STRABAG SE, the following shareholders held a direct or indirect interest of at least 10 % of the share capital of STRABAG SE on 31 December 2012:

- Haselsteiner Familien-Privatstiftung 29.21 %
- Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H. (Raiffeisen Group) 15.31 %
- UNIQA Versicherungen AG (UNIQA Group) 14.88 %
- Rasperia Trading Limited 17.60 %

In addition to its 17.60 % interest, core shareholder Rasperia Trading Limited also holds an option, valid until 15 July 2014, to buy a further 7.40 % of STRABAG SE from the other core shareholders mentioned above.

In exercising the authorisation by the 7th Annual General Meeting from 10 June 2011 and the renewed authorisation by the 8th Annual General Meeting from 15 June 2012 to acquire own shares in accordance with Sec 65 Para 1 No 8 of the Austrian Stock Corporation Act (AktG), the company by 31 December 2012 acquired 10,912,340 no-par shares, corresponding to about 9.57 % of the share capital (see also Item 7).

The remaining shares of the share capital of STRABAG SE, amounting to about 13.42 % of the share capital, are in free float.

4. Three shares are – as mentioned under Item 1 – registered shares entered in the shareholder register. Registered shares No. 1 and No. 3 are held by the Haselsteiner Group and registered share No. 2 is held by Rasperia Trading Limited. Registered shares No. 1 and No. 2 allow their bearers to nominate a member each to the supervisory board of STRABAG SE.

5. No employee stock option programmes exist.

6. No further regulations exist beyond Items 2 and 4 regarding the nomination and recall of members of the management and supervisory boards or regarding changes to the Articles of Association which do not result directly from relevant law and legislation.

7. The management board of STRABAG SE was again authorised by resolution of the 8th Annual General Meeting of 15 June 2012, in accordance with Sec 65 Para 1 No 8 and Para 1a and 1b of the Austrian Stock Corporation Act (AktG), to acquire bearer or registered no-par shares of the company on the stock market or over the counter to the extent of up to 10 % of the share capital during a period of twelve months from 10 July 2012 at a minimum price per share of € 1.00 and a maximum price per share of € 34.00. The purpose of the acquisition may not be to trade with own shares. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary (Sec 228 Para 3 UGB) or third parties acting on behalf of the company. The management board can decide to acquire shares on the stock exchange but must inform the supervisory board following decision to do so. Over-the-counter purchases require prior approval by the supervisory board. The management board was further authorised, in accordance with Sec 65 Para 1b AktG, for a period of five years from this resolution, to sell or assign its own shares, with approval by the supervisory board, in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary (Sec 228 Para 3 UGB) or third parties acting on behalf of the company.

8. With the exception of the agreements over a syndicated surety loan and a syndicated cash credit line, there exist no significant agreements to which STRABAG SE is party and which would become effective, change or end due to a change of ownership in STRABAG SE following a takeover offer.

9. No compensation agreements exist between STRABAG SE and its management and supervisory board members or employees in the event of a public takeover offer.

RELATED PARTIES

Business transactions with related parties are described in item 27 of the Notes.

SUPPORTING INFORMATION

At the beginning of March 2009, an accident occurred during underground construction at the South Lot for the North-South urban metro line in Cologne, resulting in the collapse of the Historical Archive of the City of Cologne and significant portions of two neighbouring buildings. Debris collapsed into a hole which opened next to the North-South construction site at the Waidmarkt crossover junction. Two people were trapped under the rubble, and rescuers were only able to recover their bodies. Construction on the underground is being carried out by a joint venture (JV) of Bilfinger SE (formerly Bilfinger Berger SE), Wayss & Freytag Ingenieurbau AG and STRABAG. The JV is led by Bilfinger SE on the technical side and by Wayss & Freytag Ingenieurbau AG on the commercial side. STRABAG holds a 33.3 % interest in the JV.

The cause of the collapse remains unknown. The public prosecutor's office began an investigation with three separate experts into possible negligent homicide and endangerment in construction. Two independent proceedings are being conducted by the District Court in Cologne: one to collect evidence as to the cause of the accident and another to establish the damage to the buildings and archives. A model of the building is currently being built to help determine the cause and the damages, with completion expected no sooner than 2014. We continue to believe that the incident will not result in any significant damages for the company.

OUTLOOK AND OBJECTIVES

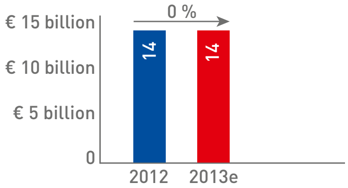
Thanks to STRABAG's successful strategy of diversification and the related diversification of risk, the lack of public-sector infrastructure investments in Europe have so far not resulted in any major declines in the company's output. Based on the balanced business in terms of regions and segments, STRABAG SE expects the output for the 2013 financial year to remain unchanged over 2012 at € 14.0 billion. This will likely be composed of € 5.8 billion from the segment North + West, € 5.0 billion from the segment South + East and € 3.0 billion from the segment International + Special Divisions. The rest can be allotted to "Other". A further, expected reduction in Poland should be countered by increases in tunnelling, in the international business and in building construction in Austria.

While the management board of STRABAG SE expects another slight worsening of the business environment in the European construction sector in 2013, it also believes that there will be no larger negative nonrecurrence items as in 2012. The management board therefore expects to see the group's EBIT grow to at least € 260 million in the 2013 financial year. Against this backdrop, the net investments (CAPEX incl. minor acquisitions) should remain at the same level as 2012 and will likely come to rest at about € 475 million.

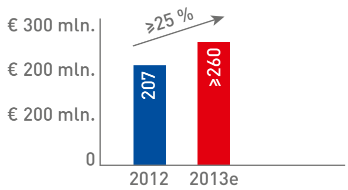
STRABAG makes these forecasts on the assumption that the economic framework in Europe will remain unchanged in the coming year. This means that the financing environment for the private and industrial clients should not worsen further, conversely, however, that a rapid recovery of the conditions or a significant increase in government spending cannot be expected in the STRABAG core markets.

DETAILED OUTLOOK IN THE SEGMENT REPORTS

OUTPUT OUTLOOK



EBIT-OUTLOOK



EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after the close of the financial year.

CONSOLIDATED FINANCIAL STATEMENT[1)]

1) This part has been audited by KPMG.

CONSOLIDATED FINANCIAL STATEMENT 31.12.2012

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR 2012

	NOTES	2012 T€	2011 T€
Revenue	(1)	12,983,233	13,713,804
Changes in inventories		50,388	97,365
Own work capitalised		3,573	37,261
Other operating income	(2)	221,065	267,344
Raw materials, consumables and services used	(3)	-8,655,101	-9,320,120
Employee benefits expenses	(4)	-3,051,777	-3,004,460
Other operating expenses	(5)	-938,158	-1,013,911
Share of profit or loss of associates	(6)	-9,217	-34,537
Net income from investments	(7)	4,348	3,585
EBITDA		**608,354**	**746,331**
Depreciation and amortisation expense	(8)	-401,168	-411,546
EBIT		**207,186**	**334,785**
Interest and similar income		73,145	112,311
Interest expense and similar charges		-123,871	-103,767
Net interest income	**(9)**	**-50,726**	**8,544**
Profit before tax		**156,460**	**343,329**
Income tax expense	(10)	-46,422	-104,039
Net income		**110,038**	**239,290**
Attributable to: non-controlling interests		49,407	44,295
Attributable to: equity holders of the parent company		60,631	194,995
Earnings per share (€)	**(11)**	**0.58**	**1.75**

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR 2012

	NOTES	2012 T€	2011 T€
Net income		110,038	239,290
Differences arising from currency translation		45,051	-56,280
Change in hedging reserves including interest rate swaps		-19,820	-24,994
Recycling in hedging reserves including interest rate swaps		-7,122	-5,240
Change in actuarial gains or losses		-63,871	-4,270
Change in fair value of financial instruments under IAS 39		-1,724	150
Other income from associates		2,530	-10,489
Deferred taxes on neutral change in equity	(10)	23,428	6,523
Other income		**-21,528**	**-94,600**
Total comprehensive income		**88,510**	**144,690**
Attributable to: non-controlling interests		43,325	38,057
Attributable to: equity holders of the parent company		45,185	106,633

CONSOLIDATED BALANCE SHEET AS OF 31.12.2012

ASSETS	NOTES	31.12.2012 T€	31.12.2011 T€
Non-current assets			
Intangible assets	(12)	530,361	536,510
Property, plant and equipment	(12)	2,225,572	2,154,238
Investment property	(13)	41,667	53,278
Investments in associates	(14)	379,122	402,279
Other financial assets	(14)	250,292	249,062
Receivables from concession arrangements	(17)	782,567	839,332
Trade receivables	(17)	91,426	74,082
Non-financial assets	(17)	12,009	3,833
Other financial assets	(17)	35,824	48,017
Deferred taxes	(15)	197,619	173,724
		4,546,459	**4,534,355**
Current assets			
Inventories	(16)	1,031,557	818,390
Receivables from concession arrangements	(17)	22,785	160,743
Trade receivables	(17)	2,535,469	2,629,738
Non-financial assets	(17)	106,372	117,844
Other financial assets	(17)	520,094	424,747
Cash and cash equivalents	(18)	1,374,955	1,700,237
		5,591,232	**5,851,699**
		10,137,691	**10,386,054**

EQUITY AND LIABILITIES	NOTES	31.12.2012 T€	31.12.2011 T€
Group equity			
Share capital		114,000	114,000
Capital reserves		2,311,384	2,311,384
Retained earnings		436,130	513,360
Non-controlling interests		301,028	211,098
	(19)	**3,162,542**	**3,149,842**
Non-current liabilities			
Provisions	(20)	1,025,833	923,976
Financial liabilities[1]	(21)	1,265,982	1,298,653
Trade payables	(21)	61,006	60,424
Non-financial liabilities	(21)	1,328	1,481
Other financial liabilities	(21)	33,330	25,919
Deferred taxes	(15)	44,437	48,401
		2,431,916	**2,358,854**
Current liabilities			
Provisions	(20)	735,457	790,976
Financial liabilities[2]	(21)	384,002	433,304
Trade payables	(21)	2,724,119	2,910,153
Non-financial liabilities	(21)	327,586	360,656
Other financial liabilities	(21)	372,069	382,269
		4,543,233	**4,877,358**
		10,137,691	**10,386,054**

1) Thereof T€ 585,105 concerning non-recourse liabilities from concession arrangements (previous year: T€ 630,311)
2) Thereof T€ 45,206 concerning non-recourse liabilities from concession arrangements (previous year: T€ 123,867)

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2012

	2012 T€	2011 T€
Net income	110,038	239,290
Deferred taxes	-51,734	20,827
Non-cash effective results from consolidation	9,094	-2,825
Non-cash effective results from associates	19,385	40,501
Depreciations/write ups	418,445	435,672
Changes in long-term provisions	36,944	1,599
Gains/losses on disposal of non-current assets	-33,559	-30,875
Cash flow from profits	**508,613**	**704,189**
Change in items:		
Inventories	-104,618	-67,037
Trade receivables, construction contracts and consortia	303,221	-120,984
Receivables from subsidiaries and receivables from participation companies	-69,983	-55,903
Other assets	26,783	4,438
Trade payables, construction contracts and consortia	-252,280	-9,480
Liabilities from subsidiaries and liabilities from participation companies	6,315	6,634
Other liabilities	-70,120	-28,871
Current provisions	-79,130	68,160
Cash flow from operating activities	**268,801**	**501,146**
Purchase of financial assets	-41,171	-161,232
Purchase of property, plant, equipment and intangible assets	-458,283	-477,150
Gains/losses on disposal of non-current assets	33,559	30,875
Disposals of non-current assets (carrying value)	39,692	97,004
Change in other cash clearing receivables	203	8,296
Change in scope of consolidation	-21,191	-113,862
Cash flow from investing activities	**-447,191**	**-616,069**
Change in bank borrowings	-244,099	79,173
Change in bonded loan	140,000	0
Change in bonds	25,000	100,000
Change in liabilities from finance leases	-3,641	-16,150
Change in other cash clearing liabilities	7,457	12,936
Change due to acquisitions of non-controlling interests	11,540	-5,414
Acquisition of own shares	-42,880	-185,234
Distribution and withdrawals from partnerships	-69,639	-67,017
Cash flow from financing activities	**-176,262**	**-81,706**
Cash flow from operating activities	268,801	501,146
Cash flow from investing activities	-447,191	-616,069
Cash flow from financing activities	-176,262	-81,706
Net change in cash and cash equivalents	**-354,652**	**-196,629**
Cash and cash equivalents at the beginning of the period	1,700,237	1,952,452
Change in cash and cash equivalents due to currency translation	29,370	-55,586
Cash and cash equivalents at the end of the period	**1,374,955**	**1,700,237**
Interest paid	71,667	59,686
Interest received	58,314	61,885
Taxes paid	141,699	107,851
Dividends received	31,857	39,277

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR 2012

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVES T€	FOREIGN CURRENCY RESERVES T€	GROUP EQUITY T€	NON-CONTROLLING INTERESTS T€	TOTAL EQUITY T€
Balance as of 1.1.2011	**114,000**	**2,311,384**	**724,317**	**-73,296**	**14,705**	**3,091,110**	**141,328**	**3,232,438**
Net income	0	0	194,995	0	0	194,995	44,295	239,290
Differences arising from currency translation	0	0	0	0	-50,529	-50,529	-5,751	-56,280
Change in hedging reserves	0	0	0	705	0	705	35	740
Changes in financial instruments IAS 39	0	0	140	0	0	140	10	150
Changes in investments in associates	0	0	41	-609	-9,913	-10,481	-8	-10,489
Change of actuarial gains and losses	0	0	-4,361	0	0	-4,361	91	-4,270
Change of interest rate swap	0	0	0	-30,259	0	-30,259	-715	-30,974
Deferred taxes on neutral change in equity	0	0	780	5,643	0	6,423	100	6,523
Total comprehensive income	**0**	**0**	**191,595**	**-24,520**	**-60,442**	**106,633**	**38,057**	**144,690**
Transactions concerning non-controlling interests	0	0	-11,065	0	0	-11,065	36,030	24,965
Acquisition of own shares	0	0	-185,234	0	0	-185,234	0	-185,234
Distribution of dividends[1)]	0	0	-62,700	0	0	-62,700	-4,317	-67,017
Balance as of 31.12.2011	**114,000**	**2,311,384**	**656,913**	**-97,816**	**-45,737**	**2,938,744**	**211,098**	**3,149,842**

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVES T€	FOREIGN CURRENCY RESERVES T€	GROUP EQUITY T€	NON-CONTROLLING INTERESTS T€	TOTAL EQUITY T€
Balance as of 1.1.2012	**114,000**	**2,311,384**	**656,913**	**-97,816**	**-45,737**	**2,938,744**	**211,098**	**3,149,842**
Net income	0	0	60,631	0	0	60,631	49,407	110,038
Differences arising from currency translation	0	0	0	0	44,304	44,304	747	45,051
Change in hedging reserves	0	0	0	3,173	0	3,173	76	3,249
Changes in financial instruments IAS 39	0	0	-1,533	0	0	-1,533	-191	-1,724
Changes in investments in associates	0	0	211	-2,418	4,679	2,472	58	2,530
Change of actuarial gains and losses	0	0	-54,931	0	0	-54,931	-8,940	-63,871
Change of interest rate swap	0	0	0	-29,622	0	-29,622	-569	-30,191
Deferred taxes on neutral change in equity	0	0	15,833	4,858	0	20,691	2,737	23,428
Total comprehensive income	**0**	**0**	**20,211**	**-24,009**	**48,983**	**45,185**	**43,325**	**88,510**
Transactions concerning non-controlling interests	0	0	-17,043	0	0	-17,043	53,752	36,709
Acquisition of own shares	0	0	-42,880	0	0	-42,880	0	-42,880
Distribution of dividends[2)]	0	0	-62,492	0	0	-62,492	-7,147	-69,639
Balance as of 31.12.2012	**114,000**	**2,311,384**	**554,709**	**-121,825**	**3,246**	**2,861,514**	**301,028**	**3,162,542**

1) The total dividend payment of T€ 62,700.00 corresponds to a dividend per share of € 0.55 based on 114,000,000 shares.
2) The total dividend payment of T€ 62,492.00 corresponds to a dividend per share of € 0.60 based on 104,153,000 shares

CONSOLIDATED STATEMENT OF FIXED ASSETS AS OF 31 DECEMBER 2012

				ACQUISITION AND PRODUCTION COSTS		
	BALANCE AS OF 31.12.2011 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CURRENCY TRANS-LATION T€	BALANCE AS OF 1.1.2012 T€	ADDITIONS T€	TRANSFERS T€
I. Intangible Assets						
1. Concessions; industrial property rights and similiar rights as well as licences derived thereof	129,985	-677	379	129,687	5,008	0
2. Goodwill	638,288	3,577	8,213	650,078	0	0
3. Development costs	25,163	0	0	25,163	1,950	0
4. Advances paid	157	0	0	157	165	0
	793,593	**2,900**	**8,592**	**805,085**	**7,123**	**0**
II. Tangible Assets						
1. Properties; land rights equivalent to real property; buildings including buildings on third-party property	1,341,908	1,485	11,195	1,354,588	29,705	35,179
2. Technical equipment and machinery	2,468,638	16,868	33,330	2,518,836	236,385	37,791
3. Other facilities, furniture and fixtures and office equipment	909,434	8,116	8,500	926,050	139,613	-445
4. Advances paid and facilities under construction	129,688	337	236	130,261	45,457	-72,525
	4,849,668	**26,806**	**53,261**	**4,929,735**	**451,160**	**0**
III. Investment Property	**214,331**	**-2,945**	**0**	**211,386**	**0**	**0**
	5,857,592	**26,761**	**61,853**	**5,946,206**	**458,283**	**0**

1) Of this amount, impairments of T€ 28,482 (previous year: T€ 46,501)

CONSOLIDATED STATEMENT OF FIXED ASSETS AS OF 31 DECEMBER 2011

				ACQUISITION AND PRODUCTION COSTS		
	BALANCE AS OF 31.12.2010 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CURRENCY TRANS-LATION T€	BALANCE AS OF 1.1.2011 T€	ADDITIONS T€	TRANSFERS T€
I. Intangible Assets						
1. Concessions; industrial property rights and similiar rights as well as licences derived thereof	131,628	4,345	-2,848	133,125	8,749	115
2. Goodwill	620,329	26,976	-9,017	638,288	0	0
3. Development costs	22,624	0	-407	22,217	2,946	0
4. Advances paid	187	0	-8	179	93	-115
	774,768	**31,321**	**-12,280**	**793,809**	**11,788**	**0**
II. Tangible Assets						
1. Properties; land rights equivalent to real property; buildings including buildings on third-party property	1,251,306	56,511	-14,724	1,293,093	67,267	27,065
2. Technical equipment and machinery	2,396,264	42,898	-41,629	2,397,533	182,091	38,000
3. Other facilities, furniture and fixtures and office equipment	841,731	31,274	-12,137	860,868	126,985	440
4. Advances paid and facilities under construction	104,267	3,376	-1,014	106,629	88,564	-65,505
	4,593,568	**134,059**	**-69,504**	**4,658,123**	**464,907**	**0**
III. Investment Property	**219,815**	**0**	**0**	**219,815**	**455**	**0**
	5,588,151	**165,380**	**-81,784**	**5,671,747**	**477,150**	**0**

1) Of this amount, impairments of T€ 46,501 (previous year: T€ 71,751)
2) Of this amount, reversal of the depreciation T€ 0 (previous year: T€ 3,206)

DISPOSALS T€	BALANCE AS OF 31.12.2012 T€	ACCUMULATED DEPRECIATION BALANCE AS OF 31.12.2011 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CURRENCY TRANS-LATION T€	ADDITIONS[1] T€	TRANSFERS T€	DISPOSALS T€	BALANCE AS OF 31.12.2012 T€	CARRYING VALUES VALUES 31.12.2012 T€	VALUES 31.12.2011 T€
12,915	121,780	83,047	105	-5	10,787	0	12,262	81,672	40,108	46,938
2,018	648,060	166,461	0	13	10,077	0	0	176,551	471,509	471,827
0	27,113	7,575	0	0	1,116	0	0	8,691	18,422	17,588
0	322	0	0	0	0	0	0	0	322	157
14,933	**797,275**	**257,083**	**105**	**8**	**21,980**	**0**	**12,262**	**266,914**	**530,361**	**536,510**
19,402	1,400,070	441,857	-1,342	2,433	42,555	6	9,544	475,965	924,105	900,051
136,342	2,656,670	1,609,756	12,623	23,639	213,136	1,320	119,090	1,741,384	915,286	858,882
93,261	971,957	638,012	6,836	5,430	105,662	-1,326	85,151	669,463	302,494	271,422
0	103,193	5,805	0	0	13,701	0	0	19,506	83,687	123,883
249,005	**5,131,890**	**2,695,430**	**18,117**	**31,502**	**375,054**	**0**	**213,785**	**2,906,318**	**2,225,572**	**2,154,238**
4,532	**206,854**	**161,053**	**0**	**0**	**4,134**	**0**	**0**	**165,187**	**41,667**	**53,278**
268,470	**6,136,019**	**3,113,566**	**18,222**	**31,510**	**401,168**	**0**	**226,047**	**3,338,419**	**2,797,600**	**2,744,026**

DISPOSALS T€	BALANCE AS OF 31.12.2011 T€	ACCUMULATED DEPRECIATION BALANCE AS OF 31.12.2010 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CURRENCY TRANS-LATION T€	ADDITIONS[1] T€	TRANSFERS T€	DISPOSALS[2] T€	BALANCE AS OF 31.12.2011 T€	CARRYING VALUES VALUES 31.12.2011 T€	VALUES 31.12.2010 T€
12,004	129,985	81,178	2,233	-2,078	12,188	0	10,474	83,047	46,938	50,450
0	638,288	151,846	-1,539	2	16,152	0	0	166,461	471,827	468,483
0	25,163	6,057	0	0	1,518	0	0	7,575	17,588	16,567
0	157	0	0	0	0	0	0	0	157	187
12,004	**793,593**	**239,081**	**694**	**-2,076**	**29,858**	**0**	**10,474**	**257,083**	**536,510**	**535,687**
45,517	1,341,908	419,720	7,765	-3,527	40,989	632	23,722	441,857	900,051	831,586
148,986	2,468,638	1,481,565	61,879	-30,615	217,284	95	120,452	1,609,756	858,882	914,699
78,859	909,434	589,919	30,356	-8,733	98,300	-727	71,103	638,012	271,422	251,812
0	129,688	0	0	0	5,805	0	0	5,805	123,883	104,267
273,362	**4,849,668**	**2,491,204**	**100,000**	**-42,875**	**362,378**	**0**	**215,277**	**2,695,430**	**2,154,238**	**2,102,364**
5,939	**214,331**	**146,291**	**0**	**0**	**19,310**	**0**	**4,548**	**161,053**	**53,278**	**73,524**
291,305	**5,857,592**	**2,876,576**	**100,694**	**-44,951**	**411,546**	**0**	**230,299**	**3,113,566**	**2,744,026**	**2,711,575**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31.12.2012 OF STRABAG SE, VILLACH [1)]

BASIC PRINCIPLES

STRABAG SE is one of Europe's leading construction groups. The company has its headquarters in Villach, Austria. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe including Russia, in selected markets in North and Western Europe and the Arabian Peninsula, as well as in the project business in Africa, Asia and the Americas. STRABAG's activities span the entire construction industry (Building Construction & Civil Engineering, Transportation Infrastructures, Tunnelling, construction-related services) and cover the entire value-added chain in the field of construction.

The consolidated financial statements of STRABAG SE at the reporting date 31 December 2012, were drawn up under application of Section 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 Section 245a Paragraph 1 of the Austrian Commercial Code (UGB) were fulfilled as well.

In addition to a statement of comprehensive income, the financial statements include a cash flow statement in accordance with IAS 7, and a statement of changes in equity and a statement of recognised income and expense (IAS 1). The disclosures in the notes also contain a segment reporting section in accordance with IFRS 8.

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 notes. The income statement has been drawn up in accordance with the nature of expense method.

The consolidated financial statements were drawn up in T€. The presentation in T€ may result in rounding differences.

CHANGES IN ACCOUNTING POLICIES

The IASB has made the following amendment to the existing IFRS and passed several new IFRS and IFRIC, which have also been adopted by the European Commission. Application became mandatory on 1 January 2012.

	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO IASB)	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO EU ENDORSEMENT)
IFRS 7 Notes – Transfer of financial assets	1.7.2011	1.7.2011

The first-time application of the IFRS and IFRIC standard mentioned had minor consequences on STRABAG SE's consolidated financial statements as of 31 December 2012.

1) This part has been audited by KPMG.

Future Changes of Financial Reporting Standards

The IASB and the IFRIC approved further standards and interpretations. However, these were neither required to be applied in the 2012 financial year nor adopted by the European Commission. The amendments affect the following standards and interpretations:

	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO IASB)	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO EU EN-DORSEMENT)
IFRS 9 Financial Instruments	1.1.2015	n.a.[1]
IFRS 10 Consolidated Financial Statements	1.1.2013	1.1.2014
IFRS 11 Joint Arrangements	1.1.2013	1.1.2014
IFRS 12 Disclosure of Interests in Other Entities	1.1.2013	1.1.2014
IFRS 13 Fair Value Measurement	1.1.2013	1.1.2013
IAS 1 Presentation of Financial Statements	1.7.2012	1.7.2012
IAS 12 Deferred Tax – Recovery of Underlying Assets	1.1.2012	1.1.2013
IAS 19 Employee Benefits	1.1.2013	1.1.2013
IAS 27 Separate Financial Statements	1.1.2013	1.1.2014
IAS 28 Investment in Associates and Joint Ventures	1.1.2013	1.1.2014
IAS 32 Financial Instruments Presentation	1.1.2014	1.1.2014
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1.1.2013	1.1.2013
Annual Improvements to IFRS 2009–2011	1.1.2013	1.1.2013
Transition guidance – Changes to IFRS 10, IFRS 11 and IFRS 12	1.1.2013	1.1.2014
Investment entities – Changes to IFRS 10, IFRS 12 and IAS 27	1.1.2014	n.a.[1]

Consequences for the consolidated financial statements are expected especially from the application of the following standards and interpretations:

IFRS 9: follows a new standard for the classification and measurement of financial assets, distinguishing only between two measurement categories (measurement at fair value and measurement at amortised cost) based on the entity's business model or on the characteristics of the contractual cash flows of the financial asset in question. Measurement with regard to impairment is to be performed using a unique method.

IFRS 10 and IAS 27: IFRS 10 replaces the criteria for the consolidated financial statements contained in IAS 27 and addresses issues that had previously been governed by SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The new definition provides for more comprehensive rules to define the scope of consolidation than under IAS 27. Like IAS 27, IFRS 10 addresses the basic consolidation requirements for the interest of non-controlling entities and requires the use of uniform accounting policies.

IFRS 11 and IAS 28 regulate the accounting of arrangements in which an entity exercises joint control over a joint venture or a joint operation. It supersedes the previous rules under IAS 31 and SIC-13. The new standard does away with the option of proportionate consolidation for jointly controlled entities.

IFRS 12: This new standard encompasses all disclosure requirements for subsidiaries, associates and joint arrangements as well as for unconsolidated structured entities. It replaces the relevant requirements in IAS 27, IAS 28 and IAS 31.

IFRS 13 defines fair value, sets out a framework for measuring fair value and requires specific disclosures about fair value measurements. The regulations not only refer to financial instruments but also to the measurement of fair value according to other IAS.

IAS 1 now requires the components of other comprehensive income to be presented in such a way that it is clear whether the income and expenses will be recognised in the income statement at a later point or whether these are never recognised in the income statement.

IAS 12 "Recovery of underlying assets": The changes offer a solution for the recognition of deferred taxes on investment property measured using the fair value model in IAS 40 as well as on revalued non-depreciable assets.

IAS 19: The amended version contains clarifications and changes. The new IAS 19 does away with the "corridor" method, i.e. the possibility of recognising actuarial gains or losses from defined benefit obligations divided over several periods. Measurement of the expected plan asset yields is performed by applying the same rate as is used to discount defined benefit obligations. As a result, the total revenue from plan assets is no longer recognised in the income statement. The new IAS 19 also contains extended disclosure requirements for defined benefit plans as well as changes to the accounting of termination benefits.

1) n.a.: endorsment process is still in progress

IAS 32 contains changes to clarify under which requirements a netting of financial instruments is permitted on the balance sheet.

IFRIC 20: This interpretation addresses the removal of mine waste materials that are produced in the production phase of a surface mine. It defines when and how to account for benefits which may arise from such an activity, as well as how to measure these benefits.

Annual Improvements to IFRS 2009-2011: Amendments to individual standards in the course of annual improvement processes by the IASB.

Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition guidance primarily refers to the first-time application of IFRS 10 and additional information according to IFRS 12.

Amendments to IFRS 10, IFRS 12 and IAS 27 investment entities, introduces the exception from the requirement of consolidation for subsidiaries according to IFRS 10 for investment entities.

Early application of the new standards and interpretations is not planned. The exact impact of the new standards and interpretations on the consolidated financial statements is currently being analysed.

SCOPE OF CONSOLIDATION

The consolidated financial statements as of 31 December 2012 include STRABAG SE as well as all major domestic and foreign subsidiaries where STRABAG SE either directly or indirectly holds a majority of the voting rights. Major associated companies and joint ventures are reported in the balance sheet using the equity method (investments in associates).

Group companies which are of minor importance for the purpose of giving a true and fair view of the financial position, financial performance and cash flows of the group are not consolidated.

Subsidiaries included in the 2012 consolidated financial statements are given in the list of subsidiaries.

The financial year for all consolidated and associated companies, except A2 Strada Sp.z o.o., Warsaw, is identical with the calendar year.

The number of consolidated companies changed in the 2012 financial year as follows:

	CONSOLIDATION	EQUITY METHOD
Situation as of 31.12.2010	**295**	**14**
First-time inclusions in year under report	33	8
First-time inclusions in year under report due to merger/accretion	14	0
Merger/accretion in year under report	-26	0
Exclusions in year under report	-8	-1
Situation as of 31.12.2011	**308**	**21**
First-time inclusions in year under report	23	1
First-time inclusions in year under report due to merger/accretion	20	0
Merger/accretion in year under report	-26	0
Exclusions in year under report	-4	-1
Situation as of 31.12.2012	**321**	**21**

ADDITIONS TO SCOPE OF CONSOLIDATION

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

COMPANY	DIRECT STAKE %	DATE OF ACQUISITION OR FOUNDATION
Consolidation		
Atlas Tower GmbH & Co. KG, Cologne	100.00	1.1.2012[1)]
Baunova AG, Dällikon	100.00	21.3.2012
Heimfeld Terrassen GmbH, Cologne	100.00	1.1.2012[1)]
Kaiserebersdorfer Straße LiegenschaftsverwertungsGmbH., Vienna	100.00	1.1.2012[1)]
MiTTAG s.r.o., Brno	100.00	1.1.2012[1)]
Möbius Construction Ukraine Ltd, Odessa	100.00	1.1.2012[1)]
Northern Energy GAIA I. GmbH, Aurich	100.00	10.1.2012
Northern Energy GAIA II. GmbH, Aurich	100.00	10.1.2012
Northern Energy GAIA III. GmbH, Aurich	100.00	10.1.2012
Northern Energy GAIA IV. GmbH, Aurich	100.00	10.1.2012
Northern Energy GAIA V. GmbH, Aurich	100.00	10.1.2012
Northern Energy SeaStorm I. GmbH, Aurich	100.00	10.1.2012
Northern Energy SeaStorm II. GmbH, Aurich	100.00	10.1.2012
Northern Energy SeaWind III. GmbH, Aurich	100.00	10.1.2012
Northern Energy SeaWind IV. GmbH, Aurich	100.00	10.1.2012
R I M E X GmbH Servicebetriebe, Aalen	100.00	1.1.2012[1)]
riw Industriewartung GmbH, Ulm	100.00	1.1.2012[1)]
STRABAG Holding GmbH, Vienna	100.00	27.7.2012
STRABAG Oy, Helsinki	100.00	1.1.2012[1)]
Strabag SpA, Santiago	100.00	26.9.2012
Torkret GmbH, Stuttgart	100.00	1.1.2012[1)]
Züblin Inc., New Brunswick	100.00	1.1.2012[1)]
Zweite Nordsee-Offshore Holding GmbH, Pressbaum	51.00	10.1.2012
Merger/Accretion[2)]		
becker Verwaltungsgesellschaft mbH, Bornhöved	100.00	1.1.2012
Belagswerk Sternenfeld GmbH, Basel	100.00	1.1.2012
Frey & Götschi AG, Affoltern am Albis	100.00	1.1.2012
GEOTEST GmbH, Leinfelden-Echterdingen	100.00	1.1.2012
Ing. Siegl Installationsgesellschaft m.b.H., Vienna	100.00	1.1.2012
K.H. Gaul Verwaltungs- und Beteiligungs GmbH, Sprendlingen	100.00	1.1.2012
Kirchhoff Projektgesellschaft mbH, Leinfelden-Echterdingen	100.00	1.1.2012
Kirchhoff Stuttgart Beteiligungs-GmbH, Leinfelden-Echterdingen	100.00	1.1.2012
Kirchner Service GmbH, Bad Hersfeld	100.00	1.1.2012
Lehmann-Verwaltungs-GmbH, Müllrose	100.00	1.1.2012
Mineral Baustoff Verwaltungs GmbH, Cologne	100.00	1.1.2012
MUSIKVIERTEL Grundstücksentwicklung GmbH, Cologne	100.00	1.1.2012
SF-BAU Projektentwicklung GmbH, Cologne	100.00	1.1.2012
SMG Verwaltungsgesellschaft mbH, Sprendlingen	100.00	1.1.2012
SSM Stahlbau Sondergleisbau Maschinenbau GmbH, Seelze	100.00	1.1.2012
Steffes-Mies Verwaltungsgesellschaft mbH, Sprendlingen	100.00	1.1.2012
STUAGBAU Development GmbH, Cottbus	100.00	1.1.2012
TRADON Transportbeton Verwaltungs-GmbH, Merseburg	100.00	1.1.2012
Ucka Asfald d.o.o., Zagreb	100.00	1.1.2012
ZIPP GECA, s.r.o., Geca	100.00	1.1.2012
at-equity		
A-Lanes A 15 Holding B.V., Nieuwegein	24.00	1.1.2012

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

ACQUISITIONS

Effective 21 March 2012 51 % of the Swiss construction company Baunova AG, Dällikon, were acquired by STRABAG. The company generates a revenue of about EUR 50 million with 100 employees. The acquisition allows STRABAG to bolster its presence in the Swiss building construction market. Due to a put-option of the minority shareholders the company is fully consolidated and a liability in the amount of the estimated purchase price was set.

STRABAG acquired 51 % of the Zweite Nordsee-Offshore-Holding GmbH, Pressbaum, effective 10 January 2012. The holding holds nine project companies which develop, build and operate Offshore wind energy farms in the North Sea.

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

	ACQUISITIONS T€
Acquired assets and liabilities	
Goodwill	3,577
Other non-current assets	9,823
Current assets	139,220
Increase in non-controlling interest	-25,168
Non-current liabilities	-26,865
Current liabilities	-58,802
Purchase price	**41,785**
Less non-cash-effective purchase price component	-14,912
Acquired cash and cash equivalents	-5,691
Net cash outflow from acquisitions	**21,182**

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 difference to an inclusion at the date of acquisition.

In the 2012 financial year, negative goodwill in the amount of T€ 777 (previous year: T€ 4,487) occurred. This amount is reported under other operating income.

Assuming a fictitious first-time consolidation on 1 January 2012 for all acquisitions in the 2012 financial year, the consolidated revenue would amount to T€ 12,985,679. The consolidated profit in the financial year would change only insignificantly.

All companies which were consolidated for the first time in 2012 contributed T€ 46,019 to revenue and T€ -7,037 to net income.

ACQUISITIONS AFTER REPORTING DATE

In mid-March, STRABAG acquired the transportation infrastructure activities of Netherlands-based Janssen de Jong Groep B.V. as part of an asset deal. The acquisition helps to expand the regional capacities in transportation infrastructures in the Netherlands, especially in the field of asphalt.

Per contract from 11 March 2013, STRABAG acquired 100 % of Metsä Wood Merk GmbH, Aichach, effective retroactively to 31 December 2012. The acquisition serves to expand the activities in the field of structural timber engineering.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As of 31 December 2012, the following companies were no longer included in the scope of consolidation:

DISPOSALS FROM SCOPE OF CONSOLIDATION	
Bauträgergesellschaft Olande mbH, Hamburg	Fell below significant level
ERMATEC Maschinen Technische Anlagen Gesellschaft m.b.H., St. Pölten	Fell below significant level
MASZ M6 Kft., Budapest	Fell below significant level
SAT Útjavító Kft., Budapest	Fell below significant level

MERGER/ACCRETION[1]	
becker Verwaltungsgesellschaft mbH, Bornhöved	
Belagswerk Sternenfeld GmbH, Basel	
BFB Behmann Feuerfestbau GmbH, Bremen	
Donnersberger Höfe Ost GmbH, Düsseldorf	
Donnersberger Höfe West GmbH, Düsseldorf	
Frey & Götschi AG, Affoltern am Albis	
GEOTEST GmbH, Leinfelden-Echterdingen	
Hermann Kirchner Polska Spolka z.o.o., Lodz	
Ing. Siegl Installationsgesellschaft m.b.H., Vienna	
K.H. Gaul Verwaltungs- und Beteiligungs GmbH, Sprendlingen	
Kirchhoff Projektgesellschaft mbH, Leinfelden-Echterdingen	
Kirchhoff Stuttgart Beteiligungs-GmbH, Leinfelden-Echterdingen	
Kirchner Service GmbH, Bad Hersfeld	
Lehmann-Verwaltungs-GmbH, Müllrose	
Mineral Baustoff Verwaltungs GmbH, Cologne	
MUSIKVIERTEL Grundstücksentwicklung GmbH, Cologne	
SFB Behmann Feuerfestbau GmbH, Schwedt/Oder	
SF-BAU Projektentwicklung GmbH, Cologne	
SMG Verwaltungsgesellschaft mbH, Sprendlingen	
SSM Stahlbau Sondergleisbau Maschinenbau GmbH, Seelze	
Steffes-Mies Verwaltungsgesellschaft mbH, Sprendlingen	
STUAGBAU Development GmbH, Cottbus	
TRADON Transportbeton Verwaltungs-GmbH, Merseburg	
Ucka Asfald d.o.o., Zagreb	
ZIPP GECA, s.r.o., Geca	
ZIPP Praha, s.r.o., Prague	

AT-EQUITY	
Asphaltmischwerk Düsseldorf GmbH & Co.KG, Neuss	Disposal

The deconsolidation resulted in disposals of assets in the amount of T€ 9,775 and of liabilities – including non-controlling interests – in the amount of T€ 5,918.

METHODS OF CONSOLIDATION

The financial statements of the domestic and foreign companies included in the scope of 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 liabilities 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 capital consolidation, is recognised separately from goodwill.

Goodwill is subjected at least once a year to an impairment test in accordance with IAS 36. The option of recognising non-controlling interest at fair value (full goodwill method) is not applied.

In determining the cost of an acquisition, certain components of the purchase price are recognised at fair value at the time of initial consolidation. Later deviations from this value are recognised in profit or loss. Transaction costs are recognised immediately in profit or loss.

In the 2012 financial year, T€ 3,577 in goodwill arising from capital consolidation were recognised as assets. Impairments in the amount of T€ 10,077 were made.

Negative goodwill stemming from capital consolidation is recorded directly through profit or loss.

In a step acquisition, assets and liabilities are recognised at fair value at the acquisition date. Already existing interests have to be revalued at fair value through profit and loss. The goodwill is determined at the time of acquisition.

Value differences resulting from the acquisition or sale of investments in subsidiaries without the acquisition or loss of control are recognised in full directly in equity.

1) The companies listed under "Merger/Accretion" were merged with already fully consolidated companies or, as a result of accretion, formed part of fully consolidated companies.

The same principles of capital consolidation are applied to investments included 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. A goodwill of T€ 0 (previous year: T€ 150,426) results from the first-time application of the equity method of the newly acquired companies, which is recognised as a component of investments in associates.

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 recognised in the non-current and current assets have been eliminated if they are material.

Non-controlling 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 the euro. The financial statements for foreign companies or permanent establishments are converted into euro according to the functional currency concept (IAS 21). In all companies this is the respective local currency.

The most important currencies are listed under item 25: financial instruments along with their average exchange rates and their exchange rates on the balance sheet date.

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€ 45,051 (previous year: T€ -56,280) are recognised directly in equity in the financial year with no effect on the operating result. The currency translation differences between the closing rate for the balance sheet and the average rate for the income statement are allocated to equity.

Forward exchange operations (hedging) excluding deferred taxes in the amount of T€ 3,249 (previous year: T€ 740) were recognised directly in equity.

Restatements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) were not necessary.

THE FOLLOWING LIST SHOWS THE CONSOLIDATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

AUSTRIA		NOMINAL CAPITAL T€/TATS	DIRECT STAKE %
«A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH», Spittal an der Drau		35	100.00
«DOMIZIL» Bauträger GmbH, Vienna		727	100.00
«Filmforum am Bahnhof» Errichtungs- und Betriebsgesellschaft m.b.H., Vienna	TATS	3,000	100.00
«SBS Strabag Bau Holding Service GmbH», Spittal an der Drau		35	100.00
«Wiener Heim» Wohnbaugesellschaft m.b.H., Vienna		741	100.00
«Wohngarten Sensengasse» Bauträger GmbH, Vienna		35	55.00
ABR Abfall Behandlung und Recycling GmbH, Schwadorf		37	100.00
Asphalt & Beton GmbH, Spittal an der Drau		36	100.00
AUSTRIA ASPHALT GmbH & Co OG, Spittal an der Drau	TATS	500	100.00
Bau Holding Beteiligungs AG, Spittal an der Drau		48,000	100.00
Baukontor Gaaden Gesellschaft m.b.H., Gaaden		36	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG, Loosdorf	TATS	3,000	100.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H., Spittal an der Drau	TATS	2,000	100.00
BMTI-Baumaschinentechnik International GmbH, Trumau		1,454	100.00
Böhm Stadtbaumeister & Gebäudetechnik GmbH, Vienna		36	100.00
BPM Bau Prozess Management GmbH, Vienna		36	100.00
BrennerRast GmbH, Vienna		35	100.00
BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H., Spittal an der Drau		37	100.00
Bug-AluTechnic GmbH, Vienna		5,000	100.00
Center Communication Systems GmbH, Vienna		727	100.00
Diabaswerk Saalfelden Gesellschaft m.b.H., Saalfelden am Stein.Meer		363	100.00
Eckstein Holding GmbH, Spittal an der Drau		73	100.00
EFKON AG, Raaba		18,350	97.13
Erste Nordsee-Offshore-Holding GmbH, Pressbaum		100	51.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, Eggendorf		1,192	100.00
Fachmarktzentrum Arland Errichtungs- und Vermietungsgesellschaft mbH, Vienna	TATS	500	100.00
Goldeck Bergbahnen GmbH, Spittal an der Drau		363	100.00
Ilbau Liegenschaftsverwaltung GmbH, Spittal an der Drau		4,500	100.00
InfoSys Informationssysteme GmbH, Spittal an der Drau		363	94.90
Innsbrucker Nordkettenbahnen Betriebs GmbH, Innsbruck		35	51.00
KAB Straßensanierung GmbH & Co KG, Spittal an der Drau		133	50.60
Kaiserebersdorfer Straße LiegenschaftsverwertungsGmbH, Vienna		36	100.00
Kanzel Steinbruch Dennig Gesellschaft mit beschränkter Haftung, Gratkorn	TATS	500	75.00
Leitner Gesellschaft m.b.H., Hausmening	TATS	4,800	100.00
M5 Beteiligungs GmbH, Vienna		70	100.00
M5 Holding GmbH, Vienna		35	100.00
Mineral Abbau GmbH, Spittal an der Drau		36	100.00
Mischek Systembau GmbH, Vienna		1,000	100.00
Mobil Baustoffe GmbH, Reichenfels		50	100.00
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H., Spittal an der Drau	TATS	1,000	51.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH, Lavant i. Osttirol		36	80.00
Raststation A 3 GmbH, Vienna		35	100.00
Raststation A 6 GmbH, Vienna	TATS	500	100.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H., Linz		291	100.00
SF Bau vier GmbH, Vienna		35	100.00
Storf Hoch- und Tiefbaugesellschaft m.b.H., Reutte		727	100.00
STRABAG AG, Spittal an der Drau		12,000	100.00
STRABAG Anlagentechnik GmbH, Thalgau		1,000	100.00
STRABAG Bau GmbH, Vienna		1,800	100.00
STRABAG Energy Technologies GmbH, Vienna		50	100.00
STRABAG Holding GmbH, Vienna		35	100.00
Strabag Liegenschaftsverwaltung GmbH, Linz		4,500	100.00
STRABAG Property and Facility Services GmbH, Vienna		35	100.00
STRABAG SE, Villach		114,000	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH, Vienna		37	100.00
Züblin Baugesellschaft m.b.H., Vienna	TATS	35,000	100.00
Züblin Holding GesmbH, Vienna		55	100.00
Züblin Spezialtiefbau Ges.m.b.H., Vienna		1,500	100.00
Zweite Nordsee-Offshore-Holding GmbH, Pressbaum		100	51.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
«GfB» Gesellschaft für Bauwerksabdichtungen mbH, Kobern-Gondorf		205	100.00
Alpines Hartschotterwerk GmbH, Senden		25	100.00
Atlas Tower GmH & Co. KG, Cologne		106	100.00
Baugesellschaft Nowotnik GmbH, Nörvenich		26	100.00
Baumann & Burmeister GmbH, Halle/Saale		51	100.00
Bauunternehmung Ohneis Gesellschaft mit beschränkter Haftung, Straubing	TDEM	100	100.00
BBS Baustoffbetriebe Sachsen GmbH, Hartmannsdorf	TDEM	30,000	100.00
becker bau GmbH, Bornhöved		25	100.00
BHG Bitumenhandelsgesellschaft mbH, Hamburg		26	100.00
BITUNOVA GmbH, Düsseldorf		256	100.00
Blees-Kölling-Bau GmbH, Cologne	TDEM	2,500	100.00
BMTI-Baumaschinentechnik International GmbH, Cologne		307	100.00
BRVZ Bau- Rechen- und Verwaltungszentrum GmbH, Cologne		30	100.00
CLS Construction Legal Services GmbH, Cologne		25	100.00
Deutsche Asphalt GmbH, Cologne		28	100.00
DYWIDAG Bau GmbH, Munich		32	100.00
DYWIDAG International GmbH, Munich		5,000	100.00
DYWIDAG-Holding GmbH, Cologne		500	100.00
E S B Kirchhoff GmbH, Leinfelden-Echterdingen		1,500	100.00
Eberhard Pöhner Unternehmen für Hoch- und Tiefbau GmbH, Bayreuth		30	100.00
Eberhardt Bau-Gesellschaft mbH, Berlin	TDEM	300	100.00
ECS European Construction Services GmbH, Mörfelden-Walldorf		225	100.00
Ed. Züblin AG, Stuttgart		20,452	57.26
Eduard Hachmann Gesellschaft mit beschränkter Haftung, Lunden		520	100.00
EFKON Germany GmbH, Berlin		25	100.00
Eichholz Eivel GmbH, Berlin		25	100.00
ETG Erzgebirge Transportbeton GmbH, Freiberg		290	60.00
F. Kirchhoff GmbH, Leinfelden-Echterdingen		23,319	100.00
F. Kirchhoff Straßenbau GmbH, Leinfelden-Echterdingen		25	100.00
F. KIRCHHOFF SYSTEMBAU GmbH, Münsingen		2,000	100.00
Fahrleitungsbau GmbH, Essen		1,550	100.00
Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH & Co.KG, Oststeinbek		25	51.00
Forum Mittelrhein Koblenz Kultur GmbH & Co. KG, Hamburg		25	51.00
Gaul GmbH, Sprendlingen		25	100.00
Gebr. von der Wettern Gesellschaft mit beschränkter Haftung, Cologne	TDEM	5,000	100.00
Griproad Spezialbeläge und Baugesellschaft mbH, Cologne	TDEM	400	100.00
HEILIT Umwelttechnik GmbH, Düsseldorf		2,000	100.00
Heilit+Woerner Bau GmbH, Munich		18,000	100.00
Heimfeld Terrassen GmbH, Cologne		25	100.00
Helmus Straßen-Bau GmbH, Vechta		3,068	100.00
Hermann Kirchner Bauunternehmung GmbH, Bad Hersfeld		15,000	100.00
Hermann Kirchner Hoch- und Ingenieurbau GmbH, Bad Hersfeld		2,500	100.00
Ilbau GmbH Deutschland, Berlin		4,700	100.00
Ilbau Liegenschaftsverwaltung GmbH, Hoppegarten	TDEM	15,000	100.00
Josef Möbius Bau - GmbH, Hamburg		6,833	100.00
Josef Riepl Unternehmen für Ingenieur- und Hochbau GmbH, Regensburg		900	100.00
JUKA Justizzentrum Kurfürstenanlage GmbH, Cologne		26	100.00
Kirchner & Völker Bauunternehmung GmbH, Erfurt		520	90.00
Kirchner Holding GmbH, Bad Hersfeld		9,220	100.00
Leonhard Moll Hoch- und Tiefbau GmbH, Munich		51	100.00
LIMET Beteiligungs GmbH & Co. Objekt Köln KG, Cologne		10	94.00
LIMET Beteiligungs GmbH, Cologne	TDEM	50	100.00
Ludwig Voss GmbH, Cuxhaven		25	100.00
MAV Mineralstoff - Aufbereitung und - Verwertung GmbH, Krefeld		600	50.00
MAV Mineralstoff - Aufbereitung und Verwertung Lünen GmbH, Lünen		250	100.00
Mineral Baustoff GmbH, Cologne		25	100.00
MOBIL Baustoffe GmbH, Munich		100	100.00
NE Sander Eisenbau GmbH, Sande		155	100.00
NE Sander Immobilien GmbH, Sande		155	100.00
Northern Energy GAIA I. GmbH, Aurich		25	100.00
Northern Energy GAIA II. GmbH, Aurich		25	100.00
Northern Energy GAIA III. GmbH, Aurich		25	100.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
Northern Energy GAIA IV. GmbH, Aurich		25	100.00
Northern Energy GAIA V. GmbH, Aurich		25	100.00
Northern Energy GlobalTech II. GmbH, Aurich		25	100.00
Northern Energy GlobalTech III. GmbH, Aurich		25	100.00
Northern Energy OWP Albatros GmbH, Aurich		100	100.00
Northern Energy OWP West GmbH, Aurich		100	100.00
Northern Energy SeaStorm I. GmbH, Aurich		25	100.00
Northern Energy SeaStorm II. GmbH, Aurich		25	100.00
Northern Energy SeaWind I. GmbH, Aurich		25	100.00
Northern Energy SeaWind II. GmbH, Aurich		25	100.00
Northern Energy SeaWind III GmbH, Aurich		25	100.00
Northern Energy SeaWind IV. GmbH, Aurich		25	100.00
Off-Shore Wind Logistik GmbH, Stuttgart	TDEM	100	100.00
Ooms-Ittner-Hof GmbH, Cologne	TDEM	1,000	100.00
PEKA Entwicklungsgesellschaft Kurfürstenanlage GmbH, Cologne		25	100.00
POßÖGEL & PARTNER STRAßEN- UND TIEFBAU GMBH HERMSDORF/THÜR., St. Gangloff		77	100.00
Preusse Baubetriebe Gesellschaft mit beschränkter Haftung, Hamburg		1,050	100.00
Projekt Elbpark GmbH & Co. KG, Cologne		10	100.00
Pyhrn Concession Holding GmbH, Cologne		38	100.00
R I M E X GmbH Servicebetriebe, Aalen		52	100.00
REPASS-SANIERUNGSTECHNIK GMBH Korrosionsschutz und Betoninstandsetzung, Munderkingen	TDEM	51	100.00
Rimex Gebäudemanagement GmbH, Ulm		51	100.00
riw Industriewartung GmbH, Ulm		51	100.00
ROBA Transportbeton GmbH, Cologne		520	100.00
Robert Kieserling Industriefußboden Gesellschaft mit beschränkter Haftung, Hamburg		1,050	100.00
SAT Straßensanierung GmbH, Cologne		30	100.00
SBR Verwaltungs-GmbH, Kehl		7,001	100.00
SF-Ausbau GmbH, Freiberg		600	100.00
Staßfurter Baubetriebe GmbH, Staßfurt		1,050	100.00
Steffes-Mies GmbH, Sprendlingen		25	100.00
Stephan Holzbau GmbH, Stuttgart		25	100.00
STRABAG AG, Cologne		104,780	93.63
STRABAG Asset GmbH, Cologne		2,663	100.00
STRABAG Beteiligungsverwaltung GmbH, Cologne		78	100.00
STRABAG Beton GmbH & Co. KG, Berlin	TDEM	2,000	100.00
STRABAG Facility Management GmbH, Nürnberg		30	100.00
STRABAG Infrastrukturprojekt GmbH, Bad Hersfeld		1,280	100.00
STRABAG International GmbH, Cologne		2,557	100.00
STRABAG Offshore Wind GmbH, Cuxhaven	TDEM	50	100.00
STRABAG Pipeline- und Rohrleitungsbau GmbH, Regensburg		50	100.00
STRABAG Projektentwicklung GmbH, Cologne	TDEM	20,000	100.00
STRABAG Property and Facility Services GmbH, Münster		5,000	100.00
STRABAG Rail Fahrleitungen GmbH, Berlin		600	100.00
STRABAG Rail GmbH, Lauda-Königshofen		25	100.00
STRABAG Real Estate GmbH, Cologne		30,000	100.00
STRABAG Sportstättenbau GmbH, Dortmund	TDEM	200	100.00
STRABAG Umweltanlagen GmbH, Dresden		2,000	100.00
STRABAG Unterstützungskasse GmbH, Cologne		26	100.00
Stratebau GmbH, Regensburg	TDEM	8,000	100.00
T S S Technische Sicherheits-Systeme Gesellschaft mit beschränkter Haftung, Cologne	TDEM	270	100.00
Torkret GmbH, Stuttgart		1,023	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH, Cologne		511	100.00
Windkraft FiT GmbH, Hamburg		25	100.00
Wolfer & Goebel Bau GmbH, Stuttgart		25	100.00
Xaver Bachner GmbH, Straubing	TDEM	500	100.00
Z-Bau GmbH, Magdeburg		100	100.00
ZDE Sechste Vermögensverwaltung GmbH, Cologne		25	100.00
Züblin Bau GmbH, Stuttgart		1,534	100.00
Züblin Gebäudetechnik GmbH, Erlangen		25	100.00
Züblin International GmbH, Stuttgart		2,500	100.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
Züblin Projektentwicklung GmbH, Stuttgart	TDEM	5,000	100.00
Züblin Spezialtiefbau GmbH, Stuttgart	TDEM	6,000	100.00
Züblin Stahlbau GmbH, Hosena		1,534	100.00
Züblin Umwelttechnik GmbH, Stuttgart		2,000	100.00
Züblin Wasserbau GmbH, Berlin	TDEM	500	100.00

ALBANIA	NOMINAL CAPITAL TALL	DIRECT STAKE %
Trema Engineering 2 sh p.k., Tirana	545,568	51.00

AZERBAIJAN	NOMINAL CAPITAL TUSD	DIRECT STAKE %
«Strabag Azerbaijan» L.L.C., Baku	260	100.00

BELGIUM	NOMINAL CAPITAL T€	DIRECT STAKE %
N.V. STRABAG Belgium S.A., Antwerp	18,059	100.00
N.V. STRABAG Benelux S.A., Antwerp	6,863	100.00

BULGARIA	NOMINAL CAPITAL TLEW	DIRECT STAKE %
STRABAG EAD, Sofia	13,313	100.00
TPA EOOD, Sofia	5	100.00

CHILE	NOMINAL CAPITAL TCLP	DIRECT STAKE %
Strabag SpA, Santiago	500,000	100.00
Züblin International GmbH Chile SpA, Santiago de Chile	7,909,484	100.00

CHINA	NOMINAL CAPITAL TCNY	DIRECT STAKE %
Shanghai Changjiang-Züblin Construction&Engineering Co.Ltd., Shanghai	29,312	75.00

DENMARK	NOMINAL CAPITAL TDKK	DIRECT STAKE %
KMG - KLIPLEV MOTORWAY GROUP A/S, Copenhagen	500	100.00
Züblin A/S, Trige	1,000	100.00

FINLAND	NOMINAL CAPITAL T€	DIRECT STAKE %
STRABAG Oy, Helsinki	3	100.00

INDIA	NOMINAL CAPITAL TINR	DIRECT STAKE %
EFKON INDIA LIMITED, Maharashtra Mumbai	50,000	100.00
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai Maharashtra	20,000	74.00

ITALY	NOMINAL CAPITAL T€	DIRECT STAKE %
STRABAG S.p.A., Bologna	10,000	100.00

CANADA	NOMINAL CAPITAL TCAD	DIRECT STAKE %
Strabag Inc., Toronto	3,000	100.00
Züblin Inc., Saint John/NewBrunswick	100	100.00

CROATIA	NOMINAL CAPITAL THRK	DIRECT STAKE %
BRVZ d.o.o., Zagreb	20	100.00
CESTAR d.o.o., Slavonski Brod	1,100	74.90
MINERAL IGM d.o.o., Zapuzane	10,701	100.00
Pomgrad Inzenjering d.o.o., Split	25,534	100.00
PZC SPLIT d.d., Split	18,810	95.12
Strabag d.o.o., Zagreb	48,230	100.00
STRABAG-HIDROINZENJERING d.o.o, Split	144	100.00
TPA odrzavanje kvaliteta i inovacija d.o.o., Zagreb	20	100.00

MALAYSIA	NOMINAL CAPITAL TMYR	DIRECT STAKE %
Züblin International Malaysia Sdn. Bhd., Kuala Lumpur	4,100	100.0

MONTENEGRO	NOMINAL CAPITAL T€	DIRECT STAKE %
«Crnagoraput» AD, Podgorica, Podgorica	9,779	94.99

THE NETHERLANDS	NOMINAL CAPITAL T€	DIRECT STAKE %
STRABAG B.V., Vlaardingen	450	100.00
Züblin Nederland BV, Vlaardingen	500	100.00

OMAN	NOMINAL CAPITAL TOMR	DIRECT STAKE %
STRABAG OMAN L.L.C., Muscat	1,000	100.00

PAKISTAN	NOMINAL CAPITAL TPKR	DIRECT STAKE %
TolLink Pakistan (Private) Limited, Islamabad	2,520	60.00

POLAND	NOMINAL CAPITAL TPLN	DIRECT STAKE %
«HEILIT+WOERNER» Budowlana Sp.z o.o., Breslau	16,140	100.00
A2 Strada Sp.z o.o., Pruszkow[1)]	428	100.00
BHG Sp.z o.o., Pruszkow	500	100.00
BITUNOVA Sp.z o.o., Warsaw	2,700	100.00
BMTI Sp.z o.o., Pruszkow	2,000	100.00
BRVZ Sp.z o.o., Pruszkow	500	100.00
Kopalnie Melafiru w Czarnym Borze Sp.z o.o., Czarny Bor	9,700	100.00
Mineral Polska Sp. z.o.o., Czarny Bor	9,361	100.00
Polski Asfalt Sp.z o.o., Pruszkow	60,000	100.00
Przedsiebiorstwo Budownictwa Ogólnego i Uslug Technicznych Slask Sp.z o.o., Katowice	295	60.98
SAT Sp.z o.o., Olawa	4,171	100.00
STRABAG Sp.z o.o., Pruszkow	12,900	100.00
TPA INSTYTUT BADAN TECHNICZNYCH Sp.z o.o., Pruszków	600	100.00
Züblin Sp. z o.o., Poznan	7,765	100.00

PORTUGAL	NOMINAL CAPITAL T€	DIRECT STAKE %
Zucotec - Sociedade de Construcoes Lda., Lisbon	200	100.00

QATAR	NOMINAL CAPITAL TRIY	DIRECT STAKE %
Strabag Qatar W.L.L., Qatar	200	100.00

1) The presentation of interests is done using the economic approach; the interests as defined by civil law may deviate from this presentation.

ROMANIA		NOMINAL CAPITAL TRON	DIRECT STAKE %
ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ S.A., Cluj-Napoca		64,061	100.00
Bitunova Romania SRL, Bucharest		16	100.00
BRVZ SERVICII & ADMINISTRARE SRL, Bucharest		278	100.00
Carb SA, Brasov		10,909	99.47
DRUMCO SA, Timisoara		12,957	70.00
Strabag srl, Bucharest		43,519	100.00
TPA Societate pentru asigurarea calitatii si inovatii SRL, Bucharest		0	100.00
Züblin Romania S.R.L., Bucharest		4,580	100.00

RUSSIA	NOMINAL CAPITAL TRUB	DIRECT STAKE %
SAO BRVZ Ltd, Moscow	313	100.00
Strabag z.a.o., Moscow	14,926	100.00

SAUDI ARABIA	NOMINAL CAPITAL TSAR	DIRECT STAKE %
Dywidag Saudi Arabia Co. Ltd., Jubail	10,000	100.00

SWEDEN	NOMINAL CAPITAL TSEK	DIRECT STAKE %
BRVZ Sweden AB, Kumla	100	100.00
Nimab Entreprenad AB, Sjöbo	501	100.00
STRABAG AB, Stockholm	50	100.00
STRABAG Projektutveckling AB, Stockholm1)	1,000	100.00
STRABAG Sverige AB, Stockholm	15,975	100.00
Züblin Scandinavia AB, Stockholm	100	100.00

SWITZERLAND	NOMINAL CAPITAL TCHF	DIRECT STAKE %
Astrada AG, Subingen	3,000	100.00
Baunova AG, Dällikon1)	800	51.00
BMTI GmbH, Erstfeld	20	100.00
Brunner Erben AG, Zurich	1,500	100.00
Brunner Erben Holding AG, Zurich	2,000	100.00
BRVZ Bau-, Rechen- und Verwaltungszentrum AG, Erstfeld	100	100.00
Egolf AG Strassen- und Tiefbau, Weinfelden	3,500	100.00
Meyerhans AG Amriswil, Amriswil	2,500	100.00
Meyerhans AG, Strassen- und Tiefbau Uzwil, Uzwil	100	100.00
STRABAG AG, Zurich	8,000	100.00

SERBIA		NOMINAL CAPITAL TRSD	DIRECT STAKE %
«PUTEVI» A.D. CACAK, Cacak		122,638	85.02
Preduzece za puteve «Zajecar» a.D.Zajecar, Zajecar		265,015	99.53
STRABAG Beograd d.o.o., Belgrade	T€	8,696	100.00
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd, Novi Beograd	T€	401	100.00
Vojvodinaput-Pancevo a.d. Pancevo, Pancevo	T€	4,196	82.07

SLOVAKIA	NOMINAL CAPITAL T€	DIRECT STAKE %
BITUNOVA spol. s r.o., Zvolen	1,195	100.00
BRVZ s.r.o., Bratislava	33	100.00
Errichtungsgesellschaft Strabag Slovensko s.r.o., Bratislava-Ruzinov	7	100.00
KSR - Kamenolomy SR, s.r.o., Zvolen	25	100.00
OAT spol. s.r.o., Bratislava	199	100.00
SLOVAKIA ASFALT s.r.o., Bratislava	9,222	100.00
STRABAG - ZIPP Development s.r.o., Bratislava	664	100.00
STRABAG s.r.o., Bratislava	66	100.00
TPA Spolocnost pre zabezpecenie kvality a inovacie s.r.o., Bratislava	7	100.00
Viedenska brana s.r.o., Bratislava	25	100.00
ZIPP BRATISLAVA spol. sr.o., Bratislava	133	100.00

1) The presentation of interests is done using the economic approach; the interests as defined by civil law may deviate from this presentation.

SLOVENIA	NOMINAL CAPITAL T€	DIRECT STAKE %
BRVZ center za racunovodstvo in upravljanje d.o.o., Ljubljana	9	100.00
DRP, d.o.o., Ljubljana	9	100.00
GRASTO d.o.o., Ljubljana	500	99.85
STRABAG gradbene storitve d.o.o., Ljubljana	500	100.00

SOUTH AFRICA	NOMINAL CAPITAL T€	DIRECT STAKE %
EFKON SOUTH AFRICA (PTY) LTD, Pretoria	166	100.00

CZECH REPUBLIC	NOMINAL CAPITAL TCZK	DIRECT STAKE %
BHG CZ s.r.o., Ceské Budejovice	200	100.00
Bitunova spol. s r.o., Jihlava	2,000	100.00
BMTI CR s.r.o., Brno	100	100.00
BOHEMIA ASFALT, s.r.o., Sobeslav	10,000	100.00
BRVZ s.r.o., Prague	1,000	100.00
Dalnicni stavby Praha, a.s., Prague	136,000	100.00
FRISCHBETON s.r.o., Prague	20,600	100.00
JHP spol. s.r.o., Prague	20,000	100.00
KAMENOLOMY CR s.r.o., Ostrava - Svinov	106,200	100.00
MiTTaG spol. s.r.o., Brno	100,100	100.00
Na belidle s.r.o., Prague	100	100.00
OAT s.r.o., Prague	4,000	100.00
SAT s.r.o., Prague	1,000	100.00
Strabag a.s., Prague	1,119,600	100.00
STRABAG Property and Facility Services a.s., Prague	46,800	100.00
TPA CR, s.r.o., Ceske Budejovice	1,000	100.00
Viamont DSP a.s., Usti nad Labem	180,000	100.00
Züblin stavebni spol s.r.o., Prague	100,000	100.00

UKRAINE	NOMINAL CAPITAL TUAH	DIRECT STAKE %
Chustskij Karier, Zakarpatska	3,279	95.96
Möbius Construction Ukraine Ltd, Odessa	28	100.00
Zezelivskij karier TOW, Zezelev	13,130	99.36

HUNGARY	NOMINAL CAPITAL THUF	DIRECT STAKE %
AKA Zrt., Budapest	24,000,000	100.00
ASIA Center Kft., Budapest	1,830,080	100.00
BHG Bitumen Kft., Budapest	3,000	100.00
Bitunova Kft., Budapest	50,000	100.00
BMTI Kft., Budapest	5,000	100.00
BRVZ Kft., Budapest	1,545,000	100.00
Frissbeton Kft., Budapest	100,000	100.00
H-TPA Kft., Budapest	113,000	100.00
KÖKA Kft., Budapest	761,680	100.00
Magyar Aszfalt Kft., Budapest	3,600,000	100.00
OAT Kft., Budapest	25,000	100.00
STRABAG Property and Facility Services Zrt., Budapest	20,000	51.00
Strabag Zrt., Budapest	2,100,000	100.00
STRABAG-MML Kft., Budapest	500,000	100.00
Szentesi Vasutepitö Kft, Budapest	189,120	100.00
Treuhandbeteiligung H[1)]	10,000	100.00
Züblin K.f.t, Budapest	3,000	100.00

UNITED ARAB EMIRATES	NOMINAL CAPITAL TAED	DIRECT STAKE %
STRABAG ABU DHABI LLC, Abu Dhabi	150	100.00
Züblin Ground and Civil Engineering LLC, Dubai	1,000	100.00

1) The presentation of interests is done using the economic approach; the interests as defined by civil law may deviate from this presentation.

ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Acquired intangible assets and property, plant and equipment are recognised at their initial costs or costs of production less depreciation and impairment. Both the direct and the appropriate parts of overhead costs for the self-constructed plants are included in the production costs. Borrowing costs are recognised for qualifying assets.

Development costs are capitalised if the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for internal use or sale and if it can demonstrate the intent to complete the intangible asset and use or sell it. The group must also demonstrate that the intangible asset will generate probable future economic benefits, that it has adequate resources to complete the asset and that it is able to reliably measure the expenditure attributable to the asset during its development. The construction costs for these assets comprise all construction costs directly attributable to the construction process as well as production-related overheads. Borrowing costs are capitalised for qualified assets. The capitalised development costs are amortised and depreciated according to the straight-line method over the period for which revenues from the respective project are expected.

Goodwill is subject to an annual impairment test in accordance with IAS 36 based on which the impairment is undertaken.

Within the scope of the impairment test cash-generating units are identified and assigned a goodwill value. If the book value of a cash-generating unit including its goodwill exceeds the highest attainable value, an impairment loss must be recognised.

Other intangible and tangible assets are amortised and 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 assets are impaired and recognised with the recoverable amount in accordance with IAS 36.

The following useful lives were assumed in the determination of the rate of depreciation/amortisation:

	USEFUL LIFE IN YEARS
Intangible assets	
Property rights/Utilisation rights	3–50
Software	2–5
Patents, licences	3–10
Property, plant and equipment	
Buildings	10–50
Investment property	10–35
Investments in third-party buildings	5–40
Machinery	3–21
Office equipment/furniture and fixtures	3–23
Vehicles	4–12

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 have been stated as investment property in accordance with IAS 40. The amount reported and the evaluation are made in accordance with the cost model. Investment property is recognised 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 cash flow method.

Leasing contracts on assets on which all opportunities 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 their 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.

In addition there are leasing agreements for property, plant and equipment which are regarded as operating leases. Leasing payments resulting from these contracts are recognised as expenditure.

FINANCIAL ASSETS

In accordance with IAS 28, investments in associates are recognised 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 due to immateriality 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 reported at their present value.

Securities classified as available for sale are initially valued according to acquisition costs and later recognised at fair value. Fair value changes are in principle recognised directly in equity and only recognised in the consolidated income statement upon disposal of the security. The permanent impairment of securities classified as available for sale is recorded through profit or 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 realisable 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 recognised if the associated tax advantage is likely to be 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.

INVENTORIES

Inventory costs include cost of purchase and production and are required to be stated at the lower of cost and net realisable 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 related to production are recognised for inventories which are to be classified as qualifying assets.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

Service concession arrangements which provide an absolute contractual right to receive payment are shown separately. All receivables from concession arrangements are accounted for under the special balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payment to be made. The annual accumulation amount is recognised in other operating income, where it is balanced with the interest expense from related non-recourse financing.

The hedging transactions embedded in the concession arrangements are carried at fair value and shown in the item receivables from concession arrangements.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are evaluated at their nominal value less impairment for realisable individual risks. Graduated impairment is 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.

In the case of receivables from construction contracts, the results are realised according to the percentage of completion method (IAS 11). The output volume actually attained by the balance sheet date serves as a benchmark for the degree of completion. If future results cannot be reliably determined because of uncertainties in the future construction progress, construction contracts are recognised at cost. Impending losses from the further construction process are accounted for by means of appropriate depreciation.

If the costs incurred plus recognised profits exceed 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 realised 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 depreciation. 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.

NON-FINANCIAL RECEIVABLES

Non-financial assets are measured at cost less impairment losses.

OTHER FINANCIAL RECEIVABLES

Financial assets classified as loans and receivables are carried at amortised cost less impairment losses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all liquid assets which at the date of acquisition or investment have a remaining term of less than three months. Cash and cash equivalents are measured at amortised cost.

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 termination or retirement if their employment began before 1 January 2003.

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 two and twelve monthly salaries. A provision is made for this obligation.

The provisions for severance payments are calculated according to the projected unit credit method 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 the reporting date is recognised 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 actuarial gains and losses are fully and directly recognised in equity. Service costs are recognised 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 discount rate is deduced by the interest of at least AA-Bonds with a comparable maturity.

All employees of the Swiss companies are covered by pension funds at pension fund providers, with benefit contributions made by employers and employees. Because employers and employees are charged a "restructuring contribution" in the event that the fund does not have sufficient assets to cover the employees' entitlements, IAS 19 identifies this system as a defined benefit plan.

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, 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 utilisation.

NON-FINANCIAL LIABILITIES

Non-financial liabilities reported under other liabilities are carried at the repayment amount. The overpaid amounts from construction contracts are qualified as non-financial liabilities.

FINANCIAL LIABILITIES

Liabilities are basically recognised 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 lease liabilities, are accounted at the present value of the repayment obligation.

Costs related to the issue of corporate bonds are deducted over the term.

CONTINGENT LIABILITIES

Contingent liabilities are present or possible future obligations which are not reflected in the balance sheet as liabilities because an outflow of resources is not probable. They are – as long as IFRS 3 does not require recognition on acquisition – not reflected in the balance sheet. 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 currency exchange rates and interest rates. The utilisation 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 financial receivables or other financial 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 actuarial valuation 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 recognised 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 realisation of the hedge transaction. Any potential changes in results due to the ineffectiveness of these financial instruments are recognised in the income statement with an immediate effect on income. The critical-term-match method is used to determine the prospective effectiveness. The retrospective effectiveness is determined by applying the dollar-offset method.

REVENUE RECOGNITION

Revenues from the construction contracts are realised according to the percentage of completion method. The output volume actually attained at the balance sheet date serves as a benchmark for the degree of completion.

Revenues from the sale of proprietary projects, from trade to and services for consortia, from other services and from the sale of construction materials and bitumen are realised with the transfer of power to dispose and the related opportunities and risks and/or with the rendering of the services.

Supplementary claims in relation with construction contracts involve services which, based on the existing contractual agreements, cannot be invoiced until their invoicing potential or recognition is agreed with the client. While the costs are recognised in profit or loss immediately when they arise, revenue from supplementary claims is recognised generally after receipt of written recognition from the client or, in the event that payment is received before the written recognition, with the payment itself.

Revenue which is to be seen as purely transitory due to consortial structures, is offset against the corresponding expenses.

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 realisation of profits, the stage of completion, the accounting and evaluation of provisions, accounting of concession arrangements 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 developments 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 event such a development occurs, the assumptions and, if necessary, the carrying values of the affected assets and liabilities are adjusted to the latest information. During the preparation of the consolidated financial statements, there were no signs which indicate the necessity to significantly change the underlying assumptions and estimations.

NOTES ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

(1) REVENUE

The revenue of T€ 12,983,233 (previous year: T€ 13,713,804) 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 including the realised part of profits according to the level of completion of the respective contract (percentage of completion method) amount to T€ 10,858,357 (previous year: T€ 11,443,085).

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:

	2012 € MLN.	2011 € MLN.
Germany	**5,779**	**5,609**
Austria	**1,888**	**1,985**
Poland	**1,139**	**1,719**
Czech Republic	**646**	**769**
Hungary	**393**	**436**
Russia and neighbouring countries	527	487
Slovakia	400	441
Romania	372	206
other CEE countries	310	260
Rest of CEE	**1,609**	**1,394**
Scandinavia	579	512
Benelux	456	360
Switzerland	425	574
other European countries	240	230
Rest of Europe	**1,700**	**1,676**
The Americas	348	257
Middle East	305	309
Africa	125	63
Asia	111	109
Rest of World	**889**	**738**
Total output volume	**14,043**	**14,326**

(2) OTHER OPERATING INCOME

The other operating income includes revenue from letting and leasing in the amount of € 22.2 million (previous year: € 23.5 million), insurance compensation and indemnification in the amount of € 37.5 million (previous year: € 27.0 million), and exchange rate differences in the amount of € 8.9 million (previous year: € 18.5 million) as well as gains from the disposal of fixed assets without financial assets in the amount of € 38.2 million (previous year: € 38.8 million).

Interest income from concession arrangements which is included in other operating income is represented as follows (see also notes on item 17):

	2012 T€	2011 T€
Interest income	70,925	70,975
Interest expense	-36,389	-37,539
Total	**34,536**	**33,436**

(3) RAW MATERIALS, CONSUMABLES AND SERVICES USED

	2012 T€	2011 T€
Raw materials, consumables	3,551,929	3,872,141
Services used	5,103,172	5,447,979
	8,655,101	**9,320,120**

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

	2012 T€	2011 T€
Wages	1,036,143	1,020,732
Salaries	1,495,331	1,470,035
Social security and related costs	462,521	457,475
Expenses for severance payments and contributions to employee provident fund	22,623	22,742
Expenses for pensions and similar obligations	10,054	7,994
Other social expenditure	25,105	25,482
	3,051,777	**3,004,460**

The expenses for severance payments 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. The proportion of interest included in the expenses for severance payments as well as for pensions and similar obligations are recognised in the item interest result.

Expenses from defined contribution plans amounted to T€ 9,179 (previous year: T€ 8,296).

The **average number of employees** with the proportional inclusion of all participation companies is as follows:

	2012	2011
Salaried employees	28,295	32,033
Labourers	45,715	44,833
	74,010	**76,866**

(5) OTHER OPERATING EXPENSES

The other operating expenses of T€ 938,158 (previous year: T€ 1,013,911) 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€ 40,976 (previous year: T€ 40,468) are included.

The other operating expenses include losses from exchange rate differences in the amount of € 26.3 million (previous year: € 35.5 million).

Indemnity payments in the amount of € 43 million are included in other operating expenses, due to the arbitration proceedings with Cemex. The arbitration court ruled that the cancellation of the contract on the purchase of Cemex activities in Hungary and Austria was against the law. STRABAG has appealed against this judgement.

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 recognised in full in the income statement.

(6) SHARE OF PROFIT OR LOSS OF ASSOCIATES

	2012 T€	2011 T€
Income from investments in associates	12,863	12,588
Expenses arising from investments in associates	-22,080	-47,125
	-9,217	**-34,537**

(7) NET INCOME FROM INVESTMENTS

	2012 T€	2011 T€
Investment income	30,387	33,509
Expenses arising from investments	-7,224	-8,803
Gains on the disposal and write-up of investments	532	789
Impairment of investments	-17,845	-21,727
Losses on the disposal of investments	-1,502	-183
	4,348	**3,585**

(8) DEPRECIATION AND AMORTISATION EXPENSE

Depreciations and impairments are represented in the consolidated statement of fixed assets. In the year under report impairments on intangible assets and on property, plant and equipment to the amount of T€ 18,405 (previous year: T€ 30,349) were made. Impairment on goodwill amounts to T€ 10,077 (previous year: T€ 16,152). Impairment on goodwill mainly concerns the activities in Albania and water construction activities in Germany.

(9) NET INTEREST INCOME

	2012 T€	2011 T€
Interests and similar income	73,145	112,311
Interests and similar charges	-123,871	-103,767
Net interest income	**-50,726**	**8,544**

Included in interest and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 25,695 (previous year: T€ 21,252), security impairment losses of T€ 1,009 (previous year: T€ 5,126) as well as currency losses of T€ 24,876 (previous year: T€ 12,420).

Included in interests and similar income are gains from exchange rates amounting to T€ 13,124 (previous year: T€ 49,694) and interest components from the plan assets for pension provisions in the amount of T€ 4,454 (previous year: T€ 0).

(10) INCOME TAX EXPENSE

Income tax includes taxes paid in the individual companies or owed on income, as well as deferred taxes and the payments of additional tax payments resulting from tax audits:

	2012 T€	2011 T€
Current taxes	98,156	83,212
Deferred taxes	-51,734	20,827
	46,422	**104,039**

The following tax components are recognised directly in equity in the statement of comprehensive income:

	2012 T€	2011 T€
Change in hedging reserves	5,345	5,770
Actuarial gains/losses	18,487	753
Fair value of financial instruments under IAS 39	-404	0
Total	**23,428**	**6,523**

The reasons for the difference between the Austrian corporate income tax rate of 25 % valid in 2012 and the actual consolidated tax rate are as follows:

	2012 T€	2011 T€
Profit before tax	**156,460**	**343,329**
Theoretical tax expenditure 25 %	39,115	85,832
Differences to foreign tax rates	-6,754	-9,862
Change in tax rates	-688	-451
Non-tax-deductible expenses	8,910	13,093
Tax-free earnings	-8,719	-9,426
Tax effects of results from associates	1,509	5,514
Depreciation of goodwill/capital consolidation	7,190	906
Additional tax payments	-1,696	1,737
Change of valuation adjustment on deferred tax assets	8,022	17,427
Others	-467	-731
Recognised income tax	**46,422**	**104,039**

(11) EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net income after non-controlling interests by the weighted average number of ordinary shares.

As there are no stock options at the STRABAG Group, the diluted earnings per share equal the basic earnings per share.

	2012	2011
Number of shares outstanding as of 1.1.	114,000,000	114,000,000
Number of shares bought back	-10,912,340	-8,775,264
Number of shares outstanding as of 31.12.	103,087,660	105,224,736
Profit or loss attributable to equity holders of the parent company in T€	60,631	194,995
Weighted number of shares outstanding during the year	104,083,238	111,424,186
Earnings per share in €	**0.58**	**1.75**

NOTES ON ITEMS IN THE CONSOLIDATED BALANCE SHEET

(12) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The composition of and changes in intangible assets, goodwill, and property, plant and equipment is shown separately in the consolidated statement of fixed assets.

No borrowing costs were capitalised for property, plant and equipment, or for intangible assets in the year under report, as significant qualifying assets were not produced or acquired after 1 January 2009.

GOODWILL

The goodwill at the balance sheet date is composed as follows:

	31.12.2012 T€	31.12.2011 T€
STRABAG AG, Cologne	178,803	178,803
Acquisitions Germany	64,360	69,408
Polski Asfalt Group	60,454	55,247
Viamont DSP a.s., Usti nad Labem	54,676	53,328
Acquistions other Western Europe	21,139	19,477
Acquisitions Eastern Europe	17,657	21,262
STRABAG Sverige AB, Stockholm	17,590	16,939
EFKON Group (incl. Center Communications Systems GmbH)	15,466	15,466
Ed. Züblin AG, Stuttgart	14,938	14,938
Gebr. von der Wettern Group	10,090	10,800
Acquisitions Austria	9,248	9,248
FRISCHBETON s.r.o., Prague	7,088	6,911
	471,509	**471,827**

The goodwill is submitted to an impairment test once a year. For impairment testing, the recoverable value of a cash-generating unit is compared with its corresponding book value.

The cash-generating unit basically corresponds to the acquired legal unit or units which profit from the synergy potential of the business combination.

The recoverable value is the fair value or value in use determined from the discounted future cash flows.

This value is identified on the basis of the current budgeting of the internal reporting, as approved by the management board, which is based on past experiences and expectations concerning the future development of the market. The detailed planning period comprises at least four years and can be extended if this would allow a better depiction of the future cash flows. The last detailed planning year forms the basis for the calculation of the perpetuities as long as applicable legislation and legal requirements do not limit the usability of the cash-generating unit to a shorter period of time.

The discount rate for the future cash flows is identified while taking into account segment- and country-specific risks and growth rates. The discount interest rates range from 6.8 % to 10.7 % after taxes (previous year: 6.2 % to 10.7 %) respectively from 7.9 % to 11.6 % before taxes (previous year: 7.1 % to 11.2 %).

The comparison of the book values with the highest attainable values of the cash-generating entities determined by the annual impairment test showed a need for goodwill impairment of T€ 10,077 (previous year: T€ 16,152).

CAPITALISED DEVELOPMENT COSTS

At the balance sheet date, development costs in the amount of T€ 18,422 (previous year: T€ 17,588) were capitalised as intangible assets. In the 2012 financial year, development costs in the amount of T€ 6,000 (previous year: T€ 11,544) were incurred, of which T€ 1,950 (previous year: T€ 2,946) were capitalised.

LEASING

Due to existing finance leasing contracts, the following book values are included in property, plant and equipment assets on the balance sheet date:

	31.12.2012 T€	31.12.2011 T€
Property leasing	27,451	29,916
Machinery leasing	18,604	22,710
	46,055	**52,626**

Offset against these are liabilities arising from the present value of leasing obligations amounting to T€ 43,101 (previous year: T€ 46,742).

The terms of the finance leases for property are between four and 20 years, while those for machines are between two and eight years.

The following payment obligations will arise from financial leases in subsequent financial years:

	PRESENT VALUES		MINIMUM PAYMENTS	
	31.12.2012 T€	31.12.2011 T€	31.12.2012 T€	31.12.2011 T€
Term up to one year	8,577	7,154	11,091	11,147
Term between one and five years	25,690	29,981	29,631	34,633
Term over five years	8,834	9,607	10,679	11,296
	43,101	**46,742**	**51,401**	**57,076**

In addition to the finance leases, there are also operating leases for the utilisation of technical equipment and machinery. The expenses from these contracts are recognised in the income statement. The payments made for the financial year 2012 amount to T€ 96,832 (previous year: T€ 107,960).

Payment obligations arising from **operating lease agreements** in subsequent business years are represented as follows:

	31.12.2012 T€	31.12.2011 T€
Term up to one year	75,379	71,533
Term between one and five years	148,368	133,949
Term over five years	51,572	53,449
	275,319	**258,931**

RESTRICTIONS ON PROPERTY, PLANT AND EQUIPMENT/PURCHASE OBLIGATIONS

On the balance sheet date there were € 109.9 million (previous year: € 131.8 million) in contractual commitments for acquisition of property, plant and equipment which were not considered in the financial statement.

Restrictions exist for non-current assets in the amount of T€ 21,470 (previous year: T€ 22,805).

(13) INVESTMENT PROPERTY

The development of investment property is shown separately in the consolidated statement of fixed assets. As of 31 December 2012, the fair value of the investment property basically corresponds to the carrying value.

The rental income from investment property in the 2012 financial year amounted to T€ 7,440 (previous year: T€ 8,484) and direct operating expenses totalled T€ 7,532 (previous year: T€ 10,210). Additionally, gains from asset disposals in the amount of T€ 2,195 (previous year: T€ 0) were achieved. No impairment was made in the financial year 2012 (previous year: T€ 15,000).

(14) 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, which is included in the annual financial report.

The development of the financial assets in the financial year was as follows:

	BALANCE AS OF 1.1.2012 T€	CURRENCY TRANSLATION T€	CHANGE IN SCOPE OF CONSOLI-DATION T€	ADDITIONS T€	TRANSFERS T€	DISPOSAL T€	IMPAIRMENT/ WRITE-UP T€	BALANCE AS OF 31.12.2012 T€
Investments in associates	402,279	-90	0	12,103	4	-35,174	0	**379,122**
Investments in subsidiaries	92,971	-14	-9,697	37,743	-1,086	-3,209	-15,215	**101,493**
Loans to subsidiaries	208	3	0	1,166	9	-347	-866	**173**
Other investment	104,216	70	-433	3,938	1,073	-5,622	-2,630	**100,612**
Loans to participation companies	17,490	0	0	0	0	-6,583	0	**10,907**
Securities	32,151	10	66	1,828	0	-172	1,434	**35,317**
Other loans	2,026	0	0	61	0	-297	0	**1,790**
	651,341	**-21**	**-10,064**	**56,839**	**0**	**-51,404**	**-17,277**	**629,414**

The following table provides an overview of the financial information (100 %) for associates and for companies which were reported applying the equity method of accounting in accordance with IAS 31.38 (Joint Ventures):

	2012 T€	2011 T€
Total assets as of 31.12.	3,485,399	3,236,735
Total liabilities as of 31.12.	2,877,334	2,450,333
Revenue	983,736	596,221
Profit for the period	-62,230	-3,883

(15) DEFERRED TAXES

Tax accruals and deferrals recognised in the balance sheet on temporary differences between the amounts stated in the IFRS financial statements and the respective tax amounts as well as losses carried forward developed as follows:

	BALANCE AS OF 1.1.2012 T€	CURRENCY TRANSLATION T€	CHANGE IN SCOPE OF CONSOLIDATION T€	OTHER CHANGES T€	BALANCE AS OF 31.12.2012 T€
Property, plant and equipment and intangible assets	8,506	0	0	1,694	10,200
Financial assets	1,750	0	0	-772	978
Inventories	4,056	-236	0	2,881	6,701
Trade and other receivables	7,617	-237	0	3,428	10,808
Provisions	143,117	-5,519	0	52,313	189,911
Liabilities	2,732	-13	0	1,401	4,120
Tax loss carryforward	195,599	0	0	18,284	213,883
Deferred tax assets	**363,377**	**-6,005**	**0**	**79,229**	**436,601**
Netting out of deferred tax assets and liabilities of the same tax authorities	-189,653	0	0	-49,329	-238,982
Deferred tax assets netted out	**173,724**	**-6,005**	**0**	**29,900**	**197,619**

	BALANCE AS OF 1.1.2012 T€	CURRENCY TRANSLATION T€	CHANGE IN SCOPE OF CONSOLIDATION T€	OTHER CHANGES T€	BALANCE AS OF 31.12.2012 T€
Property, plant and equipment and intangible assets	-64,760	45	-79	4,740	-60,054
Financial assets	-5,566	0	0	-4,199	-9,765
Inventories	-31,711	0	-24,024	-6,288	-62,023
Trade and other receivables	-136,017	584	-41	-16,103	-151,577
Deferred tax liabilities	**-238,054**	**629**	**-24,144**	**-21,850**	**-283,419**
Netting out of deferred tax assets and liabilities of the same tax authorities	189,653	0	0	49,329	238,982
Deferred tax liabilities netted out	**-48,401**	**629**	**-24,144**	**27,479**	**-44,437**

Deferred taxes on losses carried forward were capitalised as these can probably be offset with future taxable profits.

The Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) requires a tax-effective impairment of investments to be claimed over a period of seven years. The deferred tax assets on loss carryforwards contain open one-seventh impairments in the amount of € 53.4 million (previous year: € 46.9 million).

No deferred tax assets were made for differences in book value on the assets side and tax losses carried forward of € 817.7 million (previous year: € 674.4 million), as their effectiveness as final tax relief is not sufficiently assured.

Of the non-capitalised loss carryforwards, € 745.8 million (previous year: € 614.1 million) have unrestricted use.

No deferred tax assets in accordance with Section 12 of the Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) were made for open one-seventh impairments in the amount of € 129.3 million (previous year: € 124.7 million).

(16) INVENTORIES

	31.12.2012 T€	31.12.2011 T€
Raw materials, auxiliary supplies and fuel	332,597	312,529
Offshore wind projects	174,912	56,658
Finished buildings and goods	232,236	74,288
Unfinished buildings and goods	176,838	251,270
Development land	59,288	89,054
Payments made	55,686	34,591
	1,031,557	**818,390**

In the financial year, impairment in the amount of T€ 10,732 (previous year: T€ 2,219) was recognised on inventories excluding materials, auxiliary supplies and fuel. T€ 53,234 (previous year: T€ 70,006) of the inventories excluding raw materials, auxiliary supplies and fuel were reported with the net realisable value.

For qualifying assets, interest on borrowings was recognised in the amount of T€ 4,886.

(17) RECEIVABLES AND OTHER ASSETS

RECEIVABLES FROM CONCESSION ARRANGEMENTS

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

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

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

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

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

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

The negative market value of the interest rate swap in the amount of T€ -61,198 (previous year: T€ -27,217) is also recognised as long-term receivables from concession arrangements.

Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 630,311 (previous year: T€ 673,927), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in other operating income.

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

Receivables and Other Assets are comprised as follows:

	31.12.2012			31.12.2011		
	TOTAL T€	THEREOF CURRENT T€	THEREOF NON-CURRENT T€	TOTAL T€	THEREOF CURRENT T€	THEREOF NON-CURRENT T€
Receivables from concession arrangements	**805,352**	**22,785**	**782,567**	**1,000,075**	**160,743**	**839,332**
Trade receivables						
Receivables from construction contracts	4,758,302	4,758,302	0	6,721,117	6,721,117	0
Advances received	-3,823,135	-3,823,135	0	-5,733,044	-5,733,044	0
	935,167	935,167	0	988,073	988,073	0
Other trade receivables	1,383,932	1,292,506	91,426	1,339,630	1,265,548	74,082
Advances paid to subcontractors	53,652	53,652	0	124,807	124,807	0
Receivables from consortia	254,144	254,144	0	251,310	251,310	0
	2,626,895	**2,535,469**	**91,426**	**2,703,820**	**2,629,738**	**74,082**
Non-financial assets	**118,381**	**106,372**	**12,009**	**121,677**	**117,844**	**3,833**
Other financial assets						
Receivables from subsidiaries	145,042	145,036	6	128,584	128,555	29
Receivables from participation companies	162,197	158,789	3,408	87,510	83,886	3,624
Other financial assets	248,679	216,269	32,410	256,670	212,306	44,364
	555,918	**520,094**	**35,824**	**472,764**	**424,747**	**48,017**

The non-financial assets contain income tax receivables in the amount of T€ 42,831 (previous year: T€ 54,764).

The receivables from construction contracts at the balance sheet date are represented as follows:

	31.12.2012 T€	31.12.2011 T€
All contracts in progress at balance sheet date		
Costs incurred to balance sheet date	9,294,609	10,928,444
Profits arising to balance sheet date	389,511	466,578
Accumulated losses	-378,307	-356,050
Less receivables recognised under liabilities	-4,547,511	-4,317,855
	4,758,302	**6,721,117**

Receivables from construction contracts amounting to T€ 4,547,511 (previous year: T€ 4,317,855) are recognised in liabilities, as advances received exceed the receivables.

As 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).

In the reporting period, impairment on other trade receivables developed as follows:

	31.12.2012 T€	31.12.2011 T€
Other trade receivables before impairment	**1,512,040**	**1,475,768**
Impairment as of 1.1.	**136,138**	**122,775**
Currency translation	2,115	-3,224
Changes in scope of consolidation	330	1,271
Allocation/utilisation[1]	-10,475	15,316
As of 31.12.	**128,108**	**136,138**
Book value of other trade receivables	**1,383,932**	**1,339,630**

(18) CASH AND CASH EQUIVALENTS

	31.12.2012 T€	31.12.2011 T€
Securities	12,472	20,553
Cash on hand	5,917	2,291
Bank deposits	1,356,566	1,677,393
	1,374,955	**1,700,237**

(19) EQUITY

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

The management board was authorised, with the approval of the supervisory board, to increase the share capital of the company by up to € 57,000,000 by 19 June 2014, in several tranches if necessary, by issuing up to 57,000,000 registered no-par shares for cash or contributions in kind (approved capital). In the case of capital increase through contributions in kind, the partial or full exclusion of the shareholders' subscription rights is possible.

The exercise, issue price and conditions of issue shall be determined with the approval of the supervisory board. The supervisory board was authorised to determine the necessary changes to the Articles of Association required upon the issuance of shares from the approved capital.

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

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

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

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

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

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

The management board was authorised, with approval from the supervisory board, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG), in particular convertible bonds, income bonds, profit

1) Contains reclassifications amounting to T€ -12,018.

participation rights with a total nominal value of up to € 1,000,000,000.00 which may also confer subscription and/or exchange rights for the acquisition of up to 50,000,000 shares of the company and/or may be designed in such a way that they can be issued as equity, also in several tranches and in different combinations, up to five years inclusive from the day of this resolution, also indirectly by way of a guarantee for the issue of financial instruments through an associate or related entity of the company with conversion rights on shares of the company. For the servicing, the management board may use the conditional capital or own shares. The issue amount and issue conditions, as well as the possible exclusion of the shareholders' subscription rights for the issued financial instruments, are to be determined by the management board with the approval of the supervisory board.

Also approved was a conditional increase of the share capital of the company pursuant to Section 159 Paragraph 2 No. 1 of the Austrian Stock Corporation Act (AktG) by up to € 50,000,000.00 through the issue of up to 50,000,000 new bearer shares with no face value (no-par shares) for issue to creditors of financial instruments within the meaning of the Annual General Meeting resolution of 15 June 2012, provided the creditors of financial instruments exercise their subscription and/or exchange rights for shares of the company. The issue amount and the exchange ratio are to be determined based on recognised financial mathematical methods and the price of the shares of the company in a recognised pricing procedure. The newly issued shares of the conditional capital increase carry a dividend entitlement corresponding to that of the shares traded on the stock market at the time of the issue. The management board is authorised, with the approval of the supervisory board, to establish the further details of the implementation of the conditional capital increase. The supervisory board is authorised to pass resolution on any amendments to the Articles of Association resulting from the issue of shares within the scope of the conditional capital.

Details as to the development of the equity of STRABAG SE are represented in the statement of changes in equity.

Long-term economic success, within the context of responsibility to our shareholders, customers, employees, suppliers, subcontractors and the company itself, is the primary entrepreneurial objective of the STRABAG Group. Working to pursue these goals, recognising opportunities and risks before and as they arise, and responsibly taking these into consideration safeguards the continuity of the group and protects the interests of the shareholders.

To guarantee the continuity of the company, the management and responsible employees assure that there is a balanced relationship between opportunities and risks during the selection of projects and assess the individual risks against the background of the overall company risk.

The group equity ratio target was defined at between 20 % and 25 % during the IPO of STRABAG SE in October 2007. The equity capital ratio is calculated from the book value of the equity as of 31 December divided by the balance sheet total as of 31 December. The equity contains all parts of the equity according to the balance sheet: share capital, capital reserves, retained earnings and non-controlling interests.

The group equity ratio as of 31 December 2012 amounted to 31 % (previous year: 30 %). With this equity base, the STRABAG Group will be able to participate increasingly in tenders for Public-Private Partnership (PPP) projects. It means that the necessary funds for a participation in equity capital are available and that the related change in the balance sheet total will be manageable.

If the group is awarded the tender for large-scale projects, or if a strategically suitable acquisition is made, the equity ratio could briefly fall below the set minimum. In this case, the company reserves the right to adjust the dividend payments to the shareholders or to issue new shares.

(20) PROVISIONS

	BALANCE AS OF 1.1.2012 T€	CURRENCY TRANSLATION T€	CHANGES IN SCOPE OF CONSOLIDATION T€	ADDITIONS T€	DISPOSALS T€	IMPAIRMENT T€	BALANCE AS OF 31.12.2012 T€
Provisions for severance payments	**70,438**	**0**	**539**	**8,931**	**0**	**0**	**79,908**
Provisions for pensions	**384,209**	**5**	**229**	**45,480**	**0**	**0**	**429,923**
Provisions for taxes	**106,801**	**4,766**	**25**	**55,981**	**2,743**	**94,582**	**70,248**
Other provisions							
Construction-related provisions	662,328	13,328	12,557	318,896	11,009	323,094	673,006
Personnel-related provisions	250,307	1,838	1,016	158,206	5,174	181,243	224,950[1)]
Other provisions	240,869	4,985	1,363	270,094	13,296	220,760	283,255
	1,153,504	**20,151**	**14,936**	**747,196**	**29,479**	**725,097**	**1,181,211**
	1,714,952	**24,922**	**15,729**	**857,588**	**32,222**	**819,679**	**1,761,290**

The short-term provisions include provisions for taxes in the amount of T€ 70,248 (previous year: T€ 106,801) as well as other provisions in the amount of T€ 665,209 (previous year: T€ 684,175). The long-term provisions amounting to T€ 1,025,833 (previous year: T€ 923,976) mainly include severance provisions, pension provisions and provisions for guarantees.

1) In the other personnel-related provisions plan assets in the amount of T€ 13,763 (previous year: T€ 15,609) are deducted.

Provisions for **severance payments** show the following development:

	2012 T€	2011 T€
Present value of the defined benefit obligation as of 1.1.	**70,438**	**69,356**
Changes in scope of consolidation	539	25
Current service costs	3,087	3,472
Interest costs	2,885	2,949
Severance payments	-6,015	-3,640
Actuarial gains/losses	8,974	-1,724
Present value of the defined benefit obligation as of 31.12.	**79,908**	**70,438**

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 (et al. length of service, salary of employee). Basically no new commitments have been awarded since 1999.

The company pension scheme in Germany consists of a non-fund-financed, defined benefit pension plan. In the case of defined benefit pension systems, the company is obliged to fulfil 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 2008-P (Austria). This is based on a discounting rate of 3.75 % (previous year: 5.00 %) for provisions for severance payments and pensions and a salary increase of 2.25 % respectively 2.00 % for severance payments (previous year: 2.25 % respectively 2.00 % for severance payments). 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.

To cover the retirement benefit obligations of employees at the Swiss companies, pension funds exist at pension fund providers. Obligations to provide additional benefits means that these are to be qualified as a defined benefit pension system.

These obligations were calculated using actuarial methods based on the BVG 2010 biometric tables and a retirement age of 65 for men and 64 for women. Further serving as a basis were a discounting rate of 1.9 % (previous year: 2.5 %), a salary increase of 2.0 % (previous year: 2.0 %), an indexing of the pensions of 0.25 % (previous year: 0.25 %) and a weighted yield on the plan assets in the amount of 2.25 % (previous year: 2.8 %).

The development of the **provisions for pensions** is shown below:

	2012 T€	2011 T€
Present value of the defined benefit obligation as of 1.1.	**586,294**	**374,794**
DBO from the Swiss pension foundations as of 1.1.[1)]	0	94,413
Changes in scope of consolidation/currency translation	8,154	137,578
Current services costs	17,157	18,410
Interest costs	22,810	24,479
Pension payments	-62,579	-58,641
Actuarial gains/losses	62,468	2,470
Plan settlements	0	-18,239
Reclassification of plan assets	0	11,030
Present value of the defined benefit obligation as of 31.12.	**634,304**	**586,294**

The accumulated actuarial gains and losses for defined pension benefit plans and severance provisions, which were recognised directly in equity, as of 31 December 2012 amounted to T€ 100,612 (previous year: T€ 36,741).

1) Initial presentation of pension benefit obligations of the Swiss pension foundations

The **plan assets for pension provisions** developed as follows in the year under report:

	2012 T€	2011 T€
Fair value of the plan assets as of 1.1.	**202,085**	**11,030**
Plan assets from the Swiss pension foundations as of 1.1.[1)]	0	91,214
Changes to the scope of consolidation/currency translation	6,605	129,817
Expected income from plan assets	4,454	6,176
Contributions	14,673	16,939
Pension payments	-31,007	-33,213
Acturial gains/losses	7,571	-3,524
Plan settlements	0	-16,354
Fair value of the plan assets as of 31.12.	**204,381**	**202,085**

The plan assets consist of the following risk groups:

	2012 T€
Shares	21,722
Bonds	93,669
Cash	4,680
Investment funds	3,731
Real estate	6,923
Liability insurance	43,751
Other assets	29,905
Total	**204,381**

The **experience adjustments** to pension and severance provisions are represented as follows:

	31.12.2012 T€	31.12.2011 T€	31.12.2010 T€	31.12.2009 T€	31.12.2008 T€
Present value of the defined benefit obligation (severance provisions)	79,908	70,438	69,356	70,479	65,631
Present value of the defined benefit obligation (pension provision)	634,304	586,294	385,824	364,161	406,157
Fair value of plan assets	-204,381	-202,085	-11,030	0	-301
Budgeted deficit	**509,831**	**454,647**	**444,150**	**434,640**	**471,487**
Experience adjustments of severance provision	8,974	-1,724	-1,384	1,528	1,214
Experience adjustments of pension provision	54,897	5,994	18,466	20,182	-21,927
Experience adjustments	**63,871**	**4,270**	**17,082**	**21,710**	**-20,713**

The **provisions for taxes** mainly comprise current income taxes.

OTHER PROVISIONS

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.

1) Initial presentation of plan assets of the Swiss pension foundations

(21) LIABILITIES

	31.12.2012 TOTAL T€	31.12.2012 THEREOF CURRENT T€	31.12.2012 THEREOF NON-CURRENT T€	31.12.2011 TOTAL T€	31.12.2011 THEREOF CURRENT T€	31.12.2011 THEREOF NON-CURRENT T€
Financial liabilities						
Bonds	477,500	95,000	382,500	445,000	75,000	370,000
Bank borrowings	1,129,383	280,425	848,958	1,235,510	351,150	884,360
Liabilities from finance leases	43,101	8,577	34,524	46,742	7,154	39,588
Other liabilities	0	0	0	4,705	0	4,705
	1,649,984	**384,002**	**1,265,982**	**1,731,957**	**433,304**	**1,298,653**
Trade payables						
Receivables from construction contracts[1]	-4,547,511	-4,547,511	0	-4,317,855	-4,317,855	0
Advances received	5,077,581	5,077,581	0	4,893,392	4,893,392	0
	530,070	530,070	0	575,537	575,537	0
Other trade payables	1,981,392	1,920,386	61,006	2,119,943	2,059,519	60,424
Payables to consortia	273,663	273,663	0	275,097	275,097	0
	2,785,125	**2,724,119**	**61,006**	**2,970,577**	**2,910,153**	**60,424**
Non-financial liabilities	**328,914**	**327,586**	**1,328**	**362,137**	**360,656**	**1,481**
Other financial liabilities						
Payables to subsidiaries	68,639	68,639	0	56,000	56,000	0
Payables to participation companies	20,072	15,409	4,663	16,888	11,105	5,783
Other financial liabilities	316,688	288,021	28,667	335,300	315,164	20,136
	405,399	**372,069**	**33,330**	**408,188**	**382,269**	**25,919**

In order to secure liabilities to banks, real securities amounting to T€ 205,526 (previous year: T€ 171,795) have been booked.

(22) CONTINGENT LIABILITIES

The company has accepted the following guarantees:

	31.12.2012 T€	31.12.2011 T€
Guarantees without financial guarantees	903	1,988

(23) OFF-BALANCE SHEET TRANSACTIONS

In the construction industry, it is customary and necessary to provide various types of guarantees to secure the contractual obligations. These guarantees are usually issued by banks or credit insurers and most commonly comprise bid, contract performance, prepayment and warranty guarantees. In the event these guarantees are called upon, the relevant banks have a contractual right of recourse against the group. The risk that such guarantees are utilised and that a right of recourse arises materialises only if the primary contractual obligations are not properly performed.

Obligations and possible risks from such guarantees are recognised in the balance sheet as provisions or liabilities.

Not included in the balance sheet or the contingent liability as of 31 December 2012 are fulfilment guarantees in the amount of € 2.1 billion (previous year: € 2.0 billion) of which an outflow of resources is unlikely.

As is customary in the industry, STRABAG SE shares liability with the other partners of consortia and joint ventures in which companies of the STRABAG Group hold a share interest.

1) The prepayment exceeding the receivables from construction contracts shown here is qualified as non-financial.

(24) 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:

	31.12.2012 T€	31.12.2011 T€
Securities	12,472	20,553
Cash on hand	5,917	2,291
Bank deposits	1,356,566	1,677,393
	1,374,955	**1,700,237**

The cash and cash equivalents include deposits abroad in the amount of T€ 8,757 (previous year: T€ 6,437), subject to the restriction that they may only be transferred to another country following official completion of the construction order, or that they may only be accessed together with another partner of the construction project. Of the cash and cash equivalents, T€ 15,529 (previous year: T€ 5,188) are pledged as collateral (see also item 25).

(25) FINANCIAL INSTRUMENTS

A financial instrument is a contract that results in a financial asset at one enterprise and a financial liability or equity instrument at another. Financial assets include especially cash and cash equivalents, trade receivables and other receivables and derivatives. Financial liabilities are obligations to pay cash or other financial assets. These include especially financial liabilities such as bank borrowings, bonds, liabilities arising from financial leasing and trade payables. Initial recognition is carried out in principle using settlement date accounting.

The financial instruments are derecognised when the claims to payment from the investment extinguish or have been transferred and the group has largely transferred all risks and opportunities which are related with the property.

The **financial instruments** as of the balance sheet date were as follows:

	MEASUREMENT CATEGORY ACCORDING TO IAS 39	31.12.2012 CARRYING VALUE T€	31.12.2012 FAIR VALUE T€	31.12.2011 CARRYING VALUE T€	31.12.2011 FAIR VALUE T€
ASSETS					
Valuation at historical costs					
Loans to subsidiaries	L&R	173	173	208	208
Loans to participation companies	L&R	10,907	10,907	17,490	17,490
Other loans	L&R	1,790	1,790	2,026	2,026
Trade receivables	L&R	2,626,895	2,626,895	2,703,820	2,703,820
Receivables from concession arrangements	L&R	866,550	866,550	1,027,292	1,027,292
Other financial assets	L&R	554,351	554,351	472,699	472,699
Non-financial assets	no FI	118,381		121,677	
Cash and cash equivalents	L&R	1,362,483	1,362,483	1,679,684	1,679,684
		5,541,530	**5,423,149**	**6,024,896**	**5,903,219**
Valuation at fair value					
Investments in subsidiaries	AfS	101,493	101,493[1]	92,971	92,971[1]
Other investments	AfS	100,612	100,612[1]	104,215	104,215[1]
Securities	AfS	35,317	35,317	32,151	32,151
Cash and cash equivalents	AfS	12,472	12,472	20,553	20,553
Derivatives		-59,632	-59,632	-27,152	-27,152
		190,262	**190,262**	**222,738**	**222,738**

1) Investments in subsidiaries and other investments amounting to T€ 196,866 (previous year: T€ 188,144) are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.

	MEASUREMENT CATEGORY ACCORDING TO IAS 39	31.12.2012 CARRYING VALUE T€	31.12.2012 FAIR VALUE T€	31.12.2011 CARRYING VALUE T€	31.12.2011 FAIR VALUE T€
LIABILITIES					
Valuation at historical costs					
Financial liabilities	FLaC	-1,649,984	-1,671,524	-1,731,957	-1,727,899
Trade payables	FLaC	-2,255,055	-2,255,055	-2,395,040	-2,395,040
Liabilities from construction contracts	no FI	-530,070		-575,537	
Other financial liabilities	FLaC	-397,758	-397,758	-396,553	-396,553
Non-financial liabilities	no FI	-328,914		-362,137	
Derivatives		-7,641	-7,641	-11,634	-11,634
		-5,169,422	**-4,331,978**	**-5,472,858**	**-4,531,126**
Total		**562,370**	**1,281,433**	**774,776**	**1,594,832**
Measurement categories					
Loans and receivables (L&R)		5,423,149	5,423,149	5,903,219	5,903,219
Available for sale (AfS)		249,894	249,894	249,890	249,890
Financial liabilities measured at amortised costs (FLaC)		-4,302,797	-4,324,337	-4,523,550	-4,519,492
Derivatives		-67,273	-67,273	-38,786	-38,786
No financial instruments		-740,603		-815,997	
Total		**562,370**	**1,281,433**	**774,776**	**1,594,831**

The **fair value measurement at 31 December 2012** for financial instruments measured at fair value was done as follows:

	VALUATION AT MARKET VALUE T€	VALUATION USING INPUT TAKEN FROM OBSERVABLE MARKET DATA T€	OTHER VALUATION METHODS T€	TOTAL T€
ASSETS				
Investments in subsidiaries	0	0	101,493	101,493
Other investments	0	0	100,612	100,612
Securities	35,317	0	0	35,317
Cash and cash equivalents	12,472	0	0	12,472
Derivatives	0	-59,632	0	-59,632
Total	**47,789**	**-59,632**	**202,105**[1)]	**190,262**
LIABILITIES				
Derivatives	0	-7,641	0	-7,641
Total	**0**	**-7,641**	**0**	**-7,641**

The **fair value measurement at 31 December 2011** for financial instruments measured at fair value was done as follows:

	VALUATION AT MARKET VALUE T€	VALUATION USING INPUT TAKEN FROM OBSERVABLE MARKET DATA T€	OTHER VALUATION METHODS T€	TOTAL T€
ASSETS				
Investments in subsidiaries	0	0	92,971	92,971
Other investments	0	0	104,215	104,215
Securities	32,151	0	0	32,151
Cash and cash equivalents	20,553	0	0	20,553
Derivatives	0	-27,152	0	-27,152
Total	**52,704**	**-27,152**	**197,186**[2)]	**222,738**
LIABILITIES				
Derivatives	0	-11,634	0	-11,634
Total	**0**	**-11,634**	**0**	**-11,634**

Cash and cash equivalents, trade receivables and other receivables have for the most part short remaining terms. Accordingly, their book values on the balance sheet date approximate their fair value. The fair value of non-current financial assets corresponds to the present value of the related payments under consideration of the prevailing market parameters as far as market values were not available.

Trade payables and other financial liabilities typically have short terms; their book values approximate the fair value. The fair value of bonds, bank borrowing and liabilities arising from financial leasing are measured at the present value of the payments

1) Investments in subsidiaries and other investments amounting to T€ 196,866 are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.
2) Investments in subsidiaries and other investments amounting to T€ 188,144 are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.

associated with them under consideration of the relevant applicable market parameters as far as market values were not available.

T€ 15,529 (previous year: T€ 5,188) of the cash and cash equivalents, T€ 2,684 (previous year: T€ 2,924) of the securities and T€ 11,708 (previous year: T€ 11,553) of the other financial instruments were pledged as collateral for liabilities.

The non-recourse liabilities related to the concession receivable are hedged using the income from the concession receivable.

The **net income effects of the financial instruments** according to valuation category are as follows:

	L&R 2012 T€	AFS 2012 T€	FLAC 2012 T€	DERIVATIVES 2012 T€	L&R 2011 T€	AFS 2011 T€	FLAC 2011 T€	DERIVATIVES 2011 T€
Interest	51,581	0	-72,293	0	59,438	0	-64,858	0
Interest from receivables from concession arrangements	70,925	0	-27,359	-9,030	70,975	0	-28,845	-8,694
Result from securities	0	786	0	0	0	745	0	0
Impairment losses	-42,099	-17,600	0	-692	-18,116	-25,421	0	1,833
Disposal losses/profits	0	1,857	0	0	0	1,414	0	0
Gains from de-recognition of liabilities and payments of written off receivables	18	0	7,239	0	8	0	3,342	0
Net income recognised in profit or loss	**80,425**	**-14,957**	**-92,413**	**-9,722**	**112,305**	**-23,262**	**-90,361**	**-6,861**
Value changes recognised directly in equity	0	-1,724	0	-26,942[1)]	0	150	0	-30,234[1)]
Net income	**80,425**	**-16,681**	**-92,413**	**-36,664**	**112,305**	**-23,112**	**-90,361**	**-37,095**

Dividends and expenses from investments shown in the net income from investments are part of the operating income and therefore not part of the net income of financial instruments. Impairment losses, reversal of impairment losses, disposal gains and disposal losses of loans & receivables (L&R) and of financial liabilities amortised at cost (FLaC) are carried in other income or other expenses.

Impairment losses, reversal of impairment losses, disposal gains and disposal losses of the financial instruments available for sale are carried in the net income from investments if they are investments in subsidiaries or other investments, otherwise in net interest income.

Derivative instruments are used exclusively to hedge existing risks resulting from changes in currency and interest rates. The use of derivative financial instruments in the group is subject to the appropriate approval and control procedures. The connection to a mainstay business is a must, trading is not permissible.

PRINCIPLES OF RISK MANAGEMENT

The STRABAG Group is subject to credit, market and liquidity risks related to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financially oriented activities.

The basics of the financial policy are set by the management board and monitored by the supervisory board. The implementation of the financial policy and responsibility for the risk management are the domain of the group treasury. Certain transactions require prior approval by the management board, which is regularly informed as to the scope and amount of the current risk exposure.

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 sinking interest revenue resulting from an unfavourable change in market interest rates. Fixed interest obligations mainly result from the tranches of the bonds issued by STRABAG SE amounting to a total of € 450 million.

1) Excluding derivatives from associated companies in the amount of T€ -2,474 (previous year: T€ -626)

As of 31 December 2012, following **hedging transactions** existed:

	31.12.2012		31.12.2011	
	NOMINAL VALUE T€	MARKET VALUE T€	NOMINAL VALUE T€	MARKET VALUE T€
Interest rate swaps	778,680	-68,327	828,960	-29,249
		-68,327		**-29,249**

The amount of bank deposits and bank borrowings according to currency – giving the average interest rate at balance sheet date – is represented as follows:

BANK DEPOSITS

	CARRYING VALUE 31.12.2012 T€	WEIGHTED AVERAGE INTEREST RATE 2012 %
EUR	943,144	0.44
PLN	119,503	4.18
CZK	77,306	0.64
Others	216,613	1.74
Total	**1,356,566**	**1.05**

BANK BORROWINGS

	CARRYING VALUE 31.12.2012 T€	WEIGHTED AVERAGE INTEREST RATE 2012 %
EUR	1,125,572	2.32
Others	3,810	3.03
Total	**1,129,382**	**2.33**

Had the interest rate level at 31 December 2012 been higher by 100 basispoints, then the result would have been higher by T€ 5,787 (previous year: T€ 6,880) and the equity at 31 December 2012 would have been higher by T€ 47,341 (previous year: T€ 51,783). Had the interest rate level been lower by 100 basispoints, this would have meant a correspondingly lower equity and profit before tax. The calculation is made based on the level of interest-bearing financial assets and liabilities at 31 December. Tax effects from interest rate changes were not considered.

CURRENCY RISK

Due to the decentralised structure of the group, characterised by local companies in the respective countries, mainly closed currency positions appear in the balance sheet. Loan financing and investments were predominantly made by the group companies in the respective country's local currency. Receivables and liabilities from business activities mainly offset each other in the same currency.

The remaining currency risk mainly results when the currency of the order deviates from the functional currency of the subsidiary.

This involves in particular orders in Eastern Europe and Scandinavia which are concluded in EUR. The planned proceeds are received in the currency of the order while a substantial part of the associated costs is made in the local currency.

The internal financing of companies within the group using different functional currencies resulted in an earnings-relevant currency risk.

In order to limit the remaining currency risk and secure the calculation, derivative financial instruments, above all forward exchange operations, were transacted. As of **31 December 2012**, the following hedging transactions existed for the **underlying transactions** mentioned[1)] below:

CURRENCY	EXPECTED CASH FLOWS 2013 T€	EXPECTED CASH FLOWS 2014 T€	EXPECTED CASH FLOWS TOTAL T€	POSITIVE MARKET VALUE OF THE HEDGING TRANSACTION T€	NEGATIVE MARKET VALUE OF THE HEDGING TRANSACTION T€
PLN	119,562	2,300	121,862	1,566	-422
CZK	52,234	0	52,234	116	-60
Others	89,998	0	89,998	488	-634
Total	**261,794**	**2,300**	**264,094**	**2,170**	**-1,116**

1) Not entirely represented as Hedge Accounting

As of **31 December 2011**, the following hedging transactions existed for the **underlying transactions** mentioned below:

CURRENCY	EXPECTED CASH FLOWS 2012 T€	EXPECTED CASH FLOWS 2013 T€	EXPECTED CASH FLOWS TOTAL T€	POSITIVE MARKET VALUE OF THE HEDGING TRANSACTION T€	NEGATIVE MARKET VALUE OF THE HEDGING TRANSACTION T€
PLN	72,225	0	72,225	0	-1,906
Others	39,876	0	39,876	65	-573
Total	**112,101**	**0**	**112,101**	**65**	**-2,479**

Of the derivative financial instruments classified as cash flow hedges as of 31 December 2011, T€ 1,907 were shifted from equity and recognised in the consolidated income statement in the 2012 financial year (previous year: T€ 3,454). The resulting deferred tax expense amounted to T€ -362 (previous year: tax expense of T€ -656).

The other liabilities contain a foreign currency derivative in the amount of T€ 0 (previous year: T€ 7,122).

Development of the important **currencies in the group:**

CURRENCY	EXCHANGE RATE 31.12.2012: 1 € =	AVERAGE RATE 2012: 1 € =	EXCHANGE RATE 31.12.2011: 1 € =	AVERAGE RATE 2011: 1 € =
HUF	292.3000	288.2142	314.5800	280.6692
CZK	25.1510	25.1395	25.7870	24.5996
PLN	4.0740	4.1677	4.4580	4.1380
HRK	7.5575	7.5261	7.5370	7.4492
CHF	1.2072	1.2044	1.2318	1.2156

Essentially, the Polish zloty, the Czech crown, the Hungarian forint and the Swedish crown are affected by revaluation (devaluation). A 10 % revaluation of the euro over all other currencies at 31 December 2012 would mean an increase in equity by T€ 8,564 (previous year: increase by T€ 12,266) and an increase in profit before tax by T€ 8,794 (previous year: increase by T€ 12,266). A devaluation compared to all other currencies would result in a corresponding decrease in equity (previous year: decrease) and a decrease of profit before tax.

The calculation is based on original and derivative foreign currency holdings in non-functional currency as of 31 December as well as underlying transactions for the next twelve months. The effect on tax resulting from changes in currency exchanges rates was not taken into consideration.

CREDIT RISK

The maximum risk of default of the financial assets, without cash and cash equivalents, on the balance sheet date is T€ 4,238,457 (previous year: T€ 4,425,721) and corresponds to the book values presented in the balance sheet. Thereof T€ 2,626,895 (previous year: T€ 2,703,820) involve trade receivables. Receivables from construction contracts related to consortia involve on-going construction projects and are therefore not yet payable for the most part. Of the remaining trade receivables in the amount of T€ 1,383,933 (previous year: T€ 1,339,630), less than 1 % are overdue and not impaired.

The risk for receivables from clients can be rated as low due to the wide dispersion, a constant creditworthiness check and the presence of the public sector as an important employer.

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 mainly financial institutions with the highest level of creditworthiness and/or the risk of default has been significantly reduced as a result of assumed liabilities of third parties.

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 56,019 (previous year: T€ 45,541).

Financial assets are impaired item by item if the book value of the financial assets is higher than the present value of the future cash flows. This can be triggered by financial difficulties, insolvency of the client, breach of contract or significant default of payment. The impairment is composed of many individual items of which none, seen alone, is significant. In addition to the estimation of the creditworthiness risk, the relevant country risk is also taken into consideration. Graduated valuation adjustments are formed according to risk groups to take into consideration general credit risks.

LIQUIDITY RISK

Liquidity for the STRABAG SE Group means not only solvency in the strict sense but also the availability of the necessary financial margin for mainstay business through sufficient aval lines.

To guarantee financial flexibility, liquidity reserves are kept in the form of cash and credit lines for cash and aval loans. The STRABAG SE Group keeps bilateral credit lines with banks and a syndicated aval credit line in the amount of € 2.0 billion. The overall line for cash and aval loan amounts to € 6.6 billion. The syndicated surety credit line contains covenants which were fulfilled at the balance sheet date.

The medium- and long-term liquidity needs have so far been covered by the issue of corporate bonds as well. In the years 2008 respectively 2010 tranches of € 75 million, respectively € 100 million, each with a term to maturity of five years and in 2011 a tranche of € 175 million with a term to maturity of seven years was issued. In May 2012, STRABAG issued a further bond in the amount of € 100 million with a term to maturity of seven years. The annual coupon interest of the bond amounts to 4.25 %. The corporate bond from the year 2007 in the amount of € 75 million was paid in June 2012. Depending on the market situation and the appropriate need, further bonds are planned.

The following payment obligations arise from the financial liabilities (interest payments based on interest rate as of 31 December and redemption) for the subsequent years:

PAYMENT OBLIGATIONS AS OF 31.12.2012

	CARRYING VALUES 31.12.2012 T€	CASH FLOWS 2013 T€	CASH FLOWS 2014–2017 T€	CASH FLOWS AFTER 2017 T€
Financial liabilities				
Bonds	477,500	117,658	166,346	291,813
Bank borrowings	1,129,383	311,539	454,725	530,862
Liabilities from finance leases	43,101	11,091	29,631	10,679
	1,649,984	**440,288**	**650,702**	**833,354**

PAYMENT OBLIGATIONS AS OF 31.12.2011

	CARRYING VALUES 31.12.2011 T€	CASH FLOWS 2012 T€	CASH FLOWS 2013–2016 T€	CASH FLOWS AFTER 2016 T€
Financial liabilities				
Bonds	445,000	97,587	256,395	191,625
Bank borrowings	1,235,510	443,992	424,295	538,108
Liabilities from finance leases	46,742	11,147	34,633	11,296
Other liabilities	4,705	0	4,800	0
	1,731,957	**552,726**	**720,123**	**741,029**

The trade payables and the other liabilities (see item 21) essentially lead to cash outflows in line with the maturity at the amount of the book values.

(26) SEGMENT REPORTING

The rules of IFRS 8 Operating Segments, apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (Management Approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

The internal reporting in the STRABAG Group is based on management board areas, which represent the segments at the same time. The settlement between the single segments is made at arm's length prices.

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

The segment North + West bundles the construction activities in Germany, Poland, Benelux and Scandinavia as well as the ground engineering, hydraulic engineering and offshore wind activities.

The segment South + East comprises the railway structures activities as well as the construction activities in Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe and Russia and neighbouring countries and environmental technology.

The segment International + Special Divisions includes the international construction activities, tunnelling, services, real estate development and infrastructure development as well as the construction materials business.

In addition, there are the central divisions and central staff divisions, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management etc. These services are included in the segment Other. The segment reporting comprises the following business fields:

SEGMENT REPORTING FOR THE FINANCIAL YEAR 2012

	NORTH + WEST 2012 T€	SOUTH + EAST 2012 T€	INTERNATIONAL + SPECIAL DIVISIONS 2012 T€	OTHER 2012 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 2012 T€	TOTAL 2012 T€
Output Volume	**6,237,167**	**4,755,738**	**2,924,860**	**124,831**		**14,042,596**
Revenue	**5,509,526**	**4,792,430**	**2,661,292**	**19,985**	**0**	**12,983,233**
Inter-segment revenue	187,139	48,720	356,262	814,324		
EBIT	**-51,317**	**148,885**	**126,933**	**-1,975**	**-15,340**	**207,186**
-thereof share of profit or loss of associates	6,540	0	-15,757	0	0	-9,217
Interest and similar income	0	0	0	73,145	0	73,145
Interest expense and similar charges	0	0	0	-123,871	0	-123,871
Profit before tax	**-51,317**	**148,885**	**126,933**	**-52,701**	**-15,340**	**156,460**
Investments in property, plant and equipment, and in intangible assets	0	0	0	458,283	0	458,283
Depreciation and amortisation	5,803	4,416	3,993	386,956	0	401,168
-thereof extraordinary depreciation and amortisation	5,803	4,275	0	18,404	0	28,482

SEGMENT REPORTING FOR THE FINANCIAL YEAR 2011

	NORTH + WEST 2011 T€	SOUTH + EAST 2011 T€	INTERNATIONAL + SPECIAL DIVISIONS 2011 T€	OTHER 2011 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 2011 T€	TOTAL 2011 T€
Output Volume	**6,397,515**	**4,881,568**	**2,879,556**	**167,212**		**14,325,851**
Revenue	**5,960,582**	**4,876,770**	**2,842,324**	**34,128**	**0**	**13,713,804**
Inter-segment revenue	230,403	53,012	391,977	831,283		
EBIT	**149,125**	**140,157**	**59,025**	**685**	**-14,207**	**334,785**
-thereof share of profit or loss of associates	7,016	0	-41,553	0	0	-34,537
Interest and similar income	0	0	0	112,311	0	112,311
Interest expense and similar charges	0	0	0	-103,767	0	-103,767
Profit before tax	**149,125**	**140,157**	**59,025**	**9,229**	**-14,207**	**343,329**
Investments in property, plant and equipment, and in intangible assets	0	0	455	476,695	0	477,150
Depreciation and amortisation	12,766	3,530	19,166	376,084	0	411,546
-thereof extraordinary depreciation and amortisation	12,766	3,386	15,000	15,349	0	46,501

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

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

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

Other minor differences result from the other consolidation entries.

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

	2012 T€	2011 T€
Net income from investments	-8,700	-12,084
Other consolidations	-6,640	-2,123
Total	**-15,340**	**-14,207**

BREAKDOWN OF REVENUE BY GEOGRAPHIC REGION

	2012 T€	2011 T€
Germany	5,686,722	5,665,813
Austria	2,278,299	2,254,189
Rest of Europe	4,463,875	5,256,352
Rest of World	554,337	537,450
Total	**12,983,233**	**13,713,804**

Presentation of revenue by region is done according to the company's registered place of business.

(27) NOTES ON RELATED PARTIES

The core shareholders of STRABAG SE are the Haselsteiner Group, as well as the Raiffeisen-Holding NÖ-Wien Group, the UNIQA Group and Rasperia Trading Limited, owned by Russian businessman Oleg Deripaska.

The core shareholder Rasperia Trading Limited holds one registered share. The company sold its previous interest of 25 % to the other core shareholders. Until 31 December 2012, Rasperia bought back 17.6 % of the shares and the option to purchase the remaining 7.4 % runs until July 2014. The syndicate agreement remains unchanged, with Rasperia remaining part of the syndicate.

Arm's-length finance and insurance transactions exist with the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group.

Basic Element

The Basic Element Group, a group with numerous industrial holdings, among other things in the area of construction, raw materials and infrastructure, is owned by Russian businessman Oleg Deripaska. A cooperating agreement lays out the principles for joint operating cooperation in Russia and the CIS states between the STRABAG SE Group and the Basic Element Group.

Russian construction company Glavstroy Corporation, a member of the Basic Element Group, commissioned STRABAG to build the Olympic village in Sochi, Russia. The order includes the construction of residences and hotels ahead of the 2014 Winter Olympics and has a value of about € 278 million. The contract was signed in 2010. The construction works began in 2011 and are scheduled for completion in 2013. By 31 December 2012, services amounting to € 141 million had been provided and payments of € 185 million received.

To consolidate and expand the business in Russia, STRABAG made in 2010 an advance payment secured by a bank guarantee, of € 70 million for a 26 % stake in the leading Russian road construction company Transstroy, part of the diversified industrial holding Basic Element. STRABAG will take the time for a thorough due diligence of Transstroy, which posted revenues of RUB 39 billion in 2009, before the parties agree on a transaction and on the final purchase price. The advance payment is reported under other financial assets.

IDAG

IDAG Immobilienbeteiligung u. -Development GmbH is entirely held by private foundations whose beneficiaries are the Haselsteiner Group and the Raiffeisen-Holding NÖ-Wien Group. It is the business purpose of IDAG Immobilienbeteiligung u. -Development GmbH to develop property and to participate in property projects.

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 2012 financial year amounted to T€ 7,586 (previous year: T€ 7,512). Other services in the amount of T€ 762 (previous year: T€ 1,064) were obtained from the IDAG Group.

Furthermore, revenues of about € 1.4 million (previous year: about € 1.2 million) were made with IDAG Immobilienbeteiligung u. -Development GmbH in the 2012 financial year. At the balance sheet date of 31 December 2012, the STRABAG SE Group had receivables from rental deposits amounting to around € 20.9 million (previous year: € 20.0 million) from IDAG Immobilien-beteiligung u. -Development GmbH.

ASSOCIATES

In September 2003, Raiffeisen evolution project development GmbH, a joint project development company, was founded 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 bundles project developments in building construction activities of the share-holders (excluding Germany and Benelux). STRABAG SE is employed in the construction work on the basis of arm's-length contracts. In 2012 revenues of about € 122.2 million (previous year: € 42.3 million) were made.

The shareholders of the Raiffeisen evolution project development GmbH have basically agreed to proportionally accept any obligations arising from the project developments.

Lafarge Cement CE Holding bundles the cement activities of Lafarge, a market leader in construction materials manufacturing, and STRABAG in the countries of Central and Eastern Europe. The joint activities aim at maintaining a commensurate cement supply in the group's core countries. In 2012, STRABAG procured cement services worth about € 16.9 million (previous year: € 6 million) from Lafarge. Per balance sheet date, there were liabilities to Lafarge Cement CE Holding GmbH in the amount of € 0.3 milllion (previous year: € 0.5 million).

The **business transactions with the other associates** can be presented as follows:

	2012 T€	2011[1] T€
Work and services performed	81,494	14,380
Work and services received	33,683	33,789
Receivables as of 31.12.	12,707	11,020
Liabilities as of 31.12.	41	2

The business transactions with the management board members and the first management level (management in key positions) and with their family members and companies which are controlled by the management in key positions or decisively influenced by them are represented as follows:

	2012 T€	2011 T€
Work and services performed	28,973	23,472
Work and services received	10,540	5,050
Receivables as of 31.12.	22,167	16,118
Liabilities as of 31.12.	963	42

The total remuneration including any severance and pension payments for the first management level amounted to T€ 17,939 (previous year: T€ 19,629) in the year under report. Of this amount, T€ 17,630 (previous year: T€ 19,273) is attributable to the current remuneration and T€ 309 (previous year: T€ 355) to severance and pension payments.

1) The previous year's figures were adjusted accordingly for better comparability.

(28) NOTES ON THE MANAGEMENT AND SUPERVISORY BOARDS

MANAGEMENT BOARD

Dr. Hans Peter HASELSTEINER (CEO)
Ing. Fritz OBERLERCHNER
(Deputy CEO until 30 June 2012)
Dr. Thomas BIRTEL (Deputy CEO since 1 January 2013)
Mag. Christan HARDER (since 1 January 2013)
DI Dr. Peter KRAMMER
Mag. Hannes TRUNTSCHNIG
DI Siegfried WANKER

SUPERVISORY BOARD

Dr. Alfred GUSENBAUER (Chairman)
Mag. Erwin HAMESEDER (Vice Chairman)
Andrei ELINSON
Mag. Kerstin GELBMANN
Dr. Gottfried WANITSCHEK
Ing. Siegfried WOLF
DI Andreas BATKE (works council)
Miroslav CERVENY (works council)
Magdolna P. GYULAINÉ (works council)
Wolfgang KREIS (works council)
Gerhard SPRINGER (works council)

The total salaries of the management board members[1)] in the financial year amount to T€ 2,590 (previous year: T€ 8,480). The severance payments for management board members amount to T€ 17 (previous year: T€ 14).

The remunerations for the supervisory board members in the amount of T€ 135 (previous year: T€ 135) are included in the expenses. Neither the management board members nor the supervisory board members of STRABAG SE received advances or loans.

(29) OTHER NOTES

The expenses for the auditor, KPMG Austria AG, incurred in the financial year amount to T€ 1,196 (previous year: T€ 1,168) of which T€ 1,084 (previous year: T€ 1,052) were for the audit of the consolidated financial statements (including the audit of separate financial statements of group companies) and T€ 111 (previous year: T€ 116) for other services.

(30) DATE OF AUTHORISATION FOR ISSUE

In Austrian companies organised as corporations limited by shares, the consolidated financial statements prepared by the management board are approved by the supervisory board. The STRABAG SE supervisory board meeting for the approval of the consolidated financial statements for the year ended 31 December 2012 will take place on 29 April 2013.

(31) EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the close of the financial year.

Villach, 9 April 2013

Management Board

Dr. Hans Peter Haselsteiner
CEO

Dr. Thomas Birtel
Deputy CEO
Responsibility Central Divisions and Central Staff Divisions (except BRVZ)
as well as divisions 3L RANC and 3M RANC[2)]

Mag. Christian Harder
CFO

DI Dr. Peter Krammer
Responsibility
Segment North + West

Mag. Hannes Truntschnig
Responsibility
Segment International + Special Divisions

DI Siegfried Wanker
Responsibility Segment South + East
(except divisions 3L RANC and 3M RANC)

1) In the past, the remuneration paid in the respective financial year was disclosed. Starting with the 2012 financial year, the remuneration paid for performance during the financial year will be stated. For better comparability, the figures from the previous year were adjusted.
2) RANC = Russia and neighbouring countries

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements[1)] give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Villach, 9 April 2013

Management Board

Dr. Hans Peter Haselsteiner
CEO

Dr. Thomas Birtel
Deputy CEO
Responsibility Internal Service Units
and region RANC[2)]

Mag. Christian Harder
CFO

DI Dr. Peter Krammer
Responsibility Segment North + West

Mag. Hannes Truntschnig
Responsibility Segment
International + Special Divisions

DI Siegfried Wanker
Responsibility Segment South + East
(except divisions 3L RANC and 3M RANC)

1) The annual financial statements are included in the annual financial report.
2) RANC = Russia and neighbouring countries

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of

STRABAG SE,
Villach,

for the year from 1 January to 31 December 2012. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2012, the consolidated income statement/consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2012 and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND FOR THE ACCOUNTING SYSTEM

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated 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 AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

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 Austrian Standards on Auditing, as well as 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 professional guidelines and that we plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 Group'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 Group'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. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2012 and of its financial performance and its cash flows for the year from 1 January to 31 December 2012 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

REPORT ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Linz, 9 April 2013

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Dr. Helge Löffler
Austrian Chartered Accountants

Mag. Peter Humer
Austrian Chartered Accountants

This report is a translation of the original report in German, which is solely valid.

Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

GLOSSARY

at-equity consolidation	Method of consolidation of companies in which STRABAG has a stake between 20 % and 50 %
ATX (Austrian Traded Index)	The index of leading shares of the Vienna Stock Exchange (Wiener Börse)
Book value per share	Book value of equity/number of outstanding shares
BS OHSAS	Standard for occupational health and safety management systems
CAGR (Compound Annual Growth Rate)	Mean growth rate on an annualised basis
CAPEX (Capital Expenditure)	Investments; Acquisition of financial assets + acquisition of intangible assets as well as property, plant and equipment + changes to the scope of consolidation
Capital Employed	Total of group equity + interest-bearing debts
Carbon footprint	Measure of carbon emissions caused by an activity
Cash flow	A measure of cash being received and spent in a business. The cash flow amount is largely calculated as the sum of net income, taxes on profits and income, depreciation, amortisation and changes to non-current provisions.
CEE	Central and Eastern Europe
CO_2	Carbon dioxide (greenhouse gas)
Code of Ethics	Values and principles which reflect the company's policy and which are met by employees and management
Compliance Guidelines	Recognition of the importance of and compliance with all relevant laws as well as with internal and external rules, guidelines and standards
Corporate Governance	A code of conduct for publicly listed companies. Corporate governance comprises all guidelines which maximise transparency and control in order to avoid conflicts of interest.
Corporate Social Responsibility (CSR)	Voluntary compliance with a set of rules for sustainable corporate management
Cost-plus-fee	Contract model under which the client pays the contractor a previously agreed percentage of the costs of the project as a fee
Directors' Dealings	Transactions with company securities by company directors or officers
Earnings per share	Net income after non-controlling interests/weighted average number of shares
EBIT	Net income before interests and income tax expense
EBIT Margin	The ratio of EBIT to revenue in percent
EBITDA	Net income before interests and income tax expense, depreciation and amortisation
EBITDA-Margin	The ratio of EBITDA to revenue in percent
Equity ratio	Book value of equity/balance sheet total
Four-eyes principle	Principle according to which an activity is carried out and monitored by different persons
Gearing Ratio	Net debt/group equity capital
Hard toll	A form of toll collection in which the fee is collected directly from the user
IFRS	Financial reporting standards and interpretations adopted by the International Accounting Standards Board (IASB)
IMF	International Monetary Fund
ISO 14001	International standard for environmental management systems
ISO 50001	International standard designed to help organisations establish energy management systems
Joint Venture	A contractual agreement joining together two or more parties for the purpose of executing a particular business enterprise
Millipede principle	Principle forming an integral part of STRABAG's strategy: broad diversification over many geographic regions and construction segments
Net Debt	Financial liabilities – non-recourse debt + severance and pension provisions – cash and cash equivalents
öCGK	Austrian Corporate Governance Codex
Order backlog	Future revenues from contracts signed to a specific date, less works already accomplished
Payout ratio	Dividends/net income per share
PPP (Public-Private Partnerships)	Project which is funded and operated through a partnership of private-sector companies and public-sector institutions
RANC	Russia and neighbouring countries
Risk management	An approach to recognise potential risks to the company and develop strategies to manage these risks
ROCE (Return on Capital Employed)	Net income + interest on debt – interest tax shield (25 %)/(average group equity + interest-bearing debt)
SCC (Safety Certificate Contractors)	Combined occupational safety and environmental protection management system for contractors
Shadow toll	Payment of a fee by the public partner in a public-private partnership directly to the operator for the use of a road based on the number of users
SKAO (Stichting Klimaatvriendelijk Aanbesteden en Onderneme)	Dutch foundation for climate-friendly procurement and business
Sustainability	The balance between reaching business objectives while respecting social and environmental aspects
Value chain	The individual steps and actions required to create a product or deliver a service
WBI	Vienna Stock Exchange Share Index, made up of all companies listed on the Vienna Stock Exchange
WTO	World Trade Organisation

FINANCIAL CALENDAR

Full-year results 2012	**30 April 2013**
Publication	7:30 am
Financial press conference	10:00 am
Investor and analyst telephone conference	2:00 pm

Interim Report January–March 2013	**29 May 2013**
Publication	7:30 am
Investor and analyst telephone conference	2:00 pm

Notice of Annual General Meeting	15 May 2013
Shareholding confirmation record date	4 June 2013
Annual General Meeting 2013	**14 June 2013**
Beginning	10:00 am
Location: Austria Center Vienna, 1220 Vienna	
Ex-dividend date	**21 June 2013**
Payment date for dividend	**24 June 2013**

Semi-annual Report 2013	**30 August 2013**
Publication	7:30 am
Investor and analyst telephone conference	2:00 pm

Interim Report January–September 2013	**29 November 2013**
Publication	7:30 am
Investor and analyst telephone conference	2:00 pm

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

STRABAG

Building Visions. Building Values. Building Europe.

FOR FURTHER QUESTIONS, PLEASE CONTACT OUR
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This Annual Report is also available in German.
In case of discrepancy the German version prevails.

OWNER, EDITOR AND PUBLISHER

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The Annual Report was prepared with the highest possible attention to detail. All information was verified.
The possibility of rounding errors, printing errors or misprints, however, can not be completely excluded.
The Annual Report contains information and forecasts related to the future development of STRABAG SE.
These forecasts represent estimates made on the basis of all available information at the time of publication.
Should the assumptions underlying the forecasts fail to appear, the actual results could deviate from the expectations.

Many of the projects contained in this financial report were carried out in consortia.
We hereby extend a warm “thank you” to all our partners.

To facilitate reading and understanding, the masculine gender may be used at times in this report to apply equally to men and women without discrimination.

Creative support during the preparation of the Annual Report 2012: pkp BBDO
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