

QUARTERLY REPORT

Q3/11

BUILDING THE FUTURE



MORE DYNAMIC

QUARTERLY REPORT 3/2011

Dear shareholders and respected business associates,

The PORR Group recorded satisfactory developments in its operating business for the third quarter 2011. Even in the face of renewed turbulence for the global economy, it was possible to maintain a stable performance in construction business and to complete large sections of the corporate reorganisation. This new structure also includes the full integration of TEERAG-ASDAG AG. On August 3rd PORR acquired the shares of Wiener Stadtwerke Holding AG in TEERAG-ASDAG AG and now holds 99.76% of shares. The incorporation of property specialists Strauss & Partner into the Group is also close to completion. PORR has been making itself fit for future challenges with its comprehensive reorganisation measures; the focus from now on is to operate successfully within the new structures.

The difficult backdrop once again underlined the necessity of the reorganisation launched almost one year ago. The debt crisis in Europe and the USA severely shook investor confidence in an ongoing recovery, with several experts insistently warning of the danger of a »double dip«, a renewed plunge into recession. A slump such as this would have much more dramatic consequences than in the last crisis years of 2008 and 2009 – from which the economy has still not fully recovered – as state budgets will no longer allow for any stimulus packages. As an »economic driver«, the construction industry was partly protected from a massive crash thanks to these measures. This is why it is even more important that the PORR Group is prepared for a renewed crisis scenario in order to achieve success even in times of turbulence through flexible market strategies.

In the first three quarters of 2011 PORR increased its production output by EUR 77.5m (+3.8%) against the same period the previous year. There was also an increase in orders, with the order backlog rising by +13.8% in the third quarter. Thanks to high-volume acquisitions such as the major Stuttgart 21 project, it was even possible to increase order bookings by

+36.6%. Therefore the operating performance of the company continues to go according to plan.

This can be traced back to two factors. One is PORR's strong position on its home markets – first and foremost Germany, followed by Austria and Poland. Only the »smaller« markets of Switzerland and the Czech Republic are somewhat weaker. PORR has complete coverage on its home markets with all products and services and enjoys an excellent reputation. The second key component is flexibility in the core markets of Eastern and South-Eastern Europe. Here certain markets have been harder hit by the crisis than others. Being able to react quickly and efficiently to changing situations is an important target of the new corporate structure.

Production Output

At the reporting date September 30th 2011 PORR's production output stood at EUR 2,116.5m, thereby achieving an increase of EUR 77.5m or +3.8% against the third quarter 2010.

There was variation in the performance of the home markets, parts of which were very satisfactory, even though building construction and civil engineering progressed at different rates. Competition has increased in these countries – which remain stable despite the deepening debt crisis – but despite this the markets remain attractive thanks to their good, solid credit ratings. Poland continued to display potential in the fields of both building construction and civil engineering.

In the reporting period there was high variation in the developments on the core markets and the general situation on these markets was challenging. The crisis continues to exert a tight grip on countries such as Hungary and Slovakia; in contrast there are business opportunities on offer in Serbia and Bulgaria. As part of its selective market strategy, PORR is paying increased attention in these countries to developing the sectors in which demand remains strong despite the crisis. This particularly applies to

the infrastructure sector and the area of environmental engineering and energy.

Developments on the international markets are highly dependent on individual large-scale projects, which PORR is striving to acquire together with its partner Renaissance. PORR is currently concentrating on targeting opportunities in the CIS region as well as Qatar and Oman. A more aggressive expansion strategy does not appear to be opportune at present given the uncertain political and economic conditions in parts of the region.

Order Backlog

The positive trend in orders which was observed at the beginning of the year was confirmed in the third quarter. Order bookings reached EUR 2,403.7m, an increase of EUR 644.3m or +36.6%. The order backlog also increased to EUR 2,736.2m, representing a rise of EUR 331.8m or +13.8%. With the backdrop of this positive growth all existing capacity was fully utilised in 2011. The overall order situation is satisfactory not least because of large-scale infrastructure orders.

In the home market of Germany PORR received several new orders in the period under review including Stuttgart 21 and a section of the high-speed railway line Erfurt-Halle with an order volume of almost EUR 500.0m. The order situation in Austria also developed well in the first three quarters. This is even more pleasing as further attractive large-scale orders have been booked after the reporting date of September 30th; these include two lots on the S10 bypass Freistadt with a volume of over EUR 200.0m. The building construction market in Poland continued to perform well with the acquisition of a residential complex, an office building and a multifunctional building complex.

Highly varied regional developments were observed on the core markets. A continuation of the good order backlog in Serbia, where order bookings rose thanks to follow-up orders on the Sava Bridge stood in contrast to markets such as Hungary and Slovakia.

Owing to political and economic difficulties there is no improvement in sight to this market situation.

Staff

On average 11,432 staff members were employed in the PORR Group in the first three quarters of 2011. This represents a decrease of 128 people or 1.1% against the same period in the previous year. The total staff was composed of 6,907 waged workers and 4,525 salaried employees.

PORR's activities in further development and training for staff were intensified as they secure highly important specialised skills for the company. Apprentice training is one of the most important of these measures. With this approach PORR sends a clear signal of team spirit and solidarity to its employees in these difficult economic times.

Financial Performance

Despite the difficult backdrop, the operating financial performance remained within budget predictions in the period under review. However, the forecast for the full year is riddled with uncertainties as the debt crisis is having an increased impact on the national economy and on some of the regions in which PORR operates. The uncertain political and economic backdrop, particularly in Hungary, makes it even more difficult to settle receivables from previously completed large-scale projects.

The current focus here is on issuing project invoices on schedule and settling receivables. Non-settlement of debts leads to receivables which are outstanding for long periods of time and can result in cost-intensive processes with uncertain results. The broad impact of these issues may necessitate the reassessment of the full-year results across the entire Group.

Outlook

Three key topics are currently dominating the global economy: the question of the debt crisis in the

eurozone, further developments in the USA which are heavily dependent on private consumption, and China's approach to economic policy. High national debt had already had a depressing effect on the global economy at the end of the first half year and continued to have an impact throughout the course of the third quarter. The downgrading of the USA's rating along with that of certain European countries, as well as »systemic« major banks within the European Union, contributed to a significant increase in investor uncertainty.

As the construction industry is dependent on public investment to a degree unmatched by almost any other industry sector, the debt crisis could lead to a renewed negative impact. The infrastructure projects which were partly put on hold during the crisis may now be cancelled completely and this is unlikely to be balanced out by private sector business. At present private investors are reacting extremely nervously to the new situation, investment considerations are being put on the back burner.

PORR is responding to the difficult backdrop with the comprehensive reorganisation process which has already been implemented, in the course of which the company is also addressing issues from its past. The goal behind every measure is to guarantee a stable operating performance and to emerge from the global crisis stronger than before. The new structure strives to ensure speed and flexibility; corporate success will be secured through clear customer orientation and fast decision-making processes.

One key prerequisite for positive future growth is the successful acquisition of multi-year projects. As mentioned above, PORR has managed to acquire several sensational large-scale projects in the course of 2011, particularly in its core competency of infrastructure, even despite more limited public budgets. In addition to the two German railway orders Stuttgart 21 and the high-speed railway line Erfurt-Halle (worth a total of almost EUR 500.0m), following the reporting date of September 30th PORR has managed to acquire two lots on the S-10 bypass

Freistadt in Upper Austria with an order volume of around EUR 200.0m. PORR is also heavily involved in the construction project Emscher sewage canal/ Nordrhein-Westfalen, currently one of Europe's largest canal constructions. These new orders in the highly rated home markets guarantee PORR a satisfactory order backlog despite the difficult conditions prevailing. Thanks to PORR's strong position on its home markets, which will be continuously extended, the company should be able to balance out the weaker order situation on the core markets in Eastern and South-Eastern Europe.

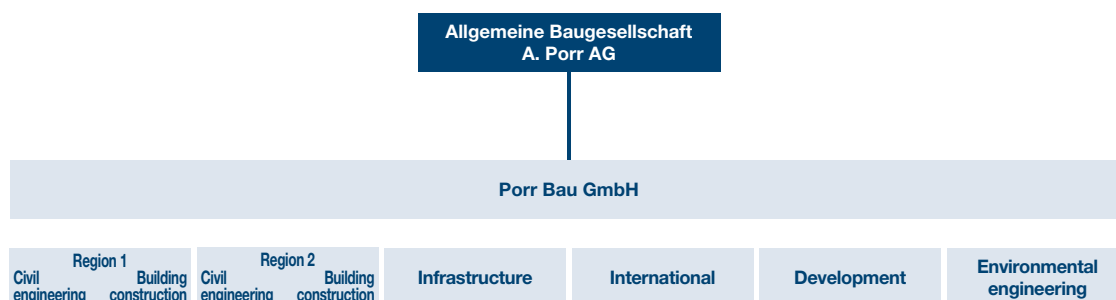
SELECTED PROJECTS 3RD QUARTER 2011

	Location	Country
Region 1		
Liebhartstal innovative residential and care home	Vienna	Austria
Storchengrund*	Vienna	Austria
Breitensee residential complex	Vienna	Austria
Oase 22 residential complex	Vienna	Austria
Kammelmweg/Lorettoplatz residential complex	Vienna	Austria
Medwedweg 1 residential complex and student accommodation	Vienna	Austria
Berlin Brandenburg International Airport car parks	Berlin	Germany
Stör Bridge	Itzehoe	Germany
Hochmosel bypass*	Zeltingen	Germany
Region 2		
S2 expressway	Konotopa-Pulawska	Poland
Andersia Business Center	Poznań	Poland
AIG The Park	Warsaw	Poland
TBS Stablowice	Wroclaw	Poland
Northern Approach Roads LOT 2	Belgrade	Serbia
Millennium pipeline	Belgrade	Serbia
Infrastructure		
Vienna Main Station, lot 1	Vienna	Austria
Reißeck II pumped storage power plant	Reißeck	Austria
Biel Ostast bypass	Biel	Germany
Emscher sewage canal, lot 20	Bottrop	Germany
Erfurt-Halle high-speed railway line, slab track system	Kalzendorf-Steigra	Germany
Stuttgart 21	Stuttgart	Germany
Ashta hydro power plant	Shkodër	Albania
Plovdiv Septembri; Modernising the Stamboliyski-Plovdiv railway line	Stamboliyski	Bulgaria
Arad bypass	Arad	Romania
Sava Bridge	Belgrade	Serbia
Zdruzenie ZSR-Belusa railway line	Zdruzenie-Belusa	Slovakia
Development		
Office Park Euro Plaza, lot 5	Vienna	Austria
Alexander Parkside, hotel buildings and apartments	Berlin	Germany
Regensdorf logistics park	Regensdorf	Switzerland
PM Symphonie Hotel; Amsterdam	Amsterdam	Netherlands
Poleczki Business Park	Warsaw	Poland

* executed as part of a joint venture

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THE NEW STRUCTURE OF THE OPERATING CONSTRUCTION BUSINESS



KEY DATA 3RD QUARTER 2011

in EUR m	3rd quarter 2011	Change	3rd quarter 2010
Production output	2,116.5	+3.8%	2,038.9
of which domestic	1,334.4	+2.7%	1,299.9
of which foreign	782.1	+5.8%	739.0
Order bookings	2,403.7	+36.6%	1,759.5
of which domestic	1,336.0	+7.6%	1,242.2
of which foreign	1,067.7	+106.4%	517.3
Order backlog	2,736.2	+13.8%	2,404.4
of which domestic	1,276.9	-0.3%	1,281.2
of which foreign	1,459.3	+29.9%	1,123.2
Average staffing levels	11,432	-1.1%	11,560
of which waged workers	6,907	-1.0%	6,979
of which salaried employees	4,525	-1.2%	4,581

Disclaimer This quarterly report (interim notice in accordance with Stock Exchange Act art. 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. 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 round-off, typesetting and printing errors. This report is a translation into English of the interim report on the third 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.