Press Release
Investor Information

30 August 2013

STRABAG SE IMPROVES EARNINGS AFTER SIX MONTHS DESPITE WEATHER-RELATED LOWER REVENUES

- **Output volume of € 5.6 billion for the first half of 2013 (-7 %): weather-related effects should be made up by year's end**
- **EBIT improves by 26 % to € -122.81 million – impact from non-recurring items in the previous year**
- **Earnings per share at € -0.99 after € -1.51**
- **2013 outlook confirmed: output volume of approx. € 14.0 billion, EBIT of at least € 260 million expected**

		6M/13	6M/12	change	Q2/13	Q2/12	change
Output volume	€m	**5,643.00**	**6,036.18**	*-7%*	**3,507.88**	**3,773.64**	*-7%*
Revenue	€m	**5,159.15**	**5,701.12**	*-10%*	**3,163.75**	**3,508.46**	*-10%*
Order backlog	€m	**14,046.50**	**15,124.13**	*-7%*			
EBITDA	€m	**68.47**	**16.14**	*324%*	**146.26**	**90.48**	*62%*
Ebitda margin	%	*1.3%*	*0.3%*		*4.6%*	*2.6%*	
EBIT	€m	**-122.81**	**-166.72**	*26%*	**49.49**	**-2.05**	*n.a.*
Ebit margin	%	*-2.4%*	*-2.9%*		*1.6%*	*-0.1%*	
Net income	€m	**-105.48**	**-156.67**	*33%*	**35.76**	**2.47**	*1348%*
Net income margin	%	*-2.0%*	*-2.7%*		*1.1%*	*0.1%*	
Net income after minorities	€m	**-101.82**	**-158.26**	*36%*	**38.47**	**-7.71**	*n.a.*
Net income after minorities margin	%	*-2.0%*	*-2.8%*		*1.2%*	*-0.2%*	
Earnings per share	€	**-0.99**	**-1.51**	*34%*	**0.37**	**-0.07**	*n.a.*
Employees	number	**71,931**	**72,871**	*-1%*			

Vienna, 30 August 2013 Today, Friday, STRABAG SE, Central and Eastern Europe's largest construction company, announced its figures for the first six months of the financial year 2013. Despite weather-related lower revenues, STRABAG managed to improve its earnings due to the absence of a non-recurring effect that had weighed on last year's figures.

"While we were unable to make up for the first quarter's weather-related decline in output volume in the second quarter of 2013 – also due to the flood in vast parts of Europe –, we remain confident of being able to report a full-year figure for output volume that roughly corresponds to that of the previous year: In view of the harsh winter in Germany, there is a lot of work to be done in the area of road maintenance and repairs here. Moreover, several international projects that we acquired in the meantime were not yet included in the order backlog as at the end of June. In Poland, which recorded one of the greatest declines, a large portion of the projected 2013 output volume is based on previously acquired contracts. We can even see a slight improvement of the climate in the Polish construction sector for the years to come", comments **Thomas Birtel**, **CEO of STRABAG SE**.

Output volume and revenue

Because of the late start of the building season, the output volume of the STRABAG SE Group decreased in the first half of 2013 by 7 % versus the same period of the previous year to € 5,643.00 million. Weather-related declines were registered especially in Germany and in Poland, with an additional expected reduction of the output volume in Poland for market reasons. The consolidated group revenue amounted to € 5,159.15 million, 10 % below the level of the comparison period in the previous year.

Order backlog

The completion of large projects, for example in Benelux, Poland, Canada, Romania and the Middle East, significantly reduced the order backlog by 7 % to € 14,046.50 million. This figure still places the volume of orders at a relatively high level, however, and it does not yet include several international projects that have been acquired since 30 June 2013.

Financial performance

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

Despite the lower revenue, earnings before interest, taxes, depreciation and amortisation (EBITDA) increased manifold in the first half of 2013 from € 16.14 million to € 68.47 million. The previous year's second-quarter results had been distorted by damage compensation payments related to an arbitration ruling on a failed acquisition. Due to a 5 % increase of the depreciation and amortisation in the first half of the year, earnings before interest and taxes (EBIT) – which reached € -122.81 million this year after € -166.72 million the year before – did not improve to the same degree as the EBITDA.

The negative interest income decreased significantly: While the € -30.66 million of the comparison period had included approx. € -19 million in negative currency exchange rate differences, the first half of 2013 saw exchange rate gains of nearly € 8 million so that the interest income reached € -8.88 million. Below the line, this resulted in a total profit before tax of € -131.70 million after € -197.38 million the year before. The income tax, at € 26.22 million, was therefore in positive territory once again and thus provided some relief. This left a 33 % better – and for the first six months usual – negative net income of € -105.48 million. Thirdparty shareholders helped bear a loss of € 3.66 million, resulting in a net income after minorities of € -101.82 million.

Due to the – now finished – share buyback programme, the number of weighted outstanding shares was down from 104,670,434 to 102,835,636. The earnings per share thus amounted to € -0.99 after € -1.51 in the first half of the previous year.

Financial position and cash flows

The balance sheet total of € 10,046.75 million showed little change versus 31 December 2012. The same is true for the equity ratio, which settled at 29.8 % after 31.2 % at year's end. In response to seasonal losses and in view of the financing need during the period, among other things, the net debt position was up from € 154.55 million at year's end to € 606.19 million after the first half of 2013.

The cash flow from profits moved into positive territory, up from € -26.97 million in the first half of 2012 to € 20.18 million in the same period of 2013. Besides the increased working capital management, it was also possible to replace project financing in associated companies with bank financing. As a result, the cash flow from operating activities, which reached € -221.15 million, was 32 % less deeply in negative territory. The cash flow from investing activities could be contained by 30 % and therefore amounted to € -154.02 million. The purchase of property, plant and equipment and intangible assets was handled even more restrictively than previously and enterprise acquisitions took place to only a minor extent. The cash flow from financing activities transitioned into positive territory, from € -67.07 million to € 91.80 million. The comparison period from the previous year had been characterised by a significant repayment of bank borrowings.

Employees

Despite the significantly reduced output volume, the number of employees fell by just 1 % to 71,931. Two large changes nearly balanced each other out here: on the one hand, the workforce in Poland was scaled back for market reasons; on the other hand, new large projects in non-European markets resulted in the addition of more than 1,400 jobs.

Outlook

Based on the balanced business in terms of regions and segments, STRABAG SE expects the output volume for the 2013 financial year to remain unchanged versus 2012 at approx. € 14.0 billion. The reduction in Poland is expected to be countered by increases in the international business and in building construction in Austria and Hungary, for example.

While STRABAG SE sees another slight worsening of the business environment in the European construction sector in 2013, and an intensified competition on the price as a result, it also believes that larger negative non-recurring items will not impact the result to the same degree as in 2012. The company therefore continues to expect the group's EBIT to grow to at least € 260 million in the 2013 financial year.

The corporate group of ***STRABAG SE*** *is one of the leading European construction groups. Specialised group companies, operating under a number of different brands such as STRABAG and Züblin, provide their services in all fields of the construction industry covering the entire construction value chain. Thanks to the dedication of its approximately 74,000 employees, STRABAG SE generates an output of about € 14 billion. At the same time, a dense network of numerous subsidiaries in Eastern and South-East Europe, in selected markets of Western Europe and, increasingly, on other continents is helping to expand the area of operation of STRABAG SE far beyond the borders of Austria and Germany. The group's proprietary raw materials basis and steady knowledge transfer ensure the highest quality construction at the best price – all around the world. More information is available at www.strabag.com.*

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