

STRABAG SE REDUCES CHARACTERISTICAL WINTER LOSS SIGNIFICANTLY

- Output volume up 10 % to € 2.3 billion – Return to normal weather conditions
- EBITDA improved by 10 %, EBIT by 5 %; as always in the first quarter, in negative terrain due to seasonal effects
- 2014 outlook confirmed: Output volume of € 13.6 billion, EBIT of at least € 260 million expected

		Q1/14	Q1/13	change
Output volume	€m	2,343.74	2,135.12	10%
Revenue	€m	2,163.96	1,962.58	10%
Order backlog	€m	14,481.88	13,818.94	5%
EBITDA	€m	-69.91	-77.79	10%
<i>Ebitda margin</i>	%	-3.2%	-4.0%	
EBIT	€m	-163.74	-172.30	5%
<i>Ebit margin</i>	%	-7.6%	-8.8%	
Net income	€m	-140.30	-141.24	1%
<i>Net income margin</i>	%	-6.5%	-7.2%	
Net income after minorities	€m	-132.01	-140.29	6%
<i>Net income after minorities margin</i>	%	-6.1%	-7.1%	
Earnings per share	€	-1.29	-1.36	5%
Employees	number	69,335	69,998	-1%

Vienna, 28 May 2014 The publicly listed construction group STRABAG SE today, Wednesday, disclosed its figures for the first quarter of 2014. Thanks to the more favourable weather conditions compared to last year, the output volume increased. This led to a reduction of the winter loss, which is characteristic to the first quarter.

"We see ourselves faced with a challenging environment in 2014 with higher price pressure in the European infrastructure construction sector; at the same time, however, we are registering continued favourable conditions in building construction for the private sector, above all in our home market of Germany. This situation did not change in the first quarter. What did change, however, is the weather versus the comparison quarter: In the previous year, the weather conditions had made construction activity impossible for longer periods of time. Now, by comparison, the weather conditions supported a return to usual levels of output volume", comments **Thomas Birtel, CEO of STRABAG SE.**

Output volume and revenue

The STRABAG SE Group registered an output volume of € 2,343.74 million in the first quarter of 2014. This corresponds to an increase by 10 %. After unfavourable weather conditions had restricted the construction activity in the previous year, the return to the usual level was especially evident in the home markets of Germany and Austria. The consolidated group revenue, like the output volume, exhibited an increase of 10 %.

Order backlog

The order backlog also showed upward growth year on year, gaining 5 % to € 14,481.88 million. This development was driven particularly by large projects that had been acquired last year in Germany, Chile, Slovakia and Hungary, while projects were largely completed in Benelux, Africa and Italy.

Financial performance

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

With the higher revenue, the earnings before interest, taxes, depreciation and amortisation (EBITDA) in the first quarter of 2014 improved by 10 % to € -69.91 million. The depreciation and amortisation fell by 1 %. The earnings before interest and taxes (EBIT), with € -163.74 million, was 5 % less deeply in negative territory.

The interest income, with € -4.04 million after € -0.56 million in the first quarter last year, again was nearly balanced. Below the line, this resulted in a 3 % improvement of the earnings before tax (EBT) of € -167.77 million. Accordingly, the income tax was again in positive territory with € 27.47 million and thus provided some relief; being 13 % lower on the year, however, the remaining net income of € -140.30 million was more or less unchanged over the comparison quarter (1 %). But as third-party shareholders helped bear a loss of € 8.29 million, the net income after minorities improved by 6 % to € -132.01 million.

Due to the – now concluded – share buyback programme, the number of weighted outstanding shares was down from 103,018,317 to 102,599,997. The earnings per share thus amounted to € -1.29 after € -1.36 in the first quarter of the previous year.

Financial position and cash flows

The equity ratio, with 31.0 % after 30.7 % at the end of 2013, remained at the usual high level. The net cash position had turned – as is usual in the first quarter – into net debt of € 98.40 million by 31 March, corresponding to a change of 78 %.

The cash flow from profits, at € -98.37 million after € -100.79 million, ended up slightly more positive. The other cash flows all improved as well: The cash flow from operating activities was 46 % less negative at € -117.36 million after € -215.46 million; the cash flow from investing activities amounted to € -48.15 million after € -67.98 million; and the cash flow from financing activities reached € -18.14 million after € -22.14 million.

Employees

The number of employees fell by only 1 % to 69,335 compared to the same period of the previous year. Large changes in several entities nearly balanced each other out: The workforce was scaled back for market reasons in Poland and for project-related reasons in Russia and Romania, while new large projects in Germany and in Hungary led to increases in staff levels.

Outlook

The management board of STRABAG SE continues to expect the output volume for the 2014 financial year to remain more or less unchanged versus 2013 at € 13.6 billion. It forecasts an EBIT of at least € 260 million, which more or less corresponds to the value of 2013. Although the realisation of the measures proposed by the internal STRABAG 2013ff task force is beginning to show first successes, STRABAG faces a challenging environment in 2014 with higher price pressure in the European infrastructure construction sector. On the other hand, the company is registering continued solid conditions in building construction for the private sector.

STRABAG SE is a European-based technology group for construction services, a leader in innovation and financial strength. Our services span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by our specialised entities integrating the most diverse services and assuming responsibility for them. We bring together people, materials and machines at the right place and at the right time in order to realise even the most complex construction projects – on schedule, of the highest quality and at the best price. The hard work and dedication of our more than 73,000 employees allows us to generate an annual output volume of about € 14 billion. At the same time, a dense network of numerous subsidiaries in many European countries and, increasingly, on other continents is helping to expand our area of operation far beyond the borders of Austria and Germany. More information is available at www.strabag.com.

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