

# Half Yearly Report – First Half 2007



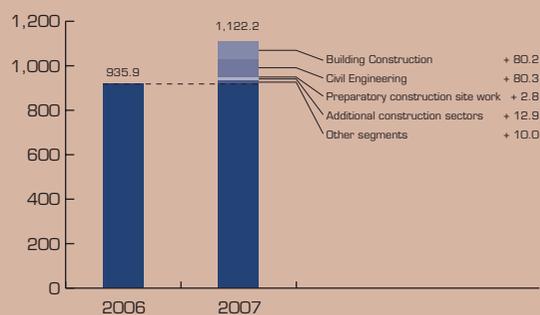
Building the future is our tradition



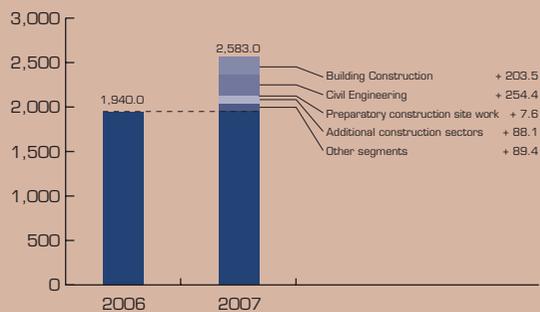
# Key Data

Values in million EUR	1st Half 2007	Change	1st Half 2006
Group output	1,122.2	19.9%	935.9
of which domestic	760.3	19.7%	635.1
of which foreign	361.8	20.3%	300.8
Order receipts	1,677.9	18.9%	1,411.2
Order balance	2,583.0	33.1%	1,940.0
Average staffing level	10,834	9.7%	9,872
Gross revenue	937.4		784.5
EBT (Result before taxes on earnings)	0.6		0.1
Half year result	- 1.7		- 0.6
Earnings per share (in EUR)	- 0.57		1.62

## Output Trends June 2006 – June 2007



## Order Balance Trends June 2006 – June 2007



### Title page:

Grad Station, Track construction Bradina-Konjic, Bosnia-Herzegovina  
 Slab track North-South access tunnel, Berlin

# Foreword by the Executive Board

## DEAR SHAREHOLDERS AND BUSINESS ASSOCIATES,

The first half of the year was highly satisfactory for PORR. The reason for this was not only our solid reputation among contractors as an innovative and reliable partner with a wealth of experience, but also our many reference projects which we have completed quickly and smoothly in recent years. Additional positive factors included the mild winter and the increased readiness to invest by both the private and public sectors, which led to an increase of 0.9% in the Austrian construction industry. PORR was therefore able to increase production output to EUR 1.1bn in the first half 2007, while turnover increased to EUR 937.4m. EBIT rose to EUR 8.1m. PORR currently employs a workforce of around 10,834. We are now well on track and are anxious to develop our financial base in order to secure further expansion. The corporate bond, issued in May 2007 and worth EUR 70m, was heavily oversubscribed, showing that PORR is in demand on the equity market.

We have solid foundations in place which we are ready to build on. PORR will continue to grow with high risk awareness and in geographically concentrated circles. Qualitative growth is our top priority. Our growth strategy is exclusively centred on potential returns rather than on turnover increases. For this reason we intend to increase investment in projects with a predicted minimum EBIT margin of 7% (as specified in the project plan), leading to an overall increase in revenue.

We strive to be a multi-utility provider. Our extensive experience in the construction industry has equipped us to accomplish projects smoothly and professionally in cooperation with our contractors, enabling us to explore innovative paths, deal in complex fields and offer comprehensive solutions. As a multi-utility provider we intend to expand into new areas, specifically in the energy generating and power plant sector in Eastern and South Eastern Europe – markets in which PORR is already well-established. Within the next three years PORR is expected to hold significant market share in this field. Sustainability is and will remain a crucial issue for our long-established company. The construction industry has considerable influence on economic growth and therefore on the prosperity of society as a whole. Environmentally-friendly policies and top working conditions for our staff are preconditions for a successful business. It goes without saying that a transparent management structure and modus operandi are essential for sustainable operations.

We are convinced that PORR is superbly equipped to face the challenges of the future. Our aims are to secure a solid position on the market, in addition to building on our core competence in the construction industry by increasing our involvement in innovative, high-yielding sectors. Our agenda for the second half of the year is detailed and ambitious. Implementing it will make us better able to compete in the highly-competitive construction industry and should have a positive and long-lasting effect on the reputation and future development of PORR.



GD Ing. Wolfgang Hesoun  
Chief Executive Officer



Dir. KommR Prof. Helmut Mayer  
Board Member



Dir. Dr. Peter Weber  
Board Member

# Half Yearly Report 2007

Construction economy drives European growth

**General economic environment:** The economic boom is expected to continue during 2007. Although production growth in the USA is slowing down, demand is growing in the Euro zone and in Japan. A stabilization in oil prices has meant a reduction in inflationary pressure. This has had a positive effect on the entire economic environment of the Euro zone, which is expecting economic growth of between 2.3 and 2.9%. The construction market in Europe is continuing to boom and is also now being boosted by Germany again, securing Germany's role as a key growth and employment driver.

Economists predict that the thriving economies of Germany and Italy, along with the growth of the new EU member states, will have a key effect on the Austrian economy. A 3.2% increase in GDP is predicted for 2007. As companies come ever closer to their capacity limits, levels of investment already increased noticeably in 2006. The peak of the investment cycle is expected in 2007 and the construction industry should see an additional sharp increase, not least because of the mild winter. The strong growth in employment which started in 2006 is set to accelerate in 2007, with the consequence that the unemployment rate is predicted to fall by 0.5% to 4.3%.

Significant output increase in first half year

**Output trends:** In the middle of the financial year 2007, the PORR Group can report that business development has been going according to plan. Traditionally the output volume in the first two quarters is somewhat reticent. These seasonal fluctuations occur in relation to the first and second quarters and are generally lower than the values in the third and fourth quarters. The experience of the last few years shows that around 40% of yearly output is generated in the first half of the year – from today's perspective the announced goals are attainable. A total output of EUR 1.1222bn was recorded in the first half of 2007. The rise of around 20% on 2006 was almost equally spread between the civil engineering and building construction segments. Across the entire group, building construction generated EUR 480.2m (up EUR 80.2m on 2006). Building construction therefore accounted for 42.8% of total output. Civil engineering rose by EUR 80.3m on 2006, up to EUR 457.4m. This accounted for 40.8% of the PORR Group total output. The most important sectors for the group therefore showed significant output increases. An exception was the road construction segment, which showed a slight reduction in volume compared to the high level of last year.

Around 32.2%, or EUR 361.8m, was achieved abroad – an increase on 2006 of EUR 61m, or 20.3%. The most important foreign markets for the PORR Group continue to be the Czech Republic – with EUR 85.4m falling just slightly short of last year's level; Poland – with around EUR 78m exceeding last year's output by around 5.7%; and Germany – where the improved economic conditions led to output of EUR 69m, an increase of 46.2% on 2006.

**Orders situation:** The existing order potential has secured ample capacity utilisation for the year 2007, in addition to providing a solid basis for the coming year. Taking into account the improved solvency outlook gained through selective order acquisitions, the medium-term utilisation prospects for the Group are secured. New order receipts worth EUR 1.677bn contributed to a total order balance of EUR 2.583bn. This represents a rise of EUR 643m – or 33.1% – on last year's figures for the same period. Of this total value, EUR 1.4517bn – or 56.2% – was generated by domestic orders, with EUR 1.1313bn – or 43.8% – from foreign markets. Of the total order balance, EUR 1.2425bn worth of orders – or 48.1% – are to be rendered during the current calendar year. For the following year the orders already acquired are worth EUR 1.3405bn, an increase of 42.9% on last year's figures. The increase in the order balance as compared to last year is almost equally split between building construction (up 28% to EUR 939m) and civil engineering (up 26% to EUR 1.2366bn). The development of the different sectors has varied between the domestic and foreign markets. Whilst nearly all sectors continued to maintain their high levels on the domestic market, some sectors saw significant increases abroad: the building construction sector benefited from the continuing demand for commercial and office buildings, miscellaneous buildings, and industrial and construction engineering. The civil engineering sector doubled their order balance thanks to the acquisition of some major contracts in Germany (Finnetunnel), Switzerland (Büttenberg and Lengholz tunnels, the Biel by-pass) and Romania (Campina – Predeal railway line).

**Operational results:** An increase in production output of 19.9% has meant a corresponding increase in gross revenue of 19.5% to EUR 937.4m. This significant revenue rise has also had an effect on individual outlay entries. A disproportionately high rise in the materials used and other related manufacturing services has been influenced by price rises in raw and manufactured materials as well as costs for subcontractors, seeing an increase of 23.2% to EUR 597.1m. The corresponding increase in staff costs was disproportionately lower, rising by just 9.8% to EUR 253.4m. Overall the increase in outlay entries remained less than the increase in gross revenue, yielding an operating profit of EUR 8.1m, which is EUR 6.5m higher than for the same period in the previous year. Compliant results of associated companies (EUR 5.2m), brought about by the 2006 evaluation provisions, and financial expenditure – which increased by EUR 2.2m to EUR 18m because of significantly higher refinancing charges – resulted in pre-tax earnings (EBT) of EUR 0.6m. The 2007 results were therefore EUR 0.5m higher than last year's. Taxes on income and earnings rose by EUR 1.5m to EUR 2.3m, resulting in a half year net loss of EUR 1.7m. This corresponds to a fall in the share price of EUR –0.57 per share.

High order receipts –  
record order balance

Turnover increase of 19.5%

- 1 St. Pölten College, Lower Austria
- 2 EM Stadium Salzburg, Salzburg
- 3 Drava bridge Ptuj, Slovenia



Bond issue optimises liquidity structure

**Net assets and financial position:** The PORR Group's increase in output in 2007, along with the changes in the basis of consolidation, is reflected in the Group balance sheet for June 30<sup>th</sup> 2007. Whilst trade accounts payable rose by 7.7% to EUR 747.6m, leading to a considerable rise in short-term assets, trade account liabilities rose by 13.6% to EUR 416m. Short-term liabilities consequently rose by 6.2% to EUR 817.8m. The issuing of a bond in June 2007 with a value of EUR 70m enabled us to avoid a stark increase in financial liabilities, both short-term (+4.9%) and long-term (+4.3%). The change in the basis of consolidation, introduced in the first half of 2007, involved the first consolidation of Impulszentrum Telekom Betriebs GmbH and the addition of Koller d.o.o into the group of associated companies. These played a significant role in the rise in long-term assets, increasing by approx. EUR 28.9m to approx. EUR 781.7m.

Group cash flow was up by EUR 19.3m on 2006 results, standing at EUR 14.8m. Significant factors for this change were the higher depreciation and amortization of fixed assets and the slender income from associated companies. Cash flow from operating activities fell by EUR 7.4m to EUR -44.5m and was affected by the rise in trade accounts payable which outstripped liabilities. A marked reduction in the investment in tangible fixed assets and financial real estate to a value of EUR 14.6m were responsible for the change in cash flow from investment activities from EUR -26.3m to EUR -15.3m. The influx of liquid funds came from the issue of a bond (cash influx EUR 70m) and the repayment of loans worth EUR 6.1m (cash flow from financing activities EUR 71.7m). On June 30<sup>th</sup> 2007 liquid funds stood at EUR 79.4m (on June 30<sup>th</sup> 2006 they were at EUR 77.8m).

Increase in operational profitability and Group output

**Forecast:** Our earlier forecast for the 2007 fiscal year appears accurate based on the success of the first six months of 2007 as planned. On condition that the second half of 2007 does not bring a stark economic downturn, and that refinancing costs remain reasonably stable, our expectations for the current fiscal year are as follows:

- Order receipts exceeding the exceptional levels of 2006
- An end-of-year order balance at least equal to the record levels of 2006
- Group output of between EUR 2.7bn and EUR 2.8bn
- An improvement in operational profitability
- EBT at least equal to last year's, despite rising preparatory costs (raw and manufactured materials, subcontractor services).

**Personnel:** There was a positive trend once again in the construction industry of plus 3%, along with an unemployment rate of just 4.9%. This is noticeable in the significant shortage of skilled labour. We have taken extensive measures in recruiting and human resource development in order to prosper in this tough employment market situation. To this end we have strengthened our recruitment team with new colleagues experienced in HR consulting and implemented a professional, web-based management system for job applications in order to process applications more quickly and efficiently.

Focus on recruiting and human resource development

In addition we have improved the "Employer Branding" of the Group by an active human resource marketing strategy – direct contact to training centres, school and college employment fairs etc. – in order to increase the image of the PORR brand on the employment market.

In July 2007 we held our first "Welcome Day" for all new employees in Austria, in order to give them our full support upon joining the company.

#### Personnel trends

	1st Half 2007	Change	1st Half 2006	1st Half 2005
Blue-collar workers	6,924	+ 8.73%	6,368	6,196
Salaried employees	3,910	+ 11.60%	3,504	3,330
<b>Total</b>	<b>10,834</b>	<b>+ 9.74%</b>	<b>9,872</b>	<b>9,526</b>

**Risk Management:** In addition to the previously identified risks such as currency, payment, liability and interest rate risks, there will be increasing challenges with regard to the scarcity of resources, continuing price increases both for subcontractors and in the raw and manufactured materials sector, and an increasing shortage of skilled labour. We will strive to identify these conditions as early as possible and take appropriate action.

Strengthening and intensifying risk management

# Civil engineering segment/ The PTU Group

Increased foreign trading cushions effects of economic fluctuations

Infrastructure backlog in Eastern and South Eastern Europe

- 1 Waste treatment plant, Vienna
- 2 Freudenau power plant, Vienna
- 3 Extension of the U2 underground line, Vienna

**Company Profile:** Porr Technobau and Umwelt AG (PTU) is the PORR Group's competence centre for civil engineering and provides wide-ranging expertise in the fields of tunnel construction, foundation engineering, power plant construction, railway construction, bridge construction, metro construction, logistics, environmental engineering and post-tensioning systems. PTU's function as a plant operator and licensee allows the increase of supra-regional activities. The stock of stone, gravel and landfill resources provides long-term security of market opportunities and reduces the dependency on external raw materials sources.

**Business Activities:** The range of services and activities offered by the PTU Group meets every demand of the modern construction industry in the field of civil engineering. The first half of 2007 saw the acquisition of attractive major contracts in Austria, such as the Zistersdorf waste incineration plant. In the tunnel construction segment, projects included the Biel by-pass in Bern, Switzerland, and the Finnetunnel and Schaalaa local bypass for the German railway group. The upgrading of the Campina – Predal railway line in Romania was another major contract.

**Geographical Presence:** The PTU Group has been increasing its activities beyond domestic borders in order to avoid a strong dependency on regional economic trends. Activities are not only focussed on Austria, Germany and Switzerland, but also increasingly on the countries in Central, Eastern and South Eastern Europe.

**Competition:** The thriving construction climate in Europe and the high backlog in Eastern and South Eastern Europe suggest considerable potential for the future. The already established market presence in some countries of the former Yugoslavia and in Romania has laid the foundation for successful business ventures. The current high demand in these markets has attracted many competitors, both local and from established Western European enterprises..

**Outlook:** Continued dynamic growth is impossible without increasing investment in the infrastructure sector. Additionally, the areas of energy and environmental protection will provide interesting future opportunities for the construction industry. The PTU Group is ideally placed to meet these challenges, thanks to its excellent know-how in these areas. The favourable business climate has enabled PTU to aim for further revenue rises and an improvement in the volume of orders. In addition to steady involvement in the civil engineering sector in Austria and Germany, main aims include the further acquisition of orders in Central, Eastern and South Eastern Europe in the key segments of railway construction, power plant construction, tunnel construction and transport construction.



# Building construction segment/ The PPH Group

**Company profile:** Porr Projekt und Hochbau AG (PPH) is the PORR Group's core competence centre for building construction, specialising in the construction of commercial and office buildings, residential buildings, industrial and municipal buildings, in addition to the renovation and redevelopment of existing buildings.

**Geographical presence:** In addition to the core market of Austria, PPH is active in Germany and in the whole of Eastern and South Eastern Europe, with foreign subsidiaries accounting for around 50% of total orders. Significant orders in the key Austrian market included the commission for the University of Natural Resources and Applied Life Sciences (19<sup>th</sup> district, Vienna), the complete renovation of the theatre in Josefstadt, and the construction of apartment complexes in Vienna's 2<sup>nd</sup>, 10<sup>th</sup> and 21<sup>st</sup> districts, with a total of 550 apartments. The economic upswing on the German market can be seen in the incoming orders for apartment blocks in Munich-Neuried, the Ikea store in Oldenburg, and the Holiday Inn Hotel in Berlin. Major orders in Poland included office buildings in Warsaw and Breslau, hotels in Krakow and Lodz, and a production hall for Fiat in Tychy. In the Czech Republic PPH won orders for hotels in Prague and Pilsen and an office complex in Prague. The first half of 2007 saw the opening of our new office in the Ukraine, where the first offers are being prepared following market observation. The market entry of PPH into South Eastern Europe has been affected by varying intensity because of divergent conditions. In Romania we are working intensively on the erection of a timber processing plant and on the construction of a hotel and apartment complex in the Poiana Braşov region.

Steady flow of orders at home and abroad

**Competition:** Although a shortage of resources in terms of both materials and especially manpower have led to intensified competition, the PPH Group remains well-positioned on the market. Problems related to the availability and price acceptance of subcontractors' services have been successfully managed thanks to the many years of mutual cooperation.

Economic boom leads to limited resources

**Outlook:** The objective for the fiscal year 2007 is a further increase in turnover and earnings to reflect current economic trends. Our main aims are to cultivate the markets in Eastern and South Eastern Europe in a targeted way and to continue to consolidate our strong position on the Austrian domestic market.

- 1 Rossauer Kaserne, Vienna
- 2 Apartment and office complex Franz-Jonas-Platz, Vienna
- 3 Complete refurbishment of offices Hegelgasse 4, Vienna



# Road construction segment/ The T-A Group

TEERAG-ASDAG AG (T-A), in which A. Porr AG (PORR) holds a 52.5% controlling interest, has shown steady development in their market, thanks to both the high public sector demand and the exceptionally mild winter in the first half of 2007.

## Wide-ranging service portfolio

**Business Activities:** In the first six months of 2006 the bulk of the T-A Group's activities was focussed on the road construction segment. In addition to owning and holding shares in numerous asphalt mixing plants, T-A is also a member of the Austrian syndicate for concrete surfacing (Österreichischen Betondecken-ARGE). Reference projects in 2007 include construction projects which are already underway, such as "A2 Südauto- bahn, Straßen- und Brückeninstandsetzung Gleisdorf West – Laßnitzhöhe (km 160+590 – km 169+600)" and "A1 Westautobahn, Generalerneuerung Eberstallzellerbrücke – Alm- brücke (km 201+200 – km 205+500)". Road construction is not, however, the only core competence of the T-A group. Other key areas which have been well developed include environmental construction, concrete and bridge construction, sealing and insulation, gardens and landscaping, and painting and road marking services. The T-A Group can therefore boast a wide-ranging portfolio of services, covering a large part of the possible range of the civil engineering industry.

## Uncovering new markets in the Czech Republic, Poland, Hungary and Slovakia

**Geographical presence:** In addition to the geographical focus on Austria – established upon foundation of the company in 1914 – T-A is expanding its business presence abroad. As early as 1992 T-A became a majority shareholder in the Czech company PSVS (Pražské silniční a vodohospodářské stavby, a.s.). After a detailed evaluation of the market, foreign business has increased steadily since the foundation of subsidiaries in Poland, Hungary and Slovakia. The newest subsidiary is based in Bratislava (Slovakia) and successfully began operations in April this year with the planned construction project "Thoroughfare through the city of Giraltovce" which will be executed as part of a joint venture. An expansion into the Italian market is planned in the sealing and insulation segment, to complement the existing projects in Germany, Switzerland, Spain and Croatia.

**Competition:** Despite the recent economic boom, 2007 has also seen fierce competition on the market. The main aim of the T-A Group is to continue to retain current market share.

**Outlook for 2007:** In the event of a continuing economic boom and favourable weather conditions, we expect to be able to improve on last year's record figures for both turn- over and earnings.

- 1 By-pass Brixen, Tyrol
- 2 Sewage plant Söding, Styria
- 3 Structural supports Nassfeld, Carinthia



# The PORR SOLUTIONS Group

The PORR SOLUTIONS Group represents the PORR Group's project development competence in the fields of real estate and infrastructure. PORR SOLUTIONS has subsidiaries in Austria, Germany, Poland, Croatia and Romania, with other affiliated companies and project partners in Hungary, Slovenia and Serbia.

**Real estate projects in Austria:** The first half of 2007 was firstly characterised by the preparation of land for building for the Securitas office complex on Franzosen-graben and the University of Natural Resources and Applied Sciences in Muthgasse. Furthermore, a strategic cooperation was established with ASFINAG for both the Wehli-straße project and an extensive property development on the Seewalchen motorway junction. An additional project, in cooperation with the Hospital Association, is the planning and realisation of a geriatrics centre in Simmering. The second half of the year is expected to bring intensified lease negotiations for the Skyline project and the finalisation of sales negotiations with IVG.

**Real estate projects abroad:** The strongest markets in North Eastern Europe were Germany and Poland. In Greater Hamburg work continued on the implementation of the Quickborn project along with the groundwork for the Frankenstraße project.

The second half year in Berlin will see the realisation of the Frankfurter Allee project in addition to the land acquisition for two value retail market chains. In Poland there are currently four projects under negotiation for apartment complexes in Warsaw, along with several residential, hotel and commercial projects in Krakow. In South Eastern Europe the first six months brought several land acquisitions: two real estate sites in Romania for logistics centres in the cities of Temesvar and Bucharest, as well as a plot for a hotel and office complex in the conveniently situated Budapest area. The existing partnership with a local partner in Mostar will be strengthened by a further residential project.

**Infrastructure projects:** The activities in the area of infrastructure and transport solutions were mostly concentrated in Austria, Hungary and the Balkans in the first half of 2007. PORR SOLUTIONS is taking part in the tender for the building and maintenance contract for the M6-II motorway as part of a consortium with partners Bilfinger Berger, Vinci and Egis. In Serbia the accession to a consortium with the Alpine construction company is well underway, to involve the design and completion of numerous motorway sections under a public-private partnership. Negotiations will continue in Austria with regard to the consortium led by Alpine/Hochtief, in order to achieve the realisation of the Nordautobahn (North motorway) in a joint project.

Strategic Cooperation

Numerous real estate acquisitions in South Eastern Europe

- 1 Skyline office and retail complex, Vienna
- 2 Terminal Tower Linz, Upper Austria
- 3 Motorway junction M6/MB, Hungary



# Half Yearly Group report 2007

## GROUP PROFIT AND LOSS ACCOUNT FOR THE PERIOD JANUARY 1<sup>ST</sup> TO JUNE 30<sup>TH</sup> 2007

Values in EUR thousands	1-6/2007	1-6/2006
Gross revenue	937,366.2	784,464.2
Own work capitalised in fixed assets	3.6	106.9
Other operating income	29,090.6	25,197.6
Expenditure for materials and other purchased manufacturing services	- 597,097.5	- 484,546.8
Personnel expenditure	- 253,367.8	- 230,697.9
Amortisation/depreciation of intangible and tangible fixed assets	- 25,165.8	- 18,929.6
Other operating costs	- 82,767.1	- 73,976.2
<b>Operating result (EBIT)</b>	<b>8,062.2</b>	<b>1,618.2</b>
Result from associated companies	5,285.5	11,123.8
Income from other financial assets and current financial assets	5,252.8	3,250.2
Financial expenditure	- 18,030.9	- 15,869.1
<b>Result before taxes on earnings (EBT)</b>	<b>569.6</b>	<b>123.1</b>
Taxes on income and profit	- 2,250.1	- 754.3
<b>Half-year result</b>	<b>- 1,680.5</b>	<b>- 631.2</b>
share of which goes to shareholders of the parent company	- 1,150.0	3,290.4
share of which goes to shareholders of subsidiaries	- 530.5	- 3,921.6
<b>Earnings per share (in EUR)</b>	<b>- 0.57</b>	<b>1.62</b>

## SEGMENT REPORT

Values in EUR thousands	Road construction TA-Group 1-6/2007	Civil engineering PTU Group 1-6/2007	Building construction PPH-Group 1-6/2007	Segment Totals 1-6/2007	Reconciliation 1-6/2007	PORR Group 1-6/2007
Production output (Group)	312,427.0	437,306.0	372,436.0	1,122,169.0	-	1,122,169.0
Segment turnover	350,800.9	467,409.1	271,248.8	1,089,458.8	- 122,998.4	966,460.4
Operating result (EBIT)	152.0	7,655.5	273.4	8,080.9	- 18.7	8,062.2
Segment assets as of June 30 <sup>th</sup>	520,122.5	1,427,993.5	825,457.0	2,773,573.0	- 1,052,454.8	1,721,118.2
Segment liabilities as of June 30 <sup>th</sup>	355,216.9	1,158,809.5	759,428.9	2,273,455.3	- 824,891.4	1,448,563.9
Investment in fixed assets	6,426.7	14,096.9	4,424.4	24,948.0	-	24,948.0
Personnel (Average)	4,413	4,447	1,974	10,834	-	10,834

Values in EUR thousands	Road construction TA-Group 1-6/2006	Civil engineering PTU Group 1-6/2006	Building construction PPH-Group 1-6/2006	Segment Totals 1-6/2006	Reconciliation 1-6/2006	PORR Group 1-6/2006
Production output (Group)	284,641.0	353,792.0	297,516.0	935,949.0	-	935,949.0
Segment turnover	310,080.7	363,725.3	236,373.9	910,179.9	- 100,411.2	809,768.7
Operating result (EBIT)	- 2,851.0	7,549.1	- 3,052.9	1,645.2	- 27.0	1,618.2
Segment assets as of June 30 <sup>th</sup>	495,385.6	1,234,801.9	689,672.6	2,419,860.1	- 786,554.3	1,633,305.8
Segment liabilities as of June 30 <sup>th</sup>	337,765.9	947,803.6	637,728.6	1,923,298.1	- 536,074.8	1,387,223.3
Investment in fixed assets	8,198.2	24,584.9	2,832.3	35,615.4	-	35,615.4
Personnel (Average)	4,350	3,770	1,752	9,872	-	9,872

## GROUP BALANCE SHEET

### AS OF JUNE 30<sup>TH</sup> 2007

Values in EUR thousands	June 30 <sup>th</sup> 2007	December 31 <sup>st</sup> 2006
<b>ASSETS</b>		
<b>Long-term assets</b>		
Intangible assets	47,673.5	48,440.3
Tangible assets	341,602.1	353,973.2
Financial real estate	189,261.0	162,284.1
Shareholdings in associated companies	97,535.9	74,638.3
Loans	14,870.7	14,769.1
Other financial assets	51,895.1	59,192.0
Other long-term assets	11,764.6	13,137.0
Deferred tax assets	27,128.2	26,400.1
	<b>781,731.1</b>	<b>752,834.1</b>
<b>Short-term assets</b>		
Inventories	67,676.6	61,482.7
Loans	136.9	136.1
Trade debtors	747,573.0	694,224.0
Other receivables and assets	44,607.4	45,421.8
Liquid funds	79,393.2	67,889.2
	<b>939,387.1</b>	<b>869,153.8</b>
	<b>1,721,118.2</b>	<b>1,621,987.9</b>
<b>LIABILITIES</b>		
<b>Equity capital</b>		
Share capital	14,778.4	14,778.4
Capital reserves	33,689.5	33,689.5
Other reserves	161,955.0	167,324.3
Shares of minority shareholders of subsidiaries	62,131.5	63,236.1
	<b>272,554.4</b>	<b>279,028.3</b>
<b>Long-term liabilities</b>		
Bonds	309,046.6	239,409.5
Provisions	106,652.6	108,466.4
Financial liabilities	170,498.6	163,441.7
Other payables	5,858.9	25,547.3
Deferred tax liabilities	38,681.0	35,744.2
	<b>630,737.7</b>	<b>572,609.1</b>
<b>Short-term liabilities</b>		
Provisions	86,122.9	98,930.3
Financial liabilities	165,443.4	157,670.7
Trade creditors	415,953.7	366,135.4
Other payables	149,149.0	144,258.7
Tax liabilities	1,157.1	3,355.4
	<b>817,826.1</b>	<b>770,350.5</b>
	<b>1,721,118.2</b>	<b>1,621,987.9</b>

## GROUP CASH FLOW STATEMENT

### FOR THE PERIOD JANUARY 1<sup>ST</sup> TO JUNE 30<sup>TH</sup> 2007

Values in EUR thousands	1-6/2007	1-6/2006
Half year result	- 1,680.5	- 631.2
Depreciation/appreciation of fixed assets	23,989.1	14,316.5
Losses/gains from fixed asset divestments	- 2,384.7	- 7,325.0
Income from associated companies	- 4,172.6	- 10,503.0
Decrease in long-term provisions	- 1,813.8	- 746.1
Deferred tax income	876.8	389.2
<b>Cash flow from the result</b>	<b>14,814.3</b>	<b>- 4,499.6</b>
Decrease in short-term provisions	- 15,010.2	- 18,575.7
Increase in inventories	- 6,194.0	- 7,161.9
Increase in receivables	- 53,428.9	- 43,904.6
Increase in payables (excluding payables to bank)	17,455.7	36,425.8
Other transactions not affecting payment	- 2,167.4	574.8
<b>Cash flow from operating activities</b>	<b>- 44,530.5</b>	<b>- 37,141.2</b>
Proceeds from sale of tangible assets and from sale of financial real estate	12,618.0	10,749.7
Proceeds from sale of financial assets	86.0	875.6
Proceeds from divesture of subsidiaries	800.0	0.0
Investments in intangible assets	- 1,052.0	- 1,130.8
Investments in tangible fixed assets and financial real estate	- 14,588.1	- 34,589.7
Investments in financial assets	- 12,541.3	- 2,232.2
Expenditure on the acquisition of subsidiaries	- 628.1	0.0
<b>Cash flow from investing activities</b>	<b>- 15,305.5</b>	<b>- 26,327.4</b>
Dividends	- 3,538.4	- 3,538.4
Payout to minority shareholders of subsidiaries	- 889.1	- 751.6
Proceeds from bonds	70,000.0	67,017.5
Repayment of loans and other group financing transactions	6,113.2	- 22,565.6
<b>Cash flow from financing activities</b>	<b>71,685.7</b>	<b>40,161.9</b>
<b>Changes to liquid funds</b>	<b>11,849.7</b>	<b>- 23,306.7</b>
Liquid funds as of January 1 <sup>st</sup>	67,889.2	101,615.1
Currency differences	- 345.7	- 536.4
Changes to liquid funds resulting from changes to the consolidated entity	0.0	9.0
<b>Liquid funds as of June 30<sup>th</sup></b>	<b>79,393.2</b>	<b>77,781.0</b>

**CHANGES TO GROUP EQUITY CAPITAL  
FOR THE PERIOD JANUARY 1<sup>ST</sup> TO JUNE 30<sup>TH</sup> 2007**

	Subscribed capital	Capital reserve	Revaluation reserve	Foreign currency reserve	Securities available for sale	Retained earnings and unappropriated retained earnings	Shares of parent company	Shares of minority shareholders of subsidiaries	Total
<b>Values in EUR thousands</b>									
Balance on January 1 <sup>st</sup> 2006	14,778.4	33,689.5	5,495.4	435.5	-	139,069.6	193,468.4	57,546.3	251,014.7
Currency differences	-	-	-	- 11.1	-	-	- 11.1	-	- 11.1
Total income and expenses entered directly in equity capital	-	-	-	- 11.1	-	-	- 11.1	-	- 11.1
Half-year result	-	-	-	-	-	3,290.4	3,290.4	- 3,921.6	- 631.2
Total income and expenses recorded	-	-	-	- 11.1	-	3,290.4	3,279.3	- 3,921.6	- 642.3
Dividend payments	-	-	-	-	-	- 3,538.4	- 3,538.4	-	- 3,538.4
Acquisition of minority interests	-	-	-	-	-	- 8.1	- 8.1	- 743.5	- 751.6
<b>Balance June 30<sup>th</sup> 2006</b>	<b>14,778.4</b>	<b>33,689.5</b>	<b>5,495.4</b>	<b>424.4</b>	-	<b>138,813.5</b>	<b>193,201.2</b>	<b>52,881.2</b>	<b>246,082.4</b>
Balance January 1 <sup>st</sup> 2007	14,778.4	33,689.5	5,495.4	226.8	372.1	161,230.0	215,792.2	63,236.1	279,028.3
Sale of own shares	-	-	-	-	- 34.0	-	- 34.0	-	- 34.0
Currency differences	-	-	-	- 288.2	-	-	- 288.2	-	- 288.2
Income taxes on items offset directly against equity capital	-	-	-	-	8.5	-	8.5	-	8.5
Total income and expenses entered directly in equity capital	-	-	-	- 288.2	- 25.5	-	- 313.7	-	- 313.7
Half-year result	-	-	-	-	-	- 1,150.0	- 1,150.0	- 530.5	- 1,680.5
Total recorded income and expenses	-	-	-	- 288.2	- 25.5	- 1,150.0	- 1,463.7	- 530.5	- 1,994.2
Dividend payments	-	-	-	-	-	- 3,538.4	- 3,538.4	-	- 3,538.4
Acquisition of minority interests	-	-	-	-	-	-	-	- 574.1	- 574.1
Other changes	-	-	-	-	-	- 367.2	- 367.2	-	- 367.2
<b>Balance June 30<sup>th</sup> 2007</b>	<b>14,778.4</b>	<b>33,689.5</b>	<b>5,495.4</b>	<b>- 61.4</b>	<b>346.6</b>	<b>156,174.4</b>	<b>210,422.9</b>	<b>62,131.5</b>	<b>272,554.4</b>

# Notes on the Group Interim Balance Report as of June 30<sup>th</sup> 2007 of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft.

## 1. GENERAL INFORMATION

The PORR-Group consists of the Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft (PORR AG) and their subsidiaries. PORR AG is a public limited company with its headquarters in Absberggasse 47, 1103 Vienna and is registered at the commercial court under the number FN 34853f. The main activities of the group are project development and the execution of construction of all sorts as well as the commercial realization of buildings built by the group for its own account.

The interim report was published according to IAS 34 using the standards of the International Accounting Standards Board (IASB), those assumed by the European Union – International Financial Reporting Standards (IFRS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The Euro is the reporting and functional currency of the PORR AG and the majority of the subsidiaries mentioned in the report. The interim report of June 30<sup>th</sup> 2007 underwent revision by an auditor.

## 2. CONSOLIDATION BASIS

In the report at hand the company Impulszentrum Betriebs GmbH was included for the first time, of which an additional 27% of capital stock was purchased and was wholly consolidated as of January 1<sup>st</sup> 2007. Until now shareholdings were declared in a list of shares in associated companies. Through the amendment of the basis of consolidation, the balance sheet total increased by EUR 21,951,600; turnover by EUR 504,700; and EBIT by EUR 143,200.

## 3. ACCOUNTING AND VALUATION METHODS

The applied accounting and valuation methods in the consolidated financial statement of December 31<sup>st</sup> 2006, which are presented in the notes of the consolidated financial statement of December 31<sup>st</sup> 2006, were used, unmodified, in the interim balance report.

Estimates and assumptions by management, which relate to the extent and disclosure of reported assets and liabilities and income and expenses, as well as the notes regarding contingent liabilities, are inevitably linked to the preparation of interim balance reports.

Estimates relating to the impact of individual issues can be reassessed, due to the better insight gained in the time period between the interim report date and previous company report date. Correspondingly, gross revenue increased during the reporting period by EUR 27.4m, compared to the respective period for the previous year where gross revenue increased by EUR 6.6m and depreciation fell by EUR 5.1m.

## 4. SEASONAL INFLUENCE

The business performance of the PORR Group is affected by the seasonal influences on the construction industry. We therefore provide elucidations to this end in the half yearly financial statement.

## 5. BONDS

As of the value date May 31<sup>st</sup> 2007, Allgemeine Baugesellschaft – A. Porr AG issued one bond with the following conditions:

Nominal amount	EUR 70,000,000.00
Tenor	2007 – 2012
Denomination	EUR 500.00
Nominal interest rate	5.875% p.a.
Coupon	May 31 <sup>st</sup> /November 30 <sup>th</sup> semi-annually
Redemption	May 5 <sup>th</sup> 2012 at 100%
Closing rate June 30 <sup>th</sup> 2007	101.25
ISIN	AT0000A05DC4
Book value	EUR 70,000,000.00

## 6. DIVIDENDS

In the reporting period bearers of shares and capital share certificates in PORR AG have received dividends and profit shares totalling EUR 3,538,377 – each share and share certificate is EUR 1.74.

## 7. KEY EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

By agreement of the German Federal Council on July 6<sup>th</sup> 2007 and the announcement in the German Federal Law Gazette (Bundesgesetzblatt), the corporate tax rate in Germany will be cut from 25% to 15%. This is to reduce the total tax burden on corporations from around 40% to around 30% in consideration of the solidarity tax contribution and the commercial profits tax. This amendment in law will have the predicted effect of reducing the actual value of the deferred tax assets by around EUR 4.8m.

## 8. BUSINESS CONNECTIONS TO RELATED COMPANIES AND PERSONS

The volume of transactions during the first half of the fiscal year between, on the one hand, Group companies included in the consolidated accounts and, on the other hand, these related companies and persons and the receivables or payables outstanding at the end of the first half of the fiscal year arising from these transactions are of negligible significance. B&C and its sole proprietor B&C Privatstiftung and the companies within the Ortner Group are deemed to be related persons and companies as defined in IAS 24, as they hold significant shares in PORR AG. Outstanding accounts receivable are not secured and will be settled in cash. No guarantees were given nor were any accepted. No value adjustments were made in respect of amounts owed by related companies or persons, nor were any bad debt losses booked during the reporting period.

Vienna, August 31<sup>st</sup> 2007

The Executive Board

GD Ing. Wolfgang Hesoun  
CEO

Dir. KommR Prof. Helmut Mayer  
Board Member

Dir. Dr. Peter Weber  
Board Member

# Statement by the Executive Board and Auditors' report

## STATEMENT BY THE EXECUTIVE BOARD

The members of the Executive Board of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft affirm that in accordance with the Stock Exchange Act § 87 para. 1 sec. 3:

- to the best of our knowledge, this interim report represents a true picture of the net assets, financial position and results of operations of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft and all companies included in the consolidation, in accordance with the International Financial Reporting Standards (IFRS) for interim financial information.
- the half yearly report presents a true representation of the net assets, financial position and results of operations in accordance with the information required by the Stock Exchange

## AUDITORS' REPORT

We have conducted a review of the abbreviated interim accounts prepared by Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, Vienna, for the period from January 1<sup>st</sup> 2007 to June 30<sup>th</sup> 2007. The abbreviated interim accounts are part of the half yearly report in accordance with the Stock Exchange Act § 87 para. 1 and include the group balance sheet for June 30<sup>th</sup> 2007, the group profit and loss statement, the group cash flow statement and the consolidated statement of group equity for the period January 1<sup>st</sup> 2007 to June 30<sup>th</sup> 2007, as well as any significant explanations to the abbreviated interim accounts.

The legal representatives of the company are responsible for the preparation and content of these abbreviated interim accounts in accordance with the International Financial Reporting Standards (IFRS), as recognised by the EU. Our responsibility is to provide a report on these abbreviated interim accounts on the basis of our review engagement.

Our review was conducted in accordance with the Austrian commercial law statutes and professional auditing principles generally accepted in Austria, as well as the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The review of interim accounts includes the assessment of the group's financial and legal departments and the provision of analytic estimates and other findings. An interim review is considerably less thorough and covers less ground than an annual audit. This means that we are unable to state with the same certainty that all relevant data has been examined, as we would

Act § 87 para. 2 (In accordance with EU Regulation (EC No. 1606/2002 only IFRS standards adopted by the European Commission have been applied in this report).

The Executive Board

GD Ing. Wolfgang Hesoun (\*)  
CEO

Dir. KommR Prof. Helmut Mayer (\*)  
Board Member

Dir. Dr. Peter Weber (\*)  
Board Member

with an annual audit. For this reason we are unable to report an audit opinion.

On the basis of our review, no matters arose which would suggest that these abbreviated interim accounts do not correspond in every respect with the International Financial Reporting Standards (IFRS) for interim financial information as accepted by the EU.

We have evaluated the half yearly financial report and checked for obvious discrepancies in the abbreviated interim accounts. Our appraisal found no obvious discrepancies with regard to the abbreviated interim accounts in the half yearly financial report.

The half yearly financial report also contains the required statement of a legal agent, in accordance with the Stock Exchange Act § 87 para. 1, sec. 3.

August 31<sup>st</sup> 2007, Vienna

Deloitte Wirtschaftsprüfungs GmbH

MMag. Dr. Leopold Fischl (\*)      ppa Mag. Marieluise Krimmel (\*)  
Chartered Accountant              Chartered Accountant

BDO Auxilia Treuhand GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Hans Peter Hoffmann (\*)      ppa Mag. Christoph Wimmer (\*)  
Chartered Accountant              Chartered Accountant

(\*) manu propria

## NEW MAJOR CONTRACTS FOR THE PORR GROUP IN THE FIRST HALF 2007

Campina railway line – Predeal in Campina (Romania) by Porr Technobau und Umwelt AG  
 Biel by-pass Ostast in Biel (Switzerland) by PORR SUISSE AG  
 Schaala local bypass in Rudolstadt-Schaala (Germany) by Porr Technobau und Umwelt GmbH  
 Residential complex Wilhelm-Kaserne in Vienna (Austria) by Porr Projekt und Hochbau AG  
 Plakir Dubrovnik Hotel in Dubrovnik (Croatia) by Porr Hrvatska d.o.o.  
 Upper Austrian Workers' Chamber in Linz (Austria) by Porr GmbH  
 Upgrading of Schönkirchen land-fill site in Schönkirchen (Austria) by Porr Umwelttechnik GmbH  
 Extension of AVN-MVA Dürnrohr in Zwentendorf (Austria) by Porr Technobau und Umwelt AG  
 Residential complex Villa Verde in Vienna (Austria) by Porr Projekt und Hochbau AG  
 Linzia Headquarters in Prague (Czech Republic) by Porr (Česko) a.s.

## SELECTED CONSTRUCTION PROJECTS PORR GROUP IN FIRST HALF OF 2007

	Category	Location	Country
<b>PORR Building construction segment AG (PPH)</b>			
Office complex "Euro-Plaza"	Retail and office construction	Vienna	Austria
Shopping Centre "Stary Browar 2"*	Retail and office construction	Poznan	Poland
Fiat Manufacturing Plant Tychy	Industry construction	Tychy	Poland
Hall Pegas	Industry construction	Znojmo	The Czech Republic
<b>PORR Civil engineering segment AG (PTU)</b>			
Wienerwald (Vienna Woods) Tunnel*	Tunnel construction	Chorherrn	Austria
Tauern Tunnel 2nd Shell	Tunnel construction	Flachau	Austria
Rail-link Brenner H3-4*	Tunnel construction	Kramsach	Austria
East section MO motorway	Road construction	Budapest	Hungary
<b>Road construction segment TEERAG-ASDAG AG (T-A)</b>			
Expansion of A4 East "Autobahn"*	Road construction	Vienna	Austria
Tunnel Link Road Gnas	Other civil construction	Gniebing	Austria
Brixen Bypass*	Road construction	Brixen	Austria
Resurfacing of "Landstraße Nr. 60"	Road construction	Ciechanów	Poland

\* Joint Projects

## CALENDAR

### 2007

05. September Press breakfast  
 09. November Interim report on the 3<sup>rd</sup> quarter 2007

### 2008

30. April Annual report 2007  
 09. May Interim report on the 1<sup>st</sup> quarter 2008  
 29. August Half yearly report 2008  
 11. November Interim report on the 3<sup>rd</sup> quarter 2008

- 1 Renovation of Danube bridge Krems, Lower Austria
- 2 AIM – Arge Exit Central Innsbruck, Tyrol
- 3 Retail park Stary Browar 2, Poland



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## IMPRINT

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The half yearly report 2007 is available free of charge from A. Porr Aktiengesellschaft, A-1103 Vienna, Absberggasse 47, and can also be downloaded from the website at [www.porr.at](http://www.porr.at)

## DISCLAIMER

This half yearly report also contains statements relating to the future which are based on estimates and assumptions which are made by managerial staff to the best of their current knowledge. Future-related statements may be identified as such by expressions such as 'expected', 'target' or similar constructions. Forecasts related to the future development of the Group take the form of estimates based on information available at the time of going to press. Actual results may differ from the forecast if they are shown to be based on inaccurate assumptions or are subject to unforeseen risks.

Every care has been taken to ensure that all information contained in every part of this half yearly report is accurate and complete. We regret that we cannot rule out possible round-off, typesetting and printing errors.