



# How infrastructure is keeping us in the fast lane.



Half Yearly Report 2009

# Key Data, 1st Half 2009

## PORR-Group

<b>Operating Data</b> in EUR million	1st Half 2009	Change	1st Half 2008	1st Half 2007
Production output	1,273.6	-13.2%	1,466.6	1,122.2
of which domestic	760.4	-4.0%	792.4	760.3
of which foreign	513.2	-23.9%	674.2	361.8
Foreign share of total output in %	40.3	-5.7PP	46.0	32.2
Total order backlog	2,547.2	-7.4%	2,751.6	2,583.0
for the remainder of the current year	1,249.2	-10.1%	1,389.8	1,242.5
for the following years	1,298.0	-4.7%	1,361.8	1,340.5
Domestic order backlog	1,375.5	-3.1%	1,419.2	1,451.7
for the remainder of the current year	774.3	+0.4%	771.6	730.5
for the following years	601.2	-7.2%	647.6	721.2
Foreign order backlog	1,171.7	-12.1%	1,332.4	1,131.3
for the remainder of the current year	474.9	-23.2%	618.2	512.0
for the following years	696.8	-2.4%	714.2	619.3
Order bookings	1,258.8	-29.0%	1,773.2	1,691.8
of which domestic	902.7	-13.2%	1,039.4	955.4
of which foreign	356.1	-51.5%	733.8	736.4
Average staffing levels	11,411	-2.1%	11,653	10,834
of which waged workers	6,856	-6.0%	7,296	6,924
of which salaried employees	4,555	+4.5%	4,357	3,910
Staffing level at June 30th	12,422	-0.9%	12,540	11,972
of which waged workers	7,782	-4.3%	8,130	7,956
of which salaried employees	4,640	+5.2%	4,410	4,016
<b>Income statement</b> in EUR million	1st Half 2009	Change	1st Half 2008	1st Half 2007
Revenue	1,106.5	-4.2%	1,154.5	937.4
EBIT	7.3	-43.4%	12.8	13.4
EBT	-5.1	-	0.5	0.6
Interim profit/loss	-5.9	-	1.7	-1.7
Earnings per share (in EUR)	-4.40	-	-0.72	-0.57

# Foreword by the Executive Board

**Dear shareholders and respected business associates,**

Developments in the construction industry in the first half of 2009 were marked by the effects of the economic crisis: our markets saw a reticence among the private sector to invest in construction. Should there be no significant change to the general economic situation, we assume that the crisis will first materialise in the construction industry in mid 2010, due to the historically high order backlogs. One special feature of the construction industry is large-scale projects which are executed over several years, leading to a delay in the effects of the crisis of around one year in comparison to other industry sectors. This is reflected in the order backlog, which has not seen any significant reduction. As before, we remain at a high level.

The long winter meant that construction work could not begin until very late this year. These seasonal effects led to lower current figures, although we remain on track to meet the end-of-year forecasts for 2009. The delayed start of the construction season 2009 naturally had a stronger effect on production output, which also includes revenue share from minority interest and joint ventures. In relation to output, the fall in revenue was only slight. The problematic conditions caused by the weather affected operational activities at the start of the year and had an effect on profits for the period, whose curve also saw a rightwards shift. We do however expect to succeed in achieving the profits forecast for the end of 2009.

We are certain that the major stimulus programmes from IFIs (EBRD, IFC, EIB) and from the EU and national governments will soon begin to take effect. We therefore assume that massive infrastructure investments will take hold from mid 2010 and will have a noticeable effect on cushioning the negative economic consequences of the crisis on the construction industry.

PORR has been very well positioned as an expert full service provider in the complex infrastructure sector for a long time. Our international reputation is excellent and our expertise – particularly in the highly specialised field of infrastructure – is extensive. This is why we believe that the group should be able to benefit extensively from the agreed stimulus measures.

On August 25th 2009 the Executive Board of PORR AG, with the approval of the Supervisory Board, concluded a deal for a strategic cooperation with the Turkish RENAISSANCE Group, which will allow the group to expand into new markets, in particular the Middle East and North Africa. This partnership will allow the PORR Group to ensure that growth in both volume and profit is kept as stable as possible in the future, as there is high demand for infrastructure projects in these regions.

An increase in the group's share capital was agreed at the same time. Through partial utilization of the approved capital, up to 661,250 new no-par value bearer shares, namely ordinary shares with voting rights and entitled to dividends from the business year 2009 onwards, will be issued as part of a capital increase against cash contributions, whereby existing shareholders have subscription rights. Should existing shareholders choose not to exercise their right to participate in the capital increase, around 10% of voting rights are set to be acquired by the RENAISSANCE Group. The resolution to increase share capital is a reflection of the commitment of PORR's major shareholders to ensuring sustainable growth even in troubled times for the economy through a stronger equity base.

We plan to use the amount raised by the capital increase first and foremost to strengthen the equity base and to improve the financing structure of the group. Extending the equity base will enhance the group's position among both national and international competitors, in particular for investments in infrastructure projects. It will also serve to finance expansion into new markets which will be developed in cooperation with the RENAISSANCE Group.

The PORR Group is well prepared to face today's turbulent times and is optimistic about overcoming the crisis, also through cultivating new markets. We will make the most of every opportunity available for the benefit of our clients, our shareholders and our staff.

August 28th 2009, Vienna

The Executive Board

# INTERIM MANAGEMENT REPORT

## General Economic Environment

World economic developments in the reporting period were dominated by the financial crisis which broke out in 2008. Every significant industrial nation and most emerging markets now find themselves in a recession, in particular Germany and the states of eastern Europe – key trade partners for Austria. On the bright side, however, the current forecasts from the Economic Research Institute are more optimistic than those issued at the start of 2009. Negative growth is still forecast for Europe for 2009, although the downward trend is expected to level off around the end of the year.

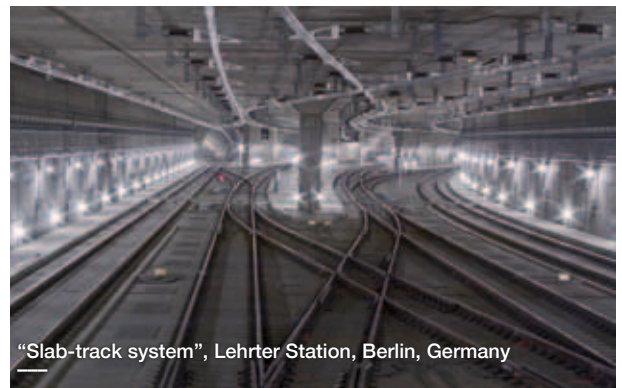
Experts at UniCredit Research have once again revised their forecasts for eastern Europe downwards, although it looks like the trough of the recession has passed. Despite this, every country in the CEE region is expected to face a fall in GDP of between 0.5% (Poland) and 12.5% (Ukraine). Furthermore, all of these countries are expected to dig even deeper into their budgets – in some countries the rate of debt will amount to well over 100% of GDP.

Economic growth in Austria is closely tied to the Eurozone. The Austrian National Bank has forecast a fall in GDP of 4.2% for 2009. At the same time, unemployment figures are expected to reach 5.3% in 2009 and 6.5% in 2010 according to Eurostat. The Austrian National Bank expects a 0.4% fall in GDP for next year and the Bank's experts predict that long-term economic recovery will not occur until 2011.

The Austrian government has responded to the crisis with an array of measures. In addition to the bank package, a key stimulus package of great importance to the construction industry was agreed. This package involves investments in the infrastructure sector and in the field of thermal upgrading. A total EUR 600m for extending traffic infrastructure, EUR 495m for building schools and EUR 100m for thermal upgrading will be made available by 2012. Furthermore, EUR 300m will be invested in thermal upgrades on public-sector buildings, along with EUR 80m for planned maintenance.



Mulden Bridge, Bennewitz, Germany

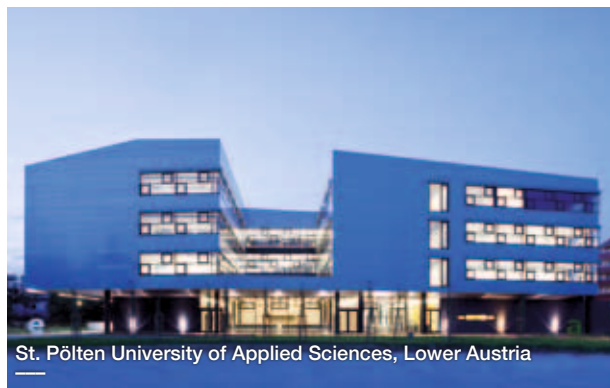


"Slab-track system", Lehrter Station, Berlin, Germany

## Development of Output

The long winter meant that construction could not begin until very late in the year. This led to lower current result figures caused by seasonal factors. Production-related data for the first half year is therefore below the record-breaking figures for the first half of 2008. At June 30th 2009, production output was down on last year to EUR 1.2736bn (2008: EUR 1.4666bn). This still however represents a significant increase on the first six months of 2007.

Production output in the first six months of 2009 was also affected by the ending of major high-volume projects and the delayed start of major new projects. This had a particularly severe effect on foreign markets. Here, the PORR Group saw a fall in production output to EUR 513.2m. The foreign share of production output completed in first half of 2008 shrank to 40.3% in the reporting period.



St. Pölten University of Applied Sciences, Lower Austria



St. Pölten Economic Chamber, Lower Austria

Against the overall trend on the eastern European markets, PORR managed to expand production output considerably in Serbia thanks to major orders. The sharpest falls in output were felt in the Czech Republic, Hungary and Poland. In contrast, production output in Switzerland grew by 12.6%. Production output remained relatively stable in Germany despite the difficult economic backdrop, experiencing a drop of just 2.1%.

Unfavourable weather conditions at the beginning of the year caused domestic construction output to fall by 4.0% to EUR 760.4m. The traditionally strong market in the province of Vienna saw production output remain at levels similar to the first half of 2008, while in Lower Austria – another core PORR market – construction grew by 11.9%. There was, however, a 6.0% fall in output in Styria.

## Order Balance

PORR Group markets were marked by reticence among the private sector to invest in construction. Should there be no significant change to the general economic situation, PORR assumes that the crisis will first materialise in the construction industry in mid 2010, due to the historically high order backlogs.

One special feature of the construction industry is large-scale projects which are executed over several years, leading to a delay in the effects of the crisis of around one year in comparison to other industry sectors. This is reflected in the order backlog, which did not fall significantly in the first half year.

The order books remain positive – at the reporting date the PORR Group had an order backlog of EUR 2.5472bn. This represents a drop of 7.4% on the order backlog in the first half 2008. However, in comparison to the first half 2007, orders are almost unchanged at just 1.4% lower.

At the reporting date, the order backlog for Austria amounted to EUR 1.3755bn. In comparison to the first half 2008, this represents only a slight fall of 3.1%, confirming PORR's solid position on the domestic market.

Low order bookings in some markets meant that the foreign order backlog for the first half year is significantly lower than the previous year. The slowdown in economic growth in eastern Europe caused order bookings to drop off. Losses were most severe in Poland and Slovakia in the period under review. In contrast, the order backlog in the Czech Republic was up by an impressive 47.4% thanks to strong growth in road construction. The order backlog for Romania increased by 17.4% and there were also positive developments in the order books in Serbia, Hungary and Montenegro.

A varied picture emerges when looking at segments. Order bookings in road construction were up by a further 6.8% on the record levels of 2008, while civil engineering and building construction both saw falls.

## Financial Performance

The seasonal nature of the construction industry typically leads to a strong rise in construction activities from the second quarter of the year due to improved weather conditions. These seasonal effects mean that costs during the winter months regularly outstrip earnings generated for the period. In an average year earnings first begin to exceed running costs in the third quarter.

Revenue in the first half 2009 fell moderately by 4.2% to EUR 1.1065bn. In the first six months of 2008 revenue amounted to EUR 1.1545bn. The improvements in cost management within the PORR Group have already shown their worth in the first half year 2009. The cost of materials and other related production services fell 6.3% more sharply than revenue. Staff costs also fell by 2.3% to EUR 269.7m.

Changes to entries for other operating income and other operating expenses can be accounted for to a large extent by massive fluctuations in currency exchange between CEE currencies and the euro in the first half of 2009. These changes in exchange rates are recorded as exchange gains in other operating income and as exchange losses in other operating expenses.

This resulted in EBIT of EUR 7.2m for the first half 2009. In contrast, EBIT for the first half 2008 stood at EUR 12.8m.

Income from financial investments and other current financial assets amounted to EUR 6.9m at June 30th 2009. The comparative value of EUR 8.1m at June 30th 2008 is explained through special items, in particular higher income from shareholdings.

In the first half 2009 EBT was –EUR 5.1m. The irregularly high tax expense of EUR 0.8m led to an interim loss of –EUR 5.9m, in contrast to the interim profit for 2008 of EUR 1.7m.



Ville Verdi residential complex, Vienna



Access tunnel at Vienna Airport

## Financial Position and Cash Flows

There were only moderate changes in the balance sheet structure during the reporting period. In assets, trade receivables rose by 19.3% to EUR 828.3m at June 30th 2009. This change reflects the advance financing of construction projects within the fiscal year.

Under liabilities, the most relevant changes were to the entries in equity and other liabilities. Dividend payments of EUR 4.5m along with obligations for profit-participation rights amounting to 5.6m caused a slight reduction in equity (–3.5%) to EUR 355.6m. Other liabilities rose by 14.4% from EUR 201.4m at December 31st 2008 to EUR 230.3m at June 30th 2009. One main reason for this rise is the financing of real estate projects which are currently in the implementation phase.



Puh Bridge, Ptuj, Slovenia



A1 motorway, Böheimkirchen, Lower Austria

The interim loss of –EUR 5.9m and an increase in non-cash income components led operating cash flow to halve against the levels of the first half 2008.

Changes to working capital were reduced to EUR 43.6m in the reporting period (first half 2008: EUR 50.2m). Therefore the fall in operating cash flow was partly compensated by the cash flow from operating activities.

The lower levels of investment in the period caused cash flow from investing activities to slide from –EUR 32.6m at June 30th 2008 to –EUR 29.3m at June 30th 2009. The positive cash flow from financing activities of EUR 45.6m was the result of taking loans and other group financing for advance payments on construction projects by the PORR Group. The entry for changes to liquid funds therefore amounted to –EUR 15.2m.

## Forecast Report

The construction industry also felt the effects of the economic crisis in the first half of 2009: there were only limited investments made by the private sector in construction. The biggest challenge at the moment is securing economically feasible financing.

Should there be no significant change to the general economic situation, PORR assumes that the crisis will first materialise in the construction industry in mid 2010, due to the historically high order backlogs.

Should demand recover because of the agreed stimulus packages and were the credit markets to become more amenable in the second half of the year, then the PORR Group would be able to achieve production output once again in the region of EUR 3bn despite the negative general backdrop.

The stimulus packages from the federal government represent a crucial support mechanism for the Austrian economy and promise to bring massive infrastructure investment in the following years. PORR has been very well positioned in the infrastructure sector for a long time and has an excellent reputation as a full service provider, meaning that the group should be able to benefit strongly from the agreed stimulus measures. The heterogeneity of the eastern and south-eastern European markets makes it difficult to forecast future developments in these countries.

Economists predict that the global recession will end in 2010 and that levels of demand will see a slight recovery. However, the benefits to the construction industry will only be felt after a certain interval.

## Investments

Given the current economic crisis, the PORR Group did not make any major investments of note in the first half of the year under review. Normal investments in replacing and buying new construction machinery and site equipment were unaffected.

Development of staffing levels	1-6 2009	Change	1-6 2008	1-6 2007
Waged workers	6,856	-6.0%	7,296	6,924
Foreign share	19.5%	+1.0PP	18.5%	17.2%
Salaried employees	4,555	+4.5%	4,357	3,910
Foreign share	39.9%	+1.2PP	38.7%	34.3%
Total	11,411	-2.1%	11,653	10,834
Foreign share	27.6%	+1.6PP	26.0%	23.4%

## Staff

Well-qualified, dedicated and motivated staff are the backbone of the PORR Group. The quality of our staff provides for a key distinguishing feature against the competition. In the first six months of 2009, the PORR Group employed an average workforce of 11,411; of which 6,856 were waged workers and 4,555 salaried employees. This represents a reduction of 242 staff against the first half 2008; 27.6% of staff worked abroad, while 72.4% were employed in Austria.

## Sustainable Value at PORR

“Corporate Social Responsibility” as a voluntarily imposed obligation has been a core feature of the value-oriented company culture at PORR for many years. The group has been living up to the ideals of modern Corporate Social Responsibility for decades, namely corporate value add, supporting and nurturing staff and promoting environmental preservation.

PORR is well aware of the importance of sustainability and the responsibility that this brings to the company. As one of the largest groups in the Austrian construction industry, the PORR Group believes it has a responsibility to direct its focus inwards in order to ensure transparency to the outside world. A company with a long-standing tradition, this year PORR deliberately chose to publish the company’s first Corporate Social Responsibility Report in the form of a “Sustainable Value Report”. Adding value describes our quest for sustainable corporate growth. Recognising value concerns how our staff are the most important factor in our success, as well as being the ambassadors of the PORR Group’s living values. Preserving value is a clear legacy for future generations, to preserve the world we live in today.



These combine to form the most important challenges of the coming decades.

The secret to the success of a company dating back 140 years was and is the coherence of economy, social stability and ecology. A clear commitment to sustainable growth goes hand in hand with responsibility towards staff, shareholders, clients and investors.

## Risk Management

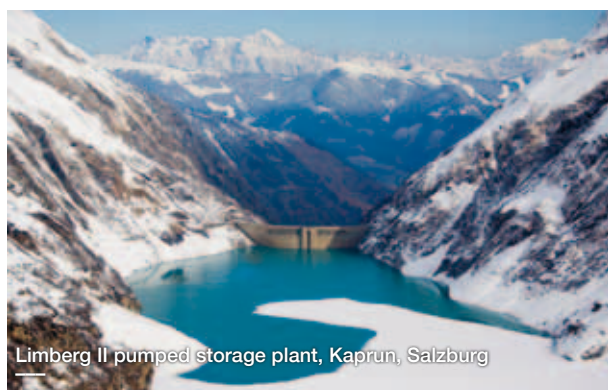
The main purpose of risk management in the PORR Group is to implement processes in such a way that risks can be identified early on so that the requisite countermeasures can be taken swiftly. In difficult times, effective risk management plays a crucial role in any company.

In this field there are two new implemented processes which are particularly important – “Strategic Corporate Planning” and “Reporting”. Strategic corporate planning involves





Extension of Warsaw College, Poland



Limberg II pumped storage plant, Kaprun, Salzburg

analysing existing markets and potential new markets at regular intervals in order to identify opportunities. The decentralised management structure at PORR means that control mechanisms are also decentralised, although they are also centrally controlled by the Internal Audit department which has been implemented at holding level. Audit measures are taken directly by individual managers for their respective areas of responsibility and are then checked by the Internal Audit department when the need arises. This ensures that the highest professional standards are met.

Risk management in the PORR Group is widely spread and covers the following areas: HR management, liquidity management, project development and project execution management, lending and borrowing management, procurement, currency and interest exchange management, as well as risks related to markets and the general economy.

## Events after the reporting date

The Executive Board of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, with the approval of the Supervisory Board, concluded a deal for a strategic cooperation with the Turkish RENAISSANCE Group on August 25th 2009. This new cooperation will allow the group to expand into new markets, in particular the Middle East and North Africa. An increase in the group's share capital was agreed at the same time. Through partial utilization of the approved capital, share capital will be increased by the issuance of up to 661,250 new no-par value bearer shares, namely ordinary shares with voting rights and dividend rights starting with the business year 2009, against cash contributions, whereby existing shareholders have subscription rights. The maximum issue price is set at EUR 160.

The final issue price per new share will be determined after the end of the book building period, taking into account the closing price of existing ordinary group shares on the Vienna Stock Exchange on or around September 17th 2009. After the implementation of the capital increase (anticipated on September 19th 2009), the share capital should be split into up to 2,003,000 ordinary shares and 642,000 7%-preference shares without voting rights. In the instance that existing shareholders choose not to exercise their subscription rights in the capital increase, around 10% of voting rights are set to be acquired by the RENAISSANCE Group.

The RENAISSANCE Group of Turkish entrepreneur Erman Ilicak has sites in Turkey, Libya, Saudi Arabia, Bahrain, Turkmenistan, Russia and the Ukraine and is expanding to countries in the Middle East and North Africa. The RENAISSANCE Group deals predominantly in building construction and has forecast net sales for 2009 of over EUR 1 billion with average staffing levels of around 12,000. This partnership with the RENAISSANCE Group has opened up opportunities for PORR to cultivate promising new markets. The local knowledge and good reputation of Erman Ilicak should ensure the partnership ongoing demand in the infrastructure sector – the core competency of the PORR Group – in the new target markets.

# Civil Engineering Segment/ The PTU Group

Key data for the PTU Group in EUR million	1st Half 2009	Change	1st Half 2008	1st Half 2007
Production output	565.8	-12.8%	649.0	437.3
Foreign share in %	45.7	-4.3PP	50,0	31,5
Segment revenue	742.0	+11.7%	664.4	467.4
Order balance at June 30th	1,062.4	-14.7%	1,244.9	1,378.5
EBIT	8.7	-	-0.5	9,8
Segment assets	1,778.1	+10.4%	1,610.9	1,428.0
Segment liabilities	1,341.2	+2.1%	1,314.3	1,158.8
Average staffing levels	4,596	-7.0%	4,940	4,447

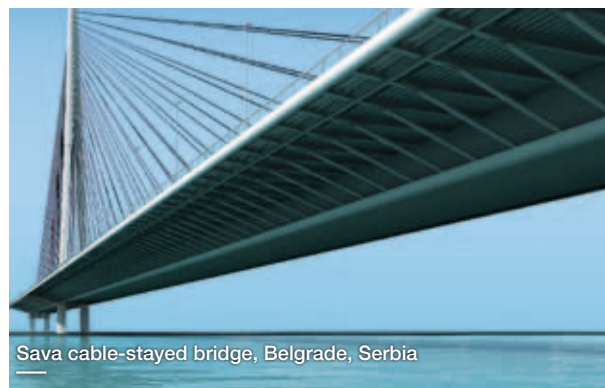
The PORR Group's expertise in the fields of structural engineering, tunnelling, power plant construction, railways, logistics, bridge construction, environmental technology and pipeline construction is concentrated within Porr Technobau und Umwelt Aktiengesellschaft (PTU). Porr Umwelttechnik GmbH is a subsidiary of PTU which operates specialist waste-treatment facilities and is the PORR Group's innovation centre for active environmental protection. This subsidiary also develops processes and methods for waste processing and cleanup of contaminated sites.

## Company Performance

### Positive EBIT increase in civil engineering

The PTU order backlog developed in line with expectations, given the economic crisis. Lower than levels of the previous year, it amounted to EUR 1.0624bn.

As for the entire PORR Group, the greatest challenge for PTU lies in ensuring economically feasible financing for projects. Profitability remains at similar levels to the previous year, even though construction output fell against the disproportionately high levels of the first half year 2008. When measured against 2007 levels, construction output this year is still 29.2% higher. The reason for the fall in output in the first half of 2009 is the plummeting demand in eastern European markets. Sharp falls had to be managed in Hungary in particular. In contrast, output volumes in Austria and Germany remained constant against the previous half-year levels.

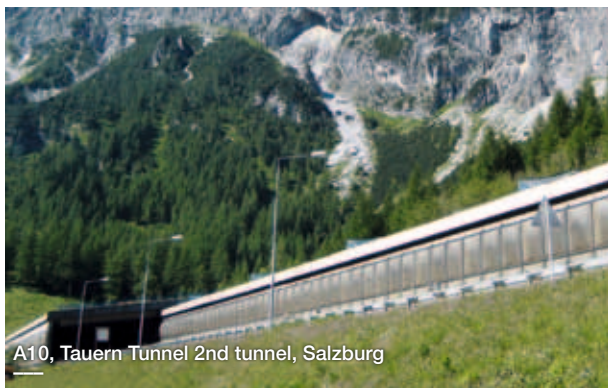


Sava cable-stayed bridge, Belgrade, Serbia



Rijnmond II Combined Cycle power plant, Rotterdam, Netherlands

Production output for the first six months of the year totalled EUR 565.8m, therefore coming in above the levels of 2007 (EUR 437.3m), but below the total from 2008 (EUR 649.0m). Segment earnings before interest and taxes (EBIT) showed strong growth, improving to EUR 8.7m from -EUR 0.5m against the same period last year. The major M6 motorway project in Hungary was among the reasons for this success. Staffing levels fell by 7.0% to 4,596 staff.



A10, Tauern Tunnel 2nd tunnel, Salzburg



Dürnrohr waste incineration plant, Lower Austria



Finne Tunnel, Herrngosserstedt, Germany

## Order Situation

### Infrastructure projects contribute to order backlog

In Austria the areas of railway, motorway and carriageway construction, along with the related infrastructure measures such as noise barriers and tunnel projects, developed well despite the crisis and are therefore a key factor for PTU. With

the new ÖBB (Austrian Federal Railways) project – the stretch between Ybbs and Amstetten – PTU has acquired one of Austria's largest rail projects. PTU also managed to win new orders in the field of flood barriers, such as on the River Kamp in Lower Austria. In the field of energy infrastructure PTU has secured the contract to erect a new Combined Cycle power plant in Mellach/Styria. This will be carried out together with Siemens AG. PTU is also involved in numerous tunnel projects. In addition to the extension of the Tauern Tunnel, other tunnels being built by PTU include the Wienerwald Tunnel and the S35 Tunnel between Kirchdorf and Kaltenbach.

The order backlog in Switzerland grew steadily. An interesting new project acquired here was the order to build an administration and development centre for Klingelberg GmbH in Zurich. In Germany, works on the Finne Tunnel and the Osterberg Tunnel are currently underway as part of the construction of the new Halle-Leipzig-Erfurt stretch, along with the extension of the existing Iffezheim power plant on the Rhine. A major project in the Netherlands is a Combined Cycle power plant in Rotterdam, which will be built in conjunction with Siemens.

In the challenging markets of eastern Europe PTU realised the large-scale "Arad Bypass" project in Romania, the M6 and flyover as part of the M7 project in Hungary and the Sava Bridge in Belgrade. Certain other projects, such as the S8 in Poland, are soon to be awarded and PTU is considered to be the most promising candidate.

## Outlook

PTU's high risk diversification resulting from the wide range of business areas and markets means that the effects of the current economic crisis will be felt to a lesser degree. This segment will benefit greatly from the stimulus packages and resulting infrastructure projects. Despite this, improved risk management, cost-cutting measures and flexible company management are top priorities at PTU in order to ensure the definitive emergence from the crisis.

# Building Construction Segment/ The PPH Group

Key Data for the PPH Group in EUR million	1st Half 2009	Change	1st Half 2008	1st Half 2007
Production output	377.4	-17.6%	458.2	372.4
Foreign share in %	48.2	-9.6PP	57.8	46.3
Segment revenue	350.7	-10.9%	393.4	271.3
Order balance at June 30th	928.0	-5.8%	985.4	742.6
EBIT	-2.6	-	10.9	2.9
Segment assets	1,234.4	+10.6%	1,116.0	825.5
Segment liabilities	1,113.7	+7.6%	1,035.3	759.4
Average staffing levels	2,463	+7.7%	2,287	1,974

When it comes to offices, hotels, universities, apartments, industrial plants or revitalising protected architectural treasures, Porr Projekt und Hochbau AG (PPH) is the specialist for all building construction activities within the PORR Group. Through famously broad technical expertise and strict adherence to deadlines, PPH has managed to establish itself over many years as a reliable partner not just in Austria and Germany, but also throughout many countries in central, eastern and south-eastern Europe. The broad expertise ranges from conception to economic assessment of the construction task right through to assisting in the building's operational phase.



## Company Performance

### Challenging order situation in building construction

In Austria, as well as the Munich and Berlin regions, the order situation for PPH was positive – even better than 2008, despite the current crisis. Demand in subsidised housing in particular contributed to the growth of the order backlog. On the other hand, demand fell off sharply in the eastern and south-eastern European markets. This is because in many of these countries the majority of privately financed building construction has dried up. Poland is the only place which continues to develop satisfactorily. Croatia, Hungary and Romania have been particularly badly hit, as has the Czech Republic. Countries in south-eastern Europe have been weakened especially badly by the economic crisis. Restrictive financing policies from the banks have had a direct effect on the investment mood and in turn on the amounts of business that can be realised. Securing financing for projects in the Balkans will not be an easy task for the foreseeable future.



PPH results for the first half year 2009 are in line with the general economy and therefore below the levels of 2008. Production output fell by EUR 80.8m to EUR 377.4m. The drop in EBIT to –EUR 2.6m in the reporting period can be traced back to the sharp drop in building construction in eastern and south-eastern Europe (with the exception of Poland) and a problematic backdrop for the project development sector.



Simmering Geriatric Centre, Vienna



EUROVEA International Trade Center, Bratislava, Slovakia



Harfa Galerie, Prague, Czech Republic

The increase in staffing levels in this segment is due to building up staff for a major project in Romania, as well as a staff increase in the facility management sphere.

## Order Situation

### Order backlog in Austria remains stable

Despite the crisis the Austrian market remains stable. Order volumes here remained largely unchanged and it was possible to acquire some interesting new large-scale projects. The segment order backlog of EUR 928.0m is 5.8% lower than last year's, but still 24.5% above the comparative value for 2007. PPH built the new Simmering Geriatric Centre in Vienna. The Nordbahnhof Education Centre project is being carried out with PPP financing and is of particular interest in demonstrating the benefits of this model. Current demand in subsidised residential building led to the acquisition of numerous residential projects in Vienna in 2009, such as those in Donaufelderstraße, Gasgasse, Moselgasse, Perfektastraße and in Hasengasse. In Mellach, Styria, PPH will erect a new Combined Cycle power plant in cooperation with PTU.

The German market also currently offers opportunities for new projects. In Munich the "Auron" office and administration building was constructed for a private client. Following the initial construction phase, the second wing of the Hotel ABBA in Berlin will be built by PPH.

Three projects from eastern Europe deserve a particular mention: the construction of a new shopping centre in Radom/Poland for a private investor, the Harfa Galerie shopping centre in Prague, and the new "EUROVEA" international trade centre in Bratislava.

## Outlook

No let up has yet been observed in the building construction sector, which relies on private financing. There is wide variation in the development of different regions from the viewpoint of PPH. The foreign share of total volume is set to fall further over the course of 2009. The first positive effects of stimulus packages are expected in the near future in Germany, Austria and Poland. PPH has declared a strict cost-cutting programme in order to prepare for the effects of the crisis and ensure a solid economic base. These measures, along with increased commitment to public-sector building construction should enable PPH to keep the negative economic effects to a minimum.

# Road Construction Segment/ The T-A Group

Key data for the T-A Group in EUR million	1st Half 2009	Change	1st Half 2008	1st Half 2007
Production output	330.4	-8.1%	359.4	312.4
Foreign share in %	22.1	-1.7PP	23.8	16.6
Segment revenue	375.8	-7.1%	404.6	350.8
Order balance at June 30th	556.8	+6.8%	521.3	460.1
EBIT	1.2	-	2.6	0.7
Segment assets	743.8	+5.1%	707.5	520.1
Segment liabilities	403.7	+5.2%	383.8	355.2
Average staffing levels	4,352	-1.7%	4,426	4,413

TEERAG-ASDAG AG (T-A) is a cross-region universal provider in road construction and municipal engineering with high value add. The group's core competency of road construction is complemented by expertise in environmental construction. T-A realises both complex, large-scale construction projects and small projects in the private sector. Austria is the T-A Group's core market, accounting for around 78% of construction output. The most important foreign market for T-A is the Czech Republic.

## Company Performance

### Order backlogs: a varied picture

The difficult general economic backdrop in the first half of 2009 also affected T-A's order bookings. Furthermore, the long winter break in road construction caused by weather conditions was another negative factor. These delays led to a fall in production at mix plants.

Order bookings fell by 11.4% against the first half 2008, although they are still slightly up on the first half of 2007. EBIT did not match the levels of the previous year, falling to EUR 1.2m (EUR 2.6m in the first half 2008). The main reason for this drop was the unfavourable weather conditions at the beginning of the year which caused a later start to road construction work.

In terms of regions, the T-A Group sees a varied picture. In Vienna the order backlog followed the positive trend seen last year. In Lower Austria, a push in flood-barrier construction is partly compensating for a slight fall in municipal road construction caused by tight municipal budgets. There was a



Eggendorf gas compressor station, Lower Austria



A2 motorway, Gleisdorf-West – Laßnitzhöhe, Styria

moderate fall in order bookings in Styria due to budget restrictions. In Tyrol and Vorarlberg there were positive signs in the field of small hydro power plant construction, in contrast to concrete construction, in particular avalanche and landslide protection and bridge construction, which all saw downward trends. Order bookings were positive in the Czech Republic for the first half year, although current budgetary constraints



Weitendorf gas compressor station, Styria



M0 motorway, Hungary



Wienerwald Tunnel West, Vienna

## Order Situation

### Continuation of steady growth

T-A has a solid cushion of orders in Austria and the Czech Republic. Despite slight falls in order bookings, the T-A Group currently has an order backlog of EUR 556.8m, a rise of 6.8% on the first half of 2008. Projects in Austria include the upgrading of the A2 Südbahn near Laßnitzhöhe, the complete renovation of Kärntner Straße in Vienna and reinforcing the riverbed of the Untere Salzach in Salzburg. Demand in the sealing sector in Austria showed pleasing developments. There were also positive signs in the field of tunnel sealing in Switzerland. The subsidiary Baugesellschaft mbH Erhard Mörtel successfully completed the Weitendorf and Eggendorf gas compressor stations. These two beacon projects in gas pipeline construction provide a solid basis for further expansion in this business area.

Unfavourable weather conditions led to an 8.1% fall in production output in the road construction segment in the first half of 2009 against the same period last year. This is still, however, almost 6% up on the first half 2007.

## Outlook

The turbulent economic backdrop and the precarious budgetary situation of municipalities present a challenge for T-A. T-A does however have excellent networks at municipal level and the company enjoys an outstanding reputation. These advantages should cushion the possible fall in orders. As long as there are no unforeseeable developments, the T-A group expects to deliver good results once again in 2009. In the medium term, business development is dependent on how the planned stimulus packages will play out. In comparison to its competitors, T-A has a strong equity base and a high order backlog, providing a solid foundation from which to overcome these difficult times.

may mean that construction starts are delayed in the coming months. In the other eastern European markets of Poland, Hungary and Slovakia, the economic crisis led to a noticeable slowdown in growth.

# The Porr Solutions Group

Key data for the Porr Solutions Group in EUR million	1st Half 2009	Change	1st Half 2008	1st Half 2007
Project volume	360.5	+61.9%	222.7	161.1
of which domestic	122.6	+46.5%	83.7	53.0
of which foreign	237.9	+71.2%	139.0	108.1
Average staffing levels	195	+34,5%	145	117

Porr Solutions does not form a separate segment in the financial statements. The projects that the Group develops and realises in the fields of infrastructure, real estate and energy impact mainly on the revenue and profit figures for the PTU and PPH divisions. Porr Solutions is consolidated within the PPH Group.

Porr Solutions Immobilien- und Infrastrukturprojekte GmbH (PS) is a wholly owned subsidiary of the PORR Group which bundles the group's project development expertise in the fields of infrastructure, energy and real estate. Success is based on international know how and the very highest quality standards. The service portfolio does not only cover conception, acquisition, project development and financing, as well as overall planning and project management, but also includes ongoing operations and facility management. Porr Solutions guarantees the professional execution of every task, all from one source.



M6 motorway, Budapest, Hungary

## Company Performance

### Financial crisis muffles project business

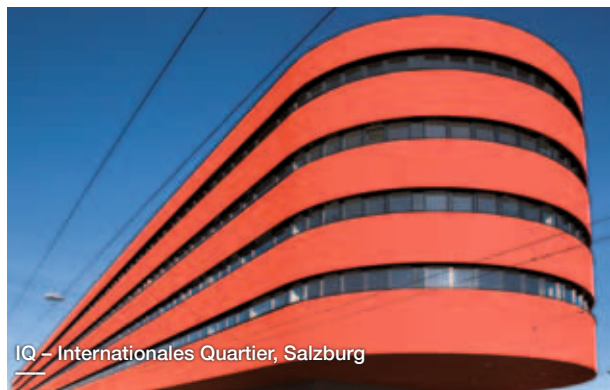
The main challenges in the first half of 2009 included financing in the project realisation sector; ongoing falls in rents in the building management sector; and high land prices affecting new projects.

Plummeting business in eastern European markets meant that Porr Solutions could not achieve half-year results to match those of 2008. While the domestic market and Germany maintained similar levels to last year, all other markets saw falls. On the assumption that stimulus programmes will begin to take effect in the near future as expected, PS predicts a considerable rise in business from the infrastructure sector.



Arena XIX, Budapest, Hungary





IQ – Internationales Quartier, Salzburg



Simmering Geriatric Centre, Vienna



Nordbahnhof Education Centre, Vienna

### Groundbreaking of first Austrian PPP project in the education sector

Certain interesting projects are currently in the planning or execution phases. These include the second phase of the Oberpfaffenhofen Technology Park, the Simmering Geriatric Centre and the St. Marx office complex.

In Münster/Tyrol the affiliate, hospitals Projektentwicklungsges.m.b.H., should begin construction on a rehabilitation facility this year. The takeover of four rehabilitation facilities for the Social Security Institute of Farmers should take place by the end of the year.

The beginning of May 2009 saw the groundbreaking celebrations of the new Nordbahnhof Education Centre in Vienna, the first PPP project in the education sector. Porr Solutions also successfully completed the prequalification stage for two further PPP projects in the building construction infrastructure field and in the sports construction sector. In Budapest, construction work on the Arena XIX hotel and office complex will begin in autumn 2009. In Romania, Porr Solutions is involved in the successful privatisation of 32 small hydro power plants for generating energy.

Projects completed in the first six months include the initial phase of the Oberpfaffenhofen Technology Park. In Berlin, two branches of a major retail chain were handed over to the developer. In Austria, the Wimpassing trade retail centre opened, along with the specialist retail centre on Triester Straße/Altmannsdorfer Straße in Vienna. In Salzburg “IQ–Internationales Quartier” office centre was completed, as was the “Murgalerien” office building in Graz.

## Outlook

According to economic experts, a sustainable recovery is not currently in sight, especially in the markets of eastern Europe. On the assumption that lenders will continue to release hardly any funds for project financing, this means that many necessary projects cannot be realised at this time because of financial constraints. Porr Solutions is therefore unlikely to be able to repeat the results of 2008. An improved situation in 2010 only looks possible if the credit market recovers exceptionally quickly.

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Income statement for the period January 1st 2009 to June 30th 2009

in EUR thousand	1–6/2009	1–6/2008
Revenue	1,106,497.7	1,154,508.5
Own work capitalised in non-current assets	274.3	3,948.3
Share of profit (loss) of associates	11,389.5	9,645.7
Other operating income	43,195.8	33,177.3
Cost of materials and other related production services	–745,633.4	–795,980.2
Staff costs	–269,676.5	–276,034.9
Depreciation and amortisation expense	–26,380.2	–25,035.0
Other operating expenses	–112,422.1	–91,382.0
<b>EBIT</b>	<b>7,245.1</b>	<b>12,847.7</b>
Income from financial investments and other current financial assets	6,864.9	8,071.1
Finance costs	–19,235.8	–20,407.6
<b>EBT</b>	<b>–5,125.8</b>	<b>511.2</b>
Income tax expense	–799.5	1,225.0
<b>Profit (loss) for the period</b>	<b>–5,925.3</b>	<b>1,736.2</b>
of which: attributable to minority interest (subsidiaries)	213.0	408.9
<b>Share attributable to shareholders of the parent and holders of profit-participation rights</b>	<b>–6,138.3</b>	<b>1,327.3</b>
of which: attributable to holders of profit-participation rights	2,800.0	2,784.4
Profit (loss) for the period attributable to shareholders of the parent	–8,938.3	–1,457.1
<b>Earnings per share (in EUR)</b>	<b>–4.40</b>	<b>–0.72</b>

# Statement of comprehensive income for the period January 1st 2009 to June 30th 2009

in EUR thousand	1-6/2009	1-6/2008
<b>Profit (loss) for the period</b>	<b>-5,925.3</b>	<b>1,736.2</b>
Unrealised gains (losses) from market valuation of securities	-157.2	-355.5
Realised gains (losses) from market valuation of securities	0.0	-216.3
Unrealised gains (losses) from hedging	693.5	1,233.7
Unrealised gains (losses) from hedging of associates	2,327.4	2,655.6
Gains (losses) from revaluation of property, plant and equipment	0.0	164.6
Income tax expense	-87.5	-269.0
Income tax on interest from profit-participation rights	700.0	696.1
Exchange differences	529.3	4,433.4
<b>Other comprehensive income</b>	<b>4,005.5</b>	<b>8,342.6</b>
<b>Total comprehensive income</b>	<b>-1,919.8</b>	<b>10,078.8</b>
of which: attributable to minority interest (subsidiaries)	790.3	2,578.1
<b>Share attributable to shareholders of the parent and holders of profit-participation rights</b>	<b>-2,710.1</b>	<b>7,500.7</b>
of which: attributable to holders of profit-participation rights	2,800.0	2,784.4
Share attributable to shareholders of the parent	-5,510.1	4,716.3

# Balance sheet as of June 30th 2009

Assets in EUR thousand	30.6.2009	31.12.2008
<b>Non-current assets</b>		
Intangible assets	56,749.3	55,670.0
Property, plant and equipment	394,277.6	405,863.7
Investment property	260,825.7	242,580.4
Shareholdings in associates	129,094.1	120,008.5
Loans	19,859.1	20,724.5
Other financial assets	59,699.4	59,717.8
Other non-current assets	40,433.2	37,901.7
Deferred tax assets	16,663.1	13,926.6
	<b>977,601.5</b>	<b>956,393.2</b>
<b>Current assets</b>		
Inventories	96,076.0	95,652.0
Loans	103.6	535.6
Trade receivables	828,329.0	694,206.4
Other receivables and current assets	94,550.8	67,533.4
Liquid funds	72,373.6	88,406.8
	<b>1,091,433.0</b>	<b>946,334.2</b>
	<b>2,069,034.5</b>	<b>1,902,727.4</b>
<b>Equity and liabilities in EUR thousand</b>		
<b>Equity</b>		
Share capital	14,778.4	14,778.4
Capital reserves	33,689.5	33,689.5
Other reserves	157,795.3	167,779.2
<b>Equity attributable to shareholders of parent</b>	<b>206,263.2</b>	<b>216,247.1</b>
Equity from profit-participation rights (minority interest)	72,730.0	75,530.0
Minority interest (subsidiaries)	76,585.6	76,709.3
	<b>355,578.8</b>	<b>368,486.4</b>
<b>Non-current liabilities</b>		
Bonds	309,725.0	309,650.4
Provisions	105,029.9	104,788.0
Non-current financial liabilities	253,351.5	240,789.0
Other liabilities	19,874.2	14,119.4
Deferred tax liabilities	44,177.9	43,258.9
	<b>732,158.5</b>	<b>712,605.7</b>
<b>Current liabilities</b>		
Provisions	86,132.1	99,180.8
Current financial liabilities	127,922.5	77,679.3
Trade payables	534,385.5	438,922.5
Other current liabilities	230,270.1	201,423.5
Tax liabilities	2,587.0	4,429.2
	<b>981,297.2</b>	<b>821,635.3</b>
	<b>2,069,034.5</b>	<b>1,902,727.4</b>

# Statement of cash flows for the period January 1st 2009 to June 30th 2009

in EUR thousand	1–6/2009	1–6/2008
Profit (loss) for the period	–5,925.3	1,736.2
Depreciation and amortisation of fixed assets	26,380.2	25,035.0
Income from associates	–7,347.1	–1,359.4
Increase in long-term provisions	241.9	2,055.0
Deferred tax expenses	–1,139.5	–2,904.6
<b>Operating cash flow</b>	<b>12,210.2</b>	<b>24,562.2</b>
Decrease in short-term provisions	–14,396.8	–4,309.7
Gains from fixed asset divestments	–3,271.6	–8,430.6
Increase in inventories	–2,025.9	–11,454.1
Increase in receivables	–160,632.3	–190,140.4
Increase in payables (excluding banks)	134,025.0	166,676.4
Other non-cash transactions	2,678.3	–2,598.1
<b>Cash flow from operating activities</b>	<b>–31,413.1</b>	<b>–25,694.3</b>
Proceeds from sale of property, plant and equipment and investment property	11,000.2	14,959.1
Proceeds from sale of financial assets	2,227.0	14,488.1
Investments in intangible assets	–2,075.5	–791.8
Investments in property, plant and equipment and investment property	–40,867.9	–57,154.2
Investments in financial assets	–1,581.1	–4,051.8
Proceeds from the sale of consolidated companies	1,951.8	0.0
<b>Cash flow from investing activities</b>	<b>–29,345.5</b>	<b>–32,550.6</b>
Dividends	–4,473.8	–4,473.8
Payouts to minority interest	–6,514.4	–5,925.8
Proceeds from loans and other financing activities	56,547.7	15,081.9
<b>Cash flow from financing activities</b>	<b>45,559.5</b>	<b>4,682.3</b>
<b>Cash flow from operating activities</b>	<b>–31,413.1</b>	<b>–25,694.3</b>
<b>Cash flow from investing activities</b>	<b>–29,345.5</b>	<b>–32,550.6</b>
<b>Cash flow from financing activities</b>	<b>45,559.5</b>	<b>4,682.3</b>
<b>Changes in liquid funds</b>	<b>–15,199.1</b>	<b>–53,562.6</b>
Liquid funds at January 1st	88,406.9	117,361.6
Currency differences	–834.2	2,718.1
Changes to liquid funds resulting from changes to the consolidated group	0.0	405.4
<b>Liquid funds at June 30th</b>	<b>72,373.6</b>	<b>66,922.5</b>

# Segment report

1-6/2009 in EUR thousand	Road Construction T-A Group	Civil Engineering PTU Group	Building Construction PPH Group	Segment totals	Reconciliation	Group
Production output (Group)	330,413.1	565,770.3	377,382.0	1,273,565.4	–	1,273,565.4
Segment revenue	375,754.7	742,031.3	350,655.3	1,468,441.3	–318,473.4	1,149,967.9
EBIT	1,155.8	8,668.9	–2,605.5	7,219.2	25.9	7,245.1
Segment assets at June 30th	743,789.6	1,778,137.5	1,234,349.0	3,756,276.1	–1,687,241.6	2,069,034.5
Segment liabilities at June 30th	403,650.9	1,341,227.6	1,113,650.1	2,858,528.6	–1,145,072.9	1,713,455.7
Investment in property, plant and equipment	10,251.3	16,480.8	11,173.8	37,905.9	–	37,905.9
Average staffing levels	4,352	4,596	2,463	11,411	–	11,411

# Statement of changes in equity

in EUR thousand	Share capital	Capital reserves	Revaluation reserve	Foreign currency translation reserves
<b>Balance at Jan 1st 2008</b>	<b>14,778.4</b>	<b>33,689.5</b>	<b>9,855.0</b>	<b>549.5</b>
Other comprehensive income	–	–	160.5	2,097.6
Profit (loss) for the period	–	–	–	–
Total comprehensive income	–	–	160.5	2,097.6
Dividend payment	–	–	–	–
Changes in the basis of consolidation	–	–	–	–
<b>Balance at June 30th 2008</b>	<b>14,778.4</b>	<b>33,689.5</b>	<b>10,015.5</b>	<b>2,647.1</b>
<b>Balance at Jan 1st 2009</b>	<b>14,778.4</b>	<b>33,689.5</b>	<b>11,555.9</b>	<b>119.3</b>
Other comprehensive income	–	–	11.0	–25.5
Profit (loss) for the period	–	–	–	–
Total comprehensive income	–	–	11.0	–25.5
Dividend payment	–	–	–	–
Changes in the basis of consolidation	–	–	–	–
<b>Balance at June 30th 2009</b>	<b>14,778.4</b>	<b>33,689.5</b>	<b>11,566.9</b>	<b>93.8</b>

<b>1-6/2008</b>	Road	Civil	Building	Segment	Reconciliation	Group
in EUR thousand	Construction	Engineering	Construction	totals		
	T-A Group	PTU Group	PPH Group			
Production output (Group)	359,396.0	649,038.0	458,175.0	1,466,609.0	–	1,466,609.0
Segment revenue	404,583.0	664,382.2	393,421.5	1,462,386.7	–270,752.6	1,191,634.1
EBIT	2,563.7	–513.0	10,875.0	12,925.7	–78.0	12,847.7
Segment assets at June 30th	707,517.0	1,610,874.0	1,116,002.0	3,434,393.0	–1,385,449.4	2,048,943.6
Segment liabilities at June 30th	383,814.1	1,314,339.1	1,035,319.4	2,733,472.6	–1,044,633.2	1,688,839.4
Investment in property, plant and equipment	13,679.0	21,628.2	8,939.9	44,247.1	–	44,247.1
Average staffing levels	4,426	4,940	2,287	11,653	–	11,653

Total debt securities available for sale – fair value reserve	Reserve for cash flow hedges	Retained earnings and not retained profit	Equity attributable to equity holders of the parent	Equity from profit-participation rights	Minority interest (subsidiaries)	Total
<b>278.9</b>	<b>–3,300.7</b>	<b>161,890.9</b>	<b>217,741.5</b>	<b>69,930.0</b>	<b>74,571.8</b>	<b>362,243.3</b>
–361.7	3,580.9	696.1	<b>6,173.4</b>	–	2,169.2	<b>8,342.6</b>
–	–	–1,457.1	<b>–1,457.1</b>	2,784.4	408.9	<b>1,736.2</b>
–361.7	3,580.9	–761.0	<b>4,716.3</b>	2,784.4	2,578.1	<b>10,078.8</b>
–	–	–4,473.8	<b>–4,473.8</b>	–	–5,925.8	<b>–10,399.6</b>
–	–	–1,818.3	<b>–1,818.3</b>	–	–	<b>–1,818.3</b>
<b>–82.8</b>	<b>280.2</b>	<b>154,837.8</b>	<b>216,165.7</b>	<b>72,714.4</b>	<b>71,224.1</b>	<b>360,104.2</b>
<b>–198.4</b>	<b>–21,662.2</b>	<b>177,964.6</b>	<b>216,247.1</b>	<b>75,530.0</b>	<b>76,709.3</b>	<b>368,486.4</b>
–104.8	2,847.5	700.0	<b>3,428.2</b>	–	577.3	<b>4,005.5</b>
–	–	–8,938.3	<b>–8,938.3</b>	2,800.0	213.0	<b>–5,925.3</b>
–104.8	2,847.5	–8,238.3	<b>–5,510.1</b>	2,800.0	790.3	<b>–1,919.8</b>
–	–	–4,473.8	<b>–4,473.8</b>	–5,600.0	–914.4	<b>–10,988.2</b>
–	–	–	–	–	0.4	<b>0.4</b>
<b>–303.2</b>	<b>–18,814.7</b>	<b>165,252.5</b>	<b>206,263.2</b>	<b>72,730.0</b>	<b>76,585.6</b>	<b>355,578.8</b>

# Notes to the interim consolidated financial statement as of June 30th 2009

## 1. General Information

The PORR Group consists of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft (PORR AG) and its subsidiaries, hereafter referred to as the Group. PORR AG is a public limited company according to Austrian law and has its registered head office at Absberggasse 47, 1100 Vienna. The company is registered with the commercial court of Vienna under reference number FN 34853f. The Group deals mainly with the planning and execution of all kinds of building and construction work, as well as the management and operations of buildings constructed for the Group's own account.

The condensed interim consolidated financial statements were published according to IAS 34 Interim Financial Reporting, using the standards of the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS) assumed by the European Union, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

In accordance with IAS 34, the condensed interim consolidated financial statements do not contain every entry which is obligatory in the annual financial statement and therefore this interim report should be read in conjunction with the annual report of the PORR Group of December 31st 2008. As per IAS 34, the consolidated results of the interim consolidated financial statements do not necessarily affect the measurement of the annual results.

The reporting currency is the euro, which is also the functional currency of PORR AG and of the majority of the subsidiaries included in the interim consolidated financial statements.

## 2. Basis of consolidation and acquisitions

One project association was included in the interim consolidated financial statements for the first time. Gesellschaft PPP Campus Bednar Park Errichtungs- und Betriebs GmbH

was founded with the purpose of developing the PPP project Nordbahnhof Education Centre in Vienna. This change to the basis of consolidation increased the balance sheet total by EUR 6.4635m. The effects on the income statement and the statement of cash flows are insignificant. Two associations (Vorspann-Technik GmbH & Co. KG and Vorspann-Technik GmbH) were sold in the interim reporting period and are no longer included in the basis of consolidation. No acquisitions were conducted in the interim reporting period.

## 3. Accounting and Valuation Methods

The applied accounting and valuation methods in the consolidated financial statements of December 31st 2008, which are presented in the notes to the consolidated financial statements, were used, unmodified, in the interim report, with the exception of the following standards and interpretations which have been adopted for the first time:

IAS 1, *Presentation of financial statements (revised in September 2007)* specifies that expenses and income which were previously entered directly into equity capital, are now either presented in a statement of comprehensive income presented in addition to the profit and loss accounts, or in a "statement of comprehensive income", which replaces the profit and loss accounts and in addition to profit and loss account entries, also includes consolidated expenses and income entered under "other comprehensive income/loss". The revised IAS 1 has been applied since January 1st 2009 whereby expenses and income which were previously entered directly into equity capital were presented in a "statement of comprehensive income" which is published in addition to the income statement. In addition, income tax relating to each component of other comprehensive income is disclosed separately.

IFRS 8, *Operating segments*, provides a framework for segment reporting and defines a segment as a component of an entity or group of entities, for which separate financial information is available, which is regularly reviewed by corporate management when making decisions on the allocation



of resources and on the assessment of its performance. This standard must be applied compulsorily for business years beginning on or after January 1st 2009. The first adoption of this standard has not had a significant effect on the Group's segment reporting.

The first-time adoption of IAS 23, *Borrowing costs (revised in March 2007)*, which eliminates the option of incorporating borrowing costs resulting directly from acquisition, construction or production of qualifying assets, either as an expense in the same way as other borrowing costs thereby incurred, has no effect on the Group as the Group already activates borrowing costs in this way.

The first-time adoption of IFRS 7, *Financial Instruments: Disclosures (revised 2009)*, which is primarily concerned with enhanced disclosures about fair value measurements and liquidity risk, will affect the disclosures in the Group's 2009 annual report. Disclosures of this type were not required for the condensed interim consolidated financial statements.

IFRIC 12, *Service concession arrangements*, was adopted by the EU on March 29th 2009 and has therefore been applied for the first time. This interpretation does not affect the condensed interim consolidated financial statements as PORR Group's PPP projects have largely been accounted for in the pre periods in accordance with the stipulations of IFRIC 12 and therefore no changes were needed to the reporting and valuation methods.

The first-time adoption of *Improvements to IFRS (revised in 2008)*, which includes accounting changes that can effect presentation, recognition, measurement, terminology or editorial changes, has had no effect on the consolidated financial statements of the PORR Group.

The first-time adoption of IFRIC 15 – *Agreements for the Construction of Real Estate*, which provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 – *Construction Contracts* or IAS 18 – *Revenue*, has no effect on the condensed interim consolidated financial statements as this kind of transaction, such as the sale of properties such as apartments or houses “off plan”, has not currently been carried out by the PORR Group as a real estate developer.

The following standards and interpretations were adopted for the first time – IFRS 2 *Share-based payment – Adjustments*,

IFRIC 13 *Customer Loyalty Programmes*, IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset. Minimum Funding Requirements and their Interaction*, IFRIC 16 – *Hedges of a Net Investment in a Foreign Operation*, IAS 32 and IAS 1, *amendments with regard to puttable financial instruments and the liquidation of resulting liabilities*, IFRS 1 and IAS 27, *cost method for accounting for investments in subsidiaries, jointly controlled entities, and associates*. They had no effect on the condensed interim consolidated financial statements as no transactions of this kind are being carried out by the PORR Group.

The condensed interim consolidated financial statements of June 30th 2009 use the same consolidation methods and basis for currency exchange as were used in the annual financial statements of December 31st 2008.

#### 4. Estimates and Assumptions

Producing condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the amount and disclosure of assets and liabilities in the balance sheet, income and expense, and entries regarding contingent liabilities in the interim report. Actual results may deviate from these estimates.

#### 5. Seasonal Influence

In comparison to other industry sectors, the construction industry experiences seasonal variations with regard to revenue and profit due to seasonal factors. Revenue and profit are, as a rule, lower in the winter months than in the summer months. Ongoing fixed costs mean that results in the first two quarters are lower than in the second two quarters. These seasonal variations affect road construction and civil engineering to a greater extent than they do building construction.

#### 6. Dividends

In the reporting period bearers of shares and capital share certificates in PORR AG have received dividends and profit shares totalling EUR 4,473,810.0 (previous year: EUR 4,473,810.0) – each share and share certificate is EUR 2.20 (previous year: EUR 2.20).

## 7. Key Events after the End of the Interim Reporting Period

The Executive Board of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, with the approval of the Supervisory Board, concluded a deal for a strategic cooperation with the Turkish RENAISSANCE Group on August 25th 2009. This new cooperation will allow the Group to expand into new markets, in particular the Middle East and North Africa. An increase in the Group's share capital was agreed at the same time. Through partial utilization of the approved capital, share capital will be increased by the issuance of up to 661,250 new no-par value bearer shares, namely ordinary shares with voting rights and dividend rights starting with the business year 2009, against cash contributions, whereby existing shareholders have subscription rights. The maximum issue price is set at EUR 160. The Executive Board is authorised to increase the Group's share capital to up to EUR 7,208,236.74 through the issue of up to 991,875 no-par value bearer shares.

The final issue price per new share will be determined after the end of the book building period, taking into account the closing price of existing ordinary Group shares on the Vienna Stock Exchange on or around September 17th 2009. After the implementation of the capital increase (anticipated on September 19th 2009), the share capital should be split into up to 2,003,000 ordinary shares and 642,000 7%-preference shares without voting rights.

In the instance that existing shareholders choose not to exercise their right to participate in the capital increase, around 10% of voting rights are set to be acquired by the RENAISSANCE Group.

## 8. Business Connections to Related Companies and Persons

Since December 31st 2008 there were no significant changes in business connections to related companies and persons, or in the resulting obligations, liabilities or commitments.

The volume of transactions during the first half of the fiscal year between, on the one hand, Group companies included in the consolidated financial statements 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 the companies within the Ortner Group and VIENNA INSURANCE GROUP-Wiener Städtischen Versicherung AG are deemed to be related persons and companies as defined in IAS 24, as they hold significant shares in PORR AG and/or representatives of these companies sit on the Supervisory Board of PORR AG.

Receivables to related companies and persons are not secured. 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.

## 9. Obligatory disclosure relating to waiver of review

These condensed interim consolidated financial statements of the PORR Group have neither been audited nor subjected to an audit opinion.

August 28th 2009, Vienna

The Executive Board

Wolfgang Hesoun (\*)

Johannes Dotter (\*)

Rudolf Krumpeck (\*)

Peter Weber (\*)

(\*) manu propria

# Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development

and performance of the business and the position of the Group over the first six months of the fiscal year, together with a description of the principal risks and uncertainties associated with the expected development of the Group for the remaining months of the fiscal year and with regard to business connections to related companies and persons.

August 28th 2009, Vienna

The Executive Board

Wolfgang Hesoun (\*)

Johannes Dotter (\*)

Rudolf Krumpeck (\*)

Peter Weber (\*)

(\*) manu propria

## Major new orders for the PORR Group, first half 2009

Building the Simmering Geriatric Centre (Vienna) by Porr Projekt und Hochbau AG

Building the Nordbahnhof School and Nursery (Vienna) as a PPP project by Porr Projekt und Hochbau AG

Four-track extension of the rail line near Ybbs-Amstetten East by Porr Technobau und Umwelt AG

Constructing a 12.5km motorway and various bridges in Arad (Romania) by Porr Technobau- und Umwelt AG

Constructing a Combined Cycle power plant in Mellach (Styria) by Porr GmbH

Bridge, road and noise barrier construction as part of the general upgrading of the A2 from Laßnitzhöhe to Graz East by TEERAG-ASDAG AG

Erecting a flood barrier for the River Kamp (Lower Austria) by TEERAG-ASDAG AG\*

Repaving the pedestrian zones in Kärntnerstraße and Graben in Vienna by TEERAG-ASDAG AG\*

Infrastructure works as part of the PPP project of the new construction of Vienna North railway station by TEERAG-ASDAG AG

Earth and stone works for the river bed of the Untere Salzach (Salzburg) by TEERAG-ASDAG AG

New construction of an office and administration building with casino, data centre and copy centre in Munich by Porr Deutschland GmbH

Building a Combined Cycle power plant in Rotterdam (Netherlands) by Porr Deutschland GmbH

\* as a joint venture project

# Imprint

## Media proprietor

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The half yearly report 2009 can be obtained free of charge from the company at A-1100 Vienna, Absberggasse 47, and may be downloaded from the website, [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. 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 half yearly report is accurate and complete. We regret that we cannot rule out possible round-off, typesetting and printing errors. This report is a translation into English of the half yearly report 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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