



How infrastructure is keeping us in the fast lane.



Quarterly Report 1/2009

Key Data, 1st Quarter 2009

PORR Group

in EUR million	1st Quarter 2009	Change	1st Quarter 2008
Production output	508.5	-7.4%	549.2
of which domestic	282.6	-1.2%	286.1
of which foreign	225.9	-14.1%	263.1
Foreign share in %	44.4	-3.5 PP	47.9
Order bookings	610.8	-22.2%	785.3
of which domestic	426.4	-12.0%	484.7
of which foreign	184.4	-38.7%	300.7
Total order backlog	2,664.3	-0.6%	2,681.2
for the remainder of the current year	1,703.0	-6.4%	1,818.8
for the following years	891.3	+3.4%	862.4
Domestic order backlog	1,376.9	+0.4%	1,370.8
for the remainder of the current year	938.5	-3.3%	970.3
for the following years	438.4	+9.5%	400.5
Foreign order backlog	1,287.3	-1.8%	1,310.4
for the remainder of the current year	764.5	-9.9%	848.5
for the following years	522.8	+13.2%	461.9
Average staffing levels	10,533	-3.1%	10,865
of which waged workers	6,018	-8.1%	6,545
of which salaried employees	4,515	+4.5%	4,320
Staffing level at end of quarter	11,174	-4.3%	11,676
of which waged workers	6,663	-9.2%	7,338
of which salaried employees	4,511	+4.0%	4,338

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Dear shareholders and
respected business associates,

The first quarter of 2009 was satisfactory for the PORR Group given the adverse economic backdrop. We generated production output of EUR 508.5m (down by 7.4% on 2008); for the remainder of the year we already have orders worth EUR 1.7030bn on the books (63.9% of the total order backlog), with EUR 891.3m secured for the following year.

The negative effects of the global economic crisis are first expected to affect the construction industry at the end of this year and it is highly likely that they will then last well into 2011. However, European states and international financial institutions have already introduced infrastructure investments in order to stimulate the economy, which should also have a positive effect on the construction industry.

Given the current economic slump and the stimulus packages which have been announced as a countermeasure, PORR's position as a full service provider in the infrastructure sector means that we are relatively well prepared, in comparison to our competitors, to meet the challenges ahead. PORR has been very well positioned in the infrastructure sector for a long time and should therefore be able to participate strongly in these stimulus measures, making it easier to soften the future falls in revenue. Due to the positive developments on the European infrastructure market, a further expansion of this segment is a substantial component of the PORR Group strategy.

While the eastern European market is problematic due to differing market environments across the region, positive effects are also expected here from the planned infrastructure investments pledged by international financial institutions. We are confident that we will be able to participate in the infrastructure projects that result, thanks to our strong position on these markets. We intend to continue to operate our foreign markets with high risk awareness from the base of our strong domestic market in Austria and thereby stabilise our solid position even in the face of adverse conditions.

The coming years will not be an easy time for the real economy and it is currently impossible to produce accurate forecasts. Stimulus packages are, however, expected to have a key influence on increasing demand in the infrastructure projects sector. PORR's excellent position as a full service provider in this sector means that PORR is well prepared to meet the challenges of the coming years. Let's make the most of these opportunities together!

Production output

The latest forecasts from experts predict that the severe recession which started to take hold at the end of 2008 will continue well past 2009 and that an economic upswing is unlikely before 2011.

The fact that projects in the construction industry last for several years means that PORR has a high order backlog which acts as a cushion. Despite falls in order bookings, PORR therefore expects production output in 2009 as a whole to remain at similar levels to the previous year.

At end of March 2009, the PORR Group's production output for the first three months amounted to EUR 508.5m, falling just short of the record levels achieved in 2008 by around 7.4%, but still around 17.4% higher than production output in the first quarter of 2007. Against the same period in 2008, output in Austria almost matched the previous year's levels with EUR 282.6m (-1.2%), while foreign output fell by around 14.1% to EUR 225.9m. This is still, however, an exceptional rise in 2009 against 2007 of 60.8%.

The civil engineering and road construction sectors are of key importance to the PORR Group as a whole. Civil engineering accounted for around 36.3% or EUR 184.8m of total production output. Rises in road construction (+46.6% to EUR 53.5m) and in tunnel construction (+30.8% to EUR 53.4m) were not enough however to compensate com-

pletely for the sharp fall in bridge and flyover construction (-87.0%), whereby total civil engineering saw production output fall by 10.8% overall in the first quarter of 2009 against the record production output levels seen in the first quarter of 2008.

In the building construction sector, the positive trend in industrial construction and construction engineering (up by 30.4% to EUR 33.9m) was not able to balance out the falls in commercial and office building (down by 35.0% to EUR 57.4m). Total building construction in the first quarter of 2009 therefore saw a fall of 6.6%, with a reduction in production output to EUR 240.1m.

Domestic production output of EUR 282.6m is determined by building construction, civil engineering and road construction. In domestic civil engineering, the output increase in tunnel construction (+13.8%) was unable to compensate completely for the falls in cable and pipeline construction (-19.3%) and in miscellaneous specialist civil engineering (-20.4%). Total civil engineering in Austria generated EUR 109.2m, an output volume just 3.3% lower than in the record-breaking year 2008. In the domestic building construction sector,

growth in residential construction (+24.6%) did not manage to compensate completely for the falls in commercial and office construction (-46.8%) or in industrial construction and construction engineering (-18.9%). This resulted in building construction output in Austria of EUR 116.6m, falling just short of 2008 output by around 1.2%.

The most important foreign market in the first quarter was Germany, where significant orders in tunnel construction were primarily responsible for the 2% rise on last year to EUR 50.7m.

In Hungary, the current M6 D-S motorway section project could not completely match the exceptionally high production output on the previous M7 motorway project in 2008, resulting in an atypical drop in total production output in Hungary of 33% against 2008 to EUR 47.9m.

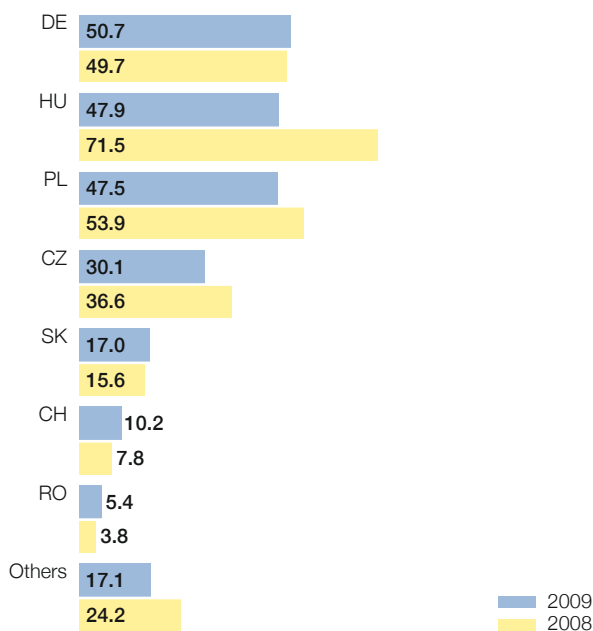
In Poland there was a rise in building construction in contrast to an absence of new orders in civil engineering, a segment which has also had low order levels in the past, resulting in an 11.8% fall in production volume in Poland to EUR 47.5m.

Around a third of output in the Czech Republic came from civil engineering, where rises in output were not enough to compensate for the drops in commercial and office building construction and in building renovation. The Czech Republic therefore saw an overall fall in output of 17.9% to EUR 30.1m.

In contrast, production output in Slovakia was not only matched across almost all sectors, but even increased. Output of EUR 17.0m represents a rise of 9.0% on the previous year.

Positive developments were also underway in Switzerland, where all important sectors for the PORR Group exceeded the previous year's levels and output volume of EUR 10.2m was generated, a solid 30.8% higher than the previous year.

Distribution of foreign output at March 31st 2009 by country (in EUR million)



Current order backlog

Economic turbulence and the current weak investment climate led to a slight fall in the PORR Group's order backlog at March 31st 2009 compared to the levels of the previous year. Amounting to EUR 2.6643bn, there are approximately 0.6% fewer orders on the books than in the first quarter 2008. 51.7% of these orders come from Austria, while 48.3% are orders from foreign markets.

In the crucial infrastructure sector, the PORR Group saw a marked increase in civil engineering volumes (+6.3%), totalling EUR 1.3616bn in the first quarter. Road construction is currently the largest sector in terms of volume and almost managed to double last year's volumes, with EUR 517.3m.

In the first quarter some building construction sectors were already feeling the effects of the current reticence to invest. As expected, at March 31st 2009 the building construction segment, which is more vulnerable to economic recessions, saw a 15.7% fall in the order backlog to EUR 898.0m. With the exception of industrial and construction engineering (+14.5%) and slight increases in residential construction (+5.5%), all other important building construction sectors have seen falls.

Order bookings at March 31st 2009 clearly reflect the recession in individual PORR markets. Amounting to EUR 610.8m, order bookings are down by around 22.2% on the exceptional first quarter 2008 and even 1.7% lower than in the first quarter 2007. The sharpest decrease in order bookings was seen on the foreign markets, falling by 38.7%, with total foreign order bookings amounting to EUR 184.4m. The domestic market (order bookings of EUR 426.4m) is also down by 12.0% on the excellent first quarter 2008.

Of the order backlog at year end 2008 totalling EUR 2.5619bn, EUR 508.5m was realised in the first quarter, in which period order bookings worth EUR 610.8m were newly acquired. At March 31st 2009 the order backlog thus amounts to EUR 2.6643bn; around 64% or EUR 1.7030bn of which is to be realised in the coming three quarters.

Staff

In the first quarter of 2009 the PORR Group employed an average workforce of 10,533. This represents a fall of 332 staff members against the previous year.

Weather conditions in the first quarter of 2009 were less favourable than in 2008, which led to lower production output and in turn to reduced employment levels of skilled workers. On average, the PORR Group employed 6,018 waged workers, which is 8.1% less or 527 workers fewer than in the previous year, whereby this reduction only applied to the Austrian market. The steady rise in foreign business in recent years has led to an increase in salaried employees, as there is high demand in these countries for qualified staff in both technical and commercial fields. At the reporting date, there were an average 4,515 salaried employees in the PORR Group. Here, increased foreign business meant that the rise in staff working abroad of 7.5% to 1,777 employees was markedly higher than in Austria (+2.7% to 2,738 employees).

Major new orders for the PORR Group, first quarter 2009

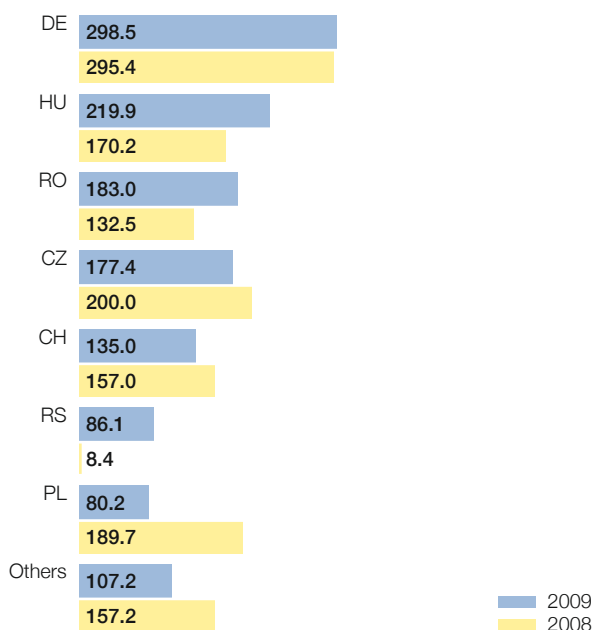
Simmering Geriatric Centre in Vienna (Austria) by Porr Projekt und Hochbau AG
Concrete construction ÖBB Ybbs-Amstetten LOT 3 (Austria) by Porr Technobau und Umwelt AG
Nordbahnhof School and Nursery in Vienna (Austria) by Porr Projekt und Hochbau AG
Perfektastraße 27 Residential Complex in Vienna (Austria) by Porr Projekt und Hochbau AG
Hasengasse 18 Residential Complex in Vienna (Austria) by Porr Projekt und Hochbau AG
Repaving Kärntner St. pedestrian zone in Vienna (Austria) by TEERAG-ASDAG AG
Clean up of Untere Salzach in Oberndorf (Austria) by TEERAG-ASDAG AG
Auron office and administration building in Munich (Germany) by Porr Deutschland GmbH
Arad Bypass (Romania) by Porr Construct S.R.L.
Malcenize power plant (Slovakia) by Porr Infra s.r.o.
Klingelberg administration and development building in Zürich (Switzerland) by PORR SUISSE AG
Motorway resurfacing E75 - LOT 2 (Serbia) by Porr Technobau und Umwelt AG and by TEERAG-ASDAG AG

Financial performance

The construction industry typically experiences low output levels in the first months of every year which also leads to low earnings. Furthermore, the fixed costs for staff and machinery also negatively affect financial performance. Seasonally low earnings at the beginning of the year will, however, balance out over the coming months thanks to increases in output volume and lead to positive results at year end.

Despite ongoing negativity on the financial markets, receding economic growth and output volumes down on 2008, the operating units of the PORR Group managed to generate earnings in line with the conservative budget projections.

Distribution of foreign order backlog at March 31st 2009 by country (in EUR million)



Outlook for 2009

Production output 2009

The current problematic economic backdrop means that any forecasts for 2009 are riddled with uncertainty. This is particularly true for the construction industry, where construction output is heavily influenced by economic conditions and stimulus measures.

On the basis of general forecasts, the PORR Group expects the international capital markets to bounce back in 2010 and for the construction industry to stabilise in 2011. With this in mind, PORR doesn't expect the order bookings, order backlog and production output for 2009 to be able to match the record levels of 2008, although they should still surpass the results of 2007.

Financial performance 2009

The same applies to forecasting the financial performance. PORR will make more concrete statements over the coming quarters. In particular, it will only be possible to specify precise figures for volume once it is possible to assess the effects that the stimulus packages will have on the construction industry, which have been implemented but not yet fully realised across Europe.

The reorganisational changes currently underway, as well as the enhanced use of cross-sector synergy effects, should have a positive effect on the group's financial performance. In view of the ongoing crisis, the margins achieved in the past are likely to come under pressure. On the other hand, the PORR Group's position as a full service provider in infrastructure with a focus on civil engineering and road construction means that the group is well placed to successfully overcome the challenges of the current difficult economic situation.

May 2009, Vienna

The Executive Board

Selected PORR Group construction projects in the first quarter of 2009

	Sector	Location	Country
Porr Technobau und Umwelt AG (PTU)			
Tauern Tunnel 2nd tunnel	Tunnel Construction	Flachau	Austria
H 3/4 Münster- Wiesing ¹⁾	Misc. Civil Engineering	Münster	Austria
Wienerwald Tunnel ¹⁾	Tunnel Construction	Chorherrn	Austria
Lainzer Tunnel LT 33 Hofjagdstraße ¹⁾	Tunnel Construction	Vienna	Austria
Limberg II pumped storage power plant ¹⁾	Tunnel Construction	Kaprun	Austria
Finne Tunnel Deutsche Bahn ¹⁾	Tunnel Construction	Herrengosserstedt	Germany
L 1048 Schaala bypass	Tunnel Construction	Rudolstadt-Schaala	Germany
Gstuehl Center Baden	Misc. Civil Engineering	Baden	Switzerland
M 6 D-S motorway	Road Construction	Dunaujvaros	Hungary
Gönyü power plant	Power Plant Construction	Gönyü	Hungary
TEERAG-ASDAG AG (T-A)			
Sealing works Wienerwald Tunnel ¹⁾	Misc. Civil Engineering	Chorherrn	Austria
Gas compression station OMV Weitendorf	Industrial Construction	Weitendorf	Austria
General upgrades A1 Regau-Seewalchen ¹⁾	Road Construction	Seewalchen	Austria
Cable laying Wienstrom SN 1 + SN 2	Misc. Civil Engineering	Vienna	Austria
Repaving Kärtner St. pedestrian zone	Road Construction	Vienna	Austria
S 3 Stockerau-Hollabrunn ¹⁾	Road Construction	Stockerau	Austria
Extension Road Nr. 7 Plonsk bypass	Road Construction	Plonsk	Poland
Porr Projekt und Hochbau AG (PPH)			
Fire station 1 and checkpoints east, west, GAC	Misc. Building Construction	Vienna	Austria
Handelskai 348 office complex ¹⁾	Office and Commercial Building	Vienna	Austria
Wilhelm-Kaserne residential complex ¹⁾	Residential Construction	Vienna	Austria
Laaerberg university campus ¹⁾	Office and Commercial Building	Vienna	Austria
Lucko logistics centre	Industrial Construction	Zagreb	Croatia
Andels Hotel Lodz	Office and Commercial Building	Łódź	Poland
New construction of British Embassy	Office and Commercial Building	Warsaw	Poland
Park Postepu office building	Office and Commercial Building	Warsaw	Poland
Funai Expansion warehouse	Industrial Construction	Nowa Sol	Poland
Eurovea International Trade Center ¹⁾	Office and Commercial Building	Bratislava	Slovakia
Centrum Trnita office building	Office and Commercial Building	Brno	Czech Rep.

¹⁾ as a joint venture project

Disclaimer

This quarterly report (interim notice in accordance with Stock Exchange Act § 87 para. 6) 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. All dates expressed in digits conform to European conventions of dd.mm.yyyy. Every care has been taken to ensure that all information contained in every part of this quarterly report is accurate and complete. We regret that we cannot rule out possible roundoff, typesetting and printing errors.

This report is a translation into English of the interim report on the first quarter issued in the German language and is provided solely for the convenience of English-speaking users. In the event of a discrepancy or translation error, the German-language version prevails.

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