Interim Report on the First Quarter 2015

Key Data

in EUR m	1–3/2015	1–3/2014	Change
Operating data[1]			
Production output	592	592	-0.1%
Foreign share	50.2%	40.3%	+9.9PP
Order backlog	4,392	4,486	-2.1%
Order bookings	925	680	+36.0%
Average staffing levels	12,180	11,415	+6.7%
Income statement[1]			
Revenue	529	549	-3.6%
EBITDA	7.3	0.5	>100%
EBIT	-10.1	-15.2	33.5%
EBT	-12.0	-21.8	44.8%
Profit/loss	-11.6	-18.2	36.4%
Earnings per share (in EUR)	-0.85	-1.63	47.9%
Cash flow and investments			
Operating cash flow	5.7	2.2	>100%
Cash flow from operating activities	-199.3	-117.6	-69.5%
Cash flow from investing activities	-37.1	-4.8	<-100%
Cash flow from financing activities	-31.7	3.1	-
Investments	-8.5	-21.4	-60.4%
Depreciation/amortisation/impairment	-17.4	-15.7	11.3%

in EUR m	31.3.2015	31.12.2014	Change
Statement of financial position			
Total assets	1,923	2,146	-10.4%
Equity	365	385	-5.3%
Non-current assets	732	728	0.6%
Current assets	1,191	1,418	-16.0%
Non-current liabilities	417	409	2.1%
Current liabilities	1,140	1,352	-15.7%
Net debt	181	511[2]	-64.5%

[1] restated, PORR without development sector
[2] Basis for comparison: as of March 31st 2014

The figures have been rounded off using the compensated summation method. Absolute changes are calculated from the rounded values, relative changes (in percent) are derived from the non-rounded values.

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Foreword by the Executive Board

Dear shareholders and respected business associates,

Thanks to its significant position in Austria and its solid position on the other home markets of Germany, Switzerland, Poland and the Czech Republic, PORR achieved a positive performance once again in the first quarter 2015. Production output totalled EUR 592m and was therefore at the same level of the previous year – despite the much earlier start to the construction season in 2014. The order backlog also held steady in light of the difficult market environment with a slight decrease of around 2%, while order bookings were up by as much as 36% to EUR 925m and also suggest an optimistic outlook for the coming quarters.

This development is even more pleasing as the backdrop on the Austrian construction market remains challenging despite slight growth. As expected, the existing overcapacity has manifested itself in even sharper pressure on margins. Many companies have had to utilise the capacity they had built up or taken on and are trying to fill their order books with as many low-margin projects as possible. This is coupled with budgetary consolidation at federal level and in particular at municipal level. The other European construction markets are also lagging behind economic growth. While a general improvement in construction output has been observed since last year, it is still falling far short of GDP growth.

PORR's good performance is due in no small part to its solid cushion of orders. In the infrastructure segment PORR is currently realising some of the largest and most demanding projects in its 146-year history. In addition to the major rail project Stuttgart 21, these include in particular Koralm Tunnel KAT 3, the largest order in the Group's history, which PORR is executing alone without any consortium partners, and the Green Line of Doha metro in Qatar, which is being realised in a consortium with SBG and the local HBK. Works on all three of these large-scale projects are progressing exceptionally well and allow PORR to apply its extensive expertise for the benefit of our customers. The fact that advanced Austrian technology can also penetrate the international market has been proven in the unwavering interest in PORR's tunnelling technology and the patented Austria Slab Track System, which has also proven very popular in the Arab world.

The merger of PIAG Immobilien AG, which was spun off in the previous year, and UBM was also successfully concluded in the first quarter 2015. The new UBM, which resulted from the merger, has a significantly streamlined corporate profile, which will allow it to apply its strengths in an even more focused way, exploit synergies and benefit from economies of scale. The company was renamed UBM Development AG following a resolution by the Annual General Meeting on May 20th 2015.

In 2015 PORR will continue to consistently pursue its "intelligent growth" strategy, whereby we will remain focused on our five attractive home markets, complemented by project-based infrastructure activities in the CEE/SEE region, Romania in particular. Saudi Arabia is under observation from the hub in Qatar, while we are also looking into the UK and Scandinavia as possible target markets. As on every international market, PORR will concentrate on its core competencies in tunnelling, rail construction and foundation engineering.

The Executive Board
May 2015, Vienna

Karl Heinz Strauss	Christian B. Maier	J. Johannes Wenkenbach
Chief Executive Officer	Executive Board Member	Executive Board Member

PORR on the Stock Exchange

Upswing on Europe's financial markets

The first quarter 2015 was marked by the positive impact of the depreciation of the Euro, the fall in oil prices and the exceptionally expansive monetary policy of the European Central Bank. The quantitative easing program involves the monthly purchase – at least until the end of September 2016 – of public and private bonds and securities of EUR 60 bn. These monetary policy measures, combined with positive corporate data, gave the stock markets a renewed boost, which was reflected in pleasing performance figures.

Against this backdrop, the leading European index EURO STOXX 50 achieved a continuous increase in the first quarter 2015 and closed up by 17.5%, the highest level since the 2008 crisis. The leading index of the Vienna Stock Exchange, the ATX, also enjoyed a very strong performance and closed the quarter at almost 2,500 points following a rise of 16.2%. In contrast, the US stock market levelled out: while the Dow Jones Index climbed slightly in the course of the first quarter, it later lost its gains and closed 0.3% down on year end 2014.

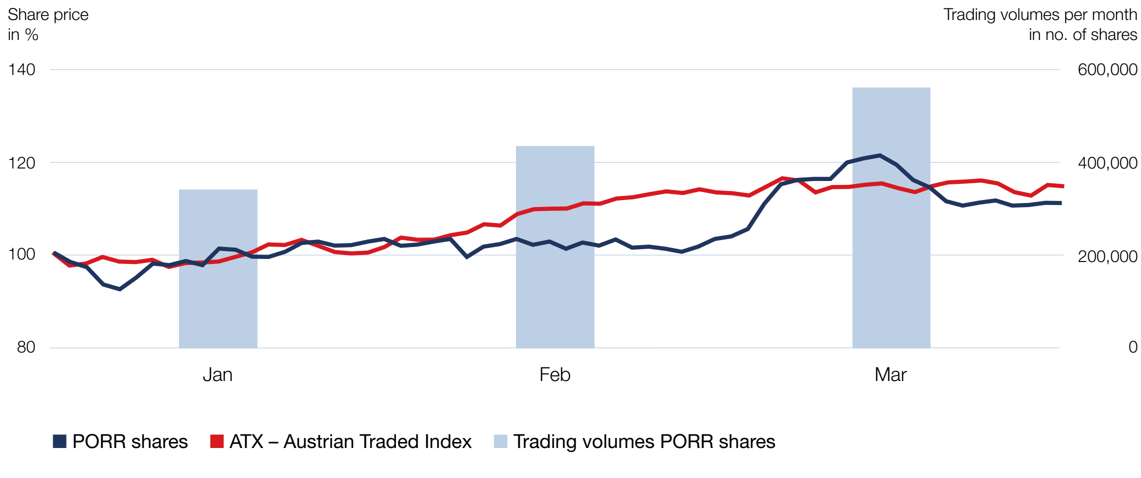
Appealing pure-player strategy

A focused, long-term strategy and the consistent reduction of risks were once again the most important factors driving PORR shares in the first quarter 2015. In addition, the successful spin-off of the development sector at the end of 2014 and the Group's repositioning as a pure player in the construction industry had a positive impact on value. The high trust shown by investors is reflected in the share price. The price of PORR shares was up by 10.9% since the start of 2015 and closed at EUR 49.30 at March 31st 2015; market capitalisation at the end of the quarter stood at EUR 716.5m. Average trading volumes in the first quarter were 22,118 shares.

International shareholder structure

The largest percentage of shares in issue was held by the syndicate consisting of the Ortner Group and the Strauss Group, with almost 54%. The other shares have a broad international dispersion, the majority are held by institutional investors who primarily come from Anglo-Saxon countries and Austria, as well as Switzerland and Germany.

Share price and trading volumes of PORR shares in the first quarter 2015 (index)



Enhanced Investor Relations

The goal of investor relations is transparent, timely information, which should allow every stakeholder to make a well-informed assessment of the company. In the first quarter 2015 the management held numerous one-on-one talks with investors and analysts in Europe's key centres and took part in international investment conferences. In addition to these activities and in the interests of transparency, PORR issued regular and comprehensive reports on its business performance in the course of quarterly teleconferences for analysts, institutional investors and banks, as well as at the press conferences for journalists held twice a year. The following investment banks and specialised institutes publish regular analyses on the PORR share: ERSTE Group, Berenberg, Baader, Raiffeisen Centrobank, Kepler Chevreux, SRC Research and Steubing.

Management Report

Economic Environment

The trend observed in the preceding quarters continued at the start of 2015. At the beginning of the year the USA achieved robust and – as preliminary indicators suggest – sustainable GDP growth, which is set to reach over +2.0% again this year. In contrast, the Chinese economy with a GDP forecast of just over +7.0% remains weak compared to the preceding years – a development which is not surprising given the transformation process of the country into a service-based society, which is partly being managed deliberately by the government. Extremely high debt among companies and the provinces remains a problem for China, caused by the national competitiveness for the best business location. The Russian economy, which performed surprisingly well in the third quarter 2014 given the sanctions, declined sharply at the end of the year and is now feeling the full impact. It was somewhat unexpected that the neighbouring countries, Asia in particular, have hardly been affected at all by the economic slump in Russia. However, this could change quickly as the sanctions continue.[1]

The recovery in the eurozone and in Japan has gathered pace in recent months. One reason for this was the low oil price, which had a stimulating effect on production. In any case, the danger of deflation still looms in Europe.[2] As expected, the depreciation of the Euro had a positive impact on exports and the first signs of banks easing their credit policies were also seen.[3] The outlook for the eurozone is more positive than last year when GDP rose by around 0.9%. Despite this growth, Europe's economic output still lags below the level of 2008, even though only three countries – Italy, Cyprus and, somewhat unexpectedly, Finland – experienced a decline in GDP in 2014. Germany and Spain achieved significant growth in the previous year, although the latter's naturally started out from a very low level. In contrast, France has scarcely moved and its economy remains stagnant.[4]

The Austrian economy also remains under pressure. Weaknesses in domestic demand, exports and construction have significantly dampened the mood and are therefore also having a negative impact on investment activity. In any case, the Austrian economy is not expected to achieve negative growth, although growth is set to remain sluggish compared to other eurozone countries.[5] Overall, GDP is expected to rise by around 0.5% this year, marking an improvement against the previous year (+0.3%).[6]

Development of Output

In the first quarter 2015 PORR managed to maintain the high level of output from the previous year – despite the extremely mild winter in the comparable period 2014. At March 31st 2015 production output reached EUR 592m, almost the same as the previous year. This once again confirms the strategy of intelligent growth on the five home markets of Austria, Germany, Switzerland, Poland and the Czech Republic, complemented by project-based infrastructure initiatives in CEE/SEE markets and Qatar.

The Business Units showed a varied performance, even though the first three months are hardly a reliable indicator of annual output. The output of Business Unit 1 – DACH and Business Unit 5 – Environmental Engineering was unable to match the comparable period, while Business Unit 2 – CEE/SEE and Business Unit 4 – Infrastructure managed to increase their output.

In the first quarter around 85% of production output was generated on the home markets. Austria

[1] WIFO Monthly Report 03/2015, page 151
[2] WIFO Monthly Report 04/2015, page 234
[3] WIFO Monthly Report 04/2015, page 235
[4] WIFO Monthly Report 03/2015, page 152f
[5] WIFO Monthly Report 04/2015, page 231
[6] WIFO Monthly Report 04/2015, page 233

remained the most important market by some margin, followed by Germany and – for the first time – Qatar. Work on the largest project in PORR's history, the Doha metro in Qatar, is in full swing and is acting as an important output driver. Output in the two other home markets Switzerland and the Czech Republic, as well as the Romanian project market, also achieved significant growth. The situation in the Austrian federal provinces was challenging; the tight budgets at both federal and municipal level led to declines in production output, with the exception of Vorarlberg and Lower Austria.

The most important output generators in terms of projects were the Green Line in Qatar as well as major infrastructure projects. In addition to Koralm Tunnel KAT 3, Stuttgart 21, Slab Track System projects in Germany, the Emscher Canal in the Ruhr area and the Obervermunt II pumped storage power plant in Vorarlberg, these included traffic projects such as the Plovdiv–Septembri railway line in Bulgaria and the Sebeș–Turda motorway in Romania. In building construction, work is underway on the Santander Bank in Mönchengladbach, Wohnquartier Alexanderplatz in Berlin and the Oettingenstraße apartment complex in Munich. Output also rose in Switzerland, not least as a result of major building construction projects such as the Winzerhalde apartment complex and the Hard Turm Park – both in Zurich. In Vienna the large-scale Smart Campus project made a significant contribution to output.

Order Balance

PORR continues to have a very solid cushion of orders. At March 31st 2015 the order backlog stood at EUR 4,392m, a slight decrease of EUR 94m or 2.1%. The decline was exclusively linked to Business Unit 4 – Infrastructure, where the high order bookings from the previous years are now being worked off and new orders are only being acquired extremely selectively and with a focus on margins. Overall, PORR continues to have far more than a single year's construction output in its order books.

In contrast to the order backlog, order bookings rose significantly in the period under review. They reached EUR 925m, marking an increase of EUR 245m or 36.0%. This growth was experienced across every business unit, although Business Unit 2 – CEE/SEE performed exceptionally well, with order bookings up by around EUR 98m against the comparable period of the previous year.

Some of the largest new orders in the first quarter 2015 were the Europaallee office building in Zurich for the Swiss Railways as well as the Albula Tunnel II and the Ceneri Base Tunnel, also in Switzerland. The Group managed to acquire the Krakow-Prokocim university clinic and the Marriott Okecie Hotel in Warsaw. In the crucial Vienna area, PORR was charged with building the residential complex Jedleseer Straße 79-95 and another lot for the client Boehringer. Outside the home markets PORR is pursuing an extremely selective acquisition policy tailored to the market backdrop. New projects are only being taken on if secure co-financing from the EU is in place, preferably in the core competency of infrastructure.

Financial Performance

The construction industry traditionally generates lower revenue and consequently lower earnings in the first quarter due to seasonal factors. Construction output is weaker in the winter months and this has an impact on financial performance.

In the income statement for the comparable period, January 1st 2014 to March 31st 2014, the figures for the spun-off real estate business have been retrospectively presented in the profit (loss) for the period from discontinued operations to facilitate comparisons with the period under review.

Revenue in the first quarter 2015 totalled EUR 528.8m, a 3.6% decline against the comparable period 2014. While the percentage accounted for by cost of materials and other related production expenses slipped back slightly (-1.0%), the revenue share accounted for by staff expense underwent a small rise (+2.7%). Additional disproportionately high increases in other operating income (+1.7PP), at the same time as cutting other operating expenses (-0.6PP), led to a EUR 6.8m improvement in EBITDA to EUR 7.3m. Despite the increase in depreciation, amortisation and impairment (EUR +1.8m to EUR 17.4m) in the first quarter 2015, EBIT stood at EUR -10.1m at March 31st 2015 and was therefore EUR +5.1m or 33.5% higher than the comparable figure.

A significant decrease of EUR 1.3m (-13.2%) was achieved in finance costs, while better interest income led to a rise in financial income of EUR +3.4m to EUR 6.3 m. This generated a sharp rise of EUR 9.8m in EBT to EUR -12.0m. The loss for the period from continued operations amounted to EUR -11.6m in the first quarter 2015, marking an increase of EUR +6.6m against the comparable period of the previous year.

Financial Position and Cash Flows

At March 31st 2015 the Group's total assets amounted to EUR 1,922.6m and were thereby EUR 223.4m lower than on the comparable closing date, December 31st 2014.

While non-current assets generally held steady, current assets declined by a total of EUR 227.5m against December 31st 2014, as a result of the seasonal reduction in the high net cash position.

Equity decreased slightly due to the purchase of treasury shares totalling EUR 12,0m and the slightly negative post-tax earnings for the period, as is common in the first quarter. The equity ratio stood at 19.0% at March 31st 2015 compared to 17.9% at December 31st 2014.

In terms of liabilities, important factors included a reduction of EUR -211.6m in current liabilities, as the strong cash position at December 31st 2014 was used to settle current liabilities in the first quarter 2015. Non-current liabilities remained broadly stable at EUR 417.3m.

Net debt (total of bonds and financial liabilities, less cash and cash equivalents) rose as a result of the simultaneous reduction in other current liabilities by EUR 245.8m to EUR 181.3m from December 31st 2014 to March 31st 2015.

Operating cash flow was up by EUR 3.5m to EUR 5.7m, mainly as a result of the improvement in the loss for the period against the comparable period of the previous year.

Cash flow from operating activities of EUR -199.3m was EUR 81.7m lower than in the comparable period 2014, as the high cash reserves at December 31st 2014 were drawn on to reduce working capital in the first quarter 2015. A cash outflow for a current financial investment caused cash flow from investing activities to fall by EUR 32.3m against the comparable period.

Cash flow from financing activities showed the cash inflow from increasing a hybrid bond (EUR +5.2m), the outflow for a change in treasury shares held (EUR -12.0m) and settling financial liabilities (EUR -24.8m).

At March 31st 2015 cash and cash equivalents totalled EUR 199.8m.

Investments

No significant investments were made in the first quarter of 2015 except the usual investments to replace machinery and construction site equipment. The strict cost controls, which are part of the **fit**for**future** programme throughout the Group, were thereby also upheld.

Opportunity and Risk Management

Risk management involves the areas of project management, lending and borrowing management, procurement, currency and interest exchange management, as well as the increasing focus on risks related to markets and the general economy. The main purpose of opportunity and 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 the past year PORR has strengthened its opportunity and risk management in terms of both organisation and staff and expanded its early warning system.

Staff

In the first quarter 2015 PORR employed an average of 12,180 staff, an increase of 765 people or 6.7%. This rise was largely generated by Business Unit 4 – Infrastructure, where the fact that large-scale projects, particularly the Doha metro in Qatar, are fully underway led to a significant increase in staffing levels.

Forecast

There is no change to the positive forecast for 2015; PORR is well-equipped for the future. Output in the first three months matched the level of the previous year and construction managed to start on schedule in most regions, despite the more challenging weather conditions compared to the previous year. This was accompanied by a high order backlog of around EUR 4.4bn, which declined slightly but was balanced out by the strong growth in order bookings. The good start to the construction year and the solid cushion of orders has led the PORR Executive Board to forecast an increase in production output for the full year.

In terms of strategy, PORR will continue to concentrate on its five home markets of Austria, Germany, Switzerland, Poland and the Czech Republic, coupled with project-based infrastructure activities in attractive CEE/SEE markets. Saudi Arabia is under observation from the hub in Qatar and entry into this target market will be prepared with local partner SBG should appropriate opportunities arise. In addition to Saudi Arabia, the target markets of the UK and Scandinavia are also under close observation. As on all other international markets, here PORR will also concentrate on its core competencies in tunnelling, rail construction and foundation engineering.

The spin-off of the real estate business from the PORR Group was completed at the end of 2014 and has had an ongoing positive impact on the Group's liquidity and working capital. The Executive Board has thereby forecast a renewed increase in earnings for the full year.

Segment Report

Segment Business Unit 1 – DACH

Key Data in EUR m	1–3/2015	1–3/2014	Change
Production output	299	319	-6.2%
Order bookings	479	430	+11.3%
Order backlog	1,584	1,582	+0.1%
Staff	5,990	6,009	-0.3%

The segment Business Unit 1 – DACH (BU 1) is responsible for the home markets of Austria (including structural engineering) and Switzerland, building construction in Germany, as well as large-scale building construction projects with a special focus on general contractor and design-build services. The segment includes the activities of the TEERAG-ASDAG Group. BU 1 focuses in particular on residential construction, office construction, industrial construction and road construction, the latter particularly through TEERAG-ASDAG.

In Austria BU 1 has complete coverage across every federal province and has established itself as a market leader in recent years. In Germany this unit has also consolidated its position over the past years. In Switzerland PORR has enjoyed success in civil engineering for years and has recently increased its activities in building construction projects.

Compared to the previous year, BU 1 had a later start to the construction season as a result of the weather, whereby output lagged against the previous year. At March 31st 2015 production output stood at EUR 299m, a decrease of EUR 20m or 6.2%. Here the performance of the federal provinces in Austria varied greatly and some also achieved sharp growth depending on the weather conditions.

The order backlog continued to perform well, despite the existing very high level in Austria, Germany and Switzerland. The order backlog held steady at EUR 1,584m, an increase of EUR 2m or 0.1%. Order bookings rose to EUR 479m, an increase of EUR 49m or 11.3%. Switzerland recorded the sharpest growth, whereby the Europaallee office building in Zurich for the Swiss Railways marked the largest building construction tender acquired in the first quarter.

Even though the market situation in the three BU 1 countries remains challenging and civil engineering in particular has to deal with the impact of limited public budgets, BU 1 is optimistic about the current business year. The credit standing of public and private clients in Austria, Germany and Switzerland provides a foundation for the Group's economic growth. The German and Swiss markets in particular continue to offer opportunities for expansion.

Segment Business Unit 2 – CEE/SEE

Key Data in EUR m	1–3/2015	1–3/2014	Change
Production output	64	60	+7.7%
Order bookings	151	53	+185.4%
Order backlog	429	331	+29.6%
Staff	1,568	1,437	+9.1%

The segment Business Unit 2 – CEE/SEE (BU 2) covers PORR's permanent business on the home markets of Poland and the Czech Republic, where PORR offers a complete range of construction services in general building construction and civil engineering. It also deals with project-based activities in other CEE/SEE countries – at present these mostly relate to Romania.

Poland and the Czech Republic are well-established PORR home markets, as the company has been represented here for many years and has strong regional networks. Both countries have emerged positively from the economic crisis. The Polish construction market did not undergo a slump, while the market has been recovering in the Czech Republic over the past few quarters and the increasingly important Romanian market has experienced significant growth.

In the first quarter 2015 BU 2 managed to increase its production output to EUR 64m, a rise of EUR 4m or 7.7%. While output in Poland also lagged behind the previous year as a result of the weather, it increased in the Czech Republic and Romania. The high growth in Romania was generated by starting to work off the numerous orders acquired in the previous year, while the first positive impacts on business activities in the Czech Republic were seen from the pre-announced public investments.

Increases were achieved in production output as well as in the order backlog and order bookings and these continue to provide a solid foundation for growth. At March 31st 2015 the order backlog stood at EUR 429m, an increase of EUR 98m or 29.6%. Order bookings totalled EUR 151m in the first quarter 2015, a rise of EUR 98m or 185.4%. Major new orders included the Marriott Okecie Hotel in Warsaw and the Mercure Hotel in Krakow.

PORR remains on a steady growth path in Poland, the Czech Republic and Romania. In most other countries in the region the Group has adjusted capacity to the respective backdrops or withdrawn completely. However, PORR will also remain active on these markets on a project basis, as long as it has excellent access to the customer and co-financing from the EU is in place.

Segment Business Unit 4 – Infrastructure

Key Data in EUR m	1–3/2015	1–3/2014	Change
Production output	196	174	+12.6%
Order bookings	233	152	+52.8%
Order backlog	2,277	2,502	-9.0%
Staff	2,899	2,246	+29.1%

PORR is a leader in infrastructure projects on its home markets of Austria, Germany, Switzerland, Poland and the Czech Republic, as well as several other countries in CEE/SEE. The segment Business Unit 4 – Infrastructure (BU 4) includes activities in tunnelling, rail construction and foundation engineering, as well as large-scale projects in road and bridge construction. Furthermore, BU 4 is responsible for German civil engineering, the international markets which are managed from hub in Qatar, and certain markets such as Slovakia, which is currently only being developed selectively for large-scale infrastructure projects. BU 4 realises everything from specialised foundation engineering works to complex large-scale projects in railway construction and traffic infrastructure which cover the entire range of transport construction.

BU 4 is one of Europe's leading companies in many areas such as underground construction, from conventional tunnelling with shotcrete right through to high-tech mechanical boring. In railway construction PORR developed the Austria Slab Track system in cooperation with ÖBB, the Austrian Federal Railways. More and more clients rely on this system and it has led to numerous acquisitions in Austria and Germany in recent years.

The fact that work on the Green Line in Qatar is in full swing and high output is being generated on other tunnelling sites such as Stuttgart 21 and the Emscher Canal BA40 led to a rise in BU 4's production output to EUR 196m in the first three months of 2015, an increase of EUR 22m or 12.6%.

The order situation was subject to extreme variation. While the order backlog amounted to EUR 2,277m and was thereby EUR 225m or 9.0% below the comparable period, it was possible to increase order bookings by EUR 81m or 52.8% to EUR 233m. This uneven development highlights the nature of BU 4, a business driven by large-scale projects, which results in fluctuations from the fact that the projects span several years. Overall, BU 4 continues to enjoy a solid cushion of orders, which is significantly more than two full years of construction output.

The capacity of BU 4 is already very well utilised by the current projects, allowing a highly selective approach to other tenders with a view to the margins. In the coming years PORR will continue to concentrate on its export products in tunnelling, rail construction and foundation engineering, particularly on the international markets. The Group's exceptional expertise in these areas allows it to generate significant value added.

Segment Business Unit 5 – Environmental Engineering

Key Data in EUR m	1–3/2015	1–3/2014	Change
Production output	23	28	-17.9%
Order bookings	31	21	+46.8%
Order backlog	47	40	+17.6%
Staff	800	823	-2.8%

The segment Business Unit 5 – Environmental Engineering (BU 5) is home to the PORR's expertise in environmental clean-up, waste management and renewable energy. PORR Umwelttechnik develops, builds and operates landfills, waste treatment and sorting facilities in Austria, Germany and Serbia. The activities have a clear focus on Austria. PORR increased its range of services in 2013 with the purchase of Vienna-based Prajo & Co. GmbH, a firm specialised in recycling demolition and construction waste.

In the first quarter 2015 BU 5's production output totalled EUR 23m and therefore declined, as planned, by EUR 5m or 17.9% against the comparable period of the previous year. Here the decrease was fully accounted for by the completion of the large-scale project to demolish the Voitsberg power plant in Styria, which was concluded very successfully.

Following on from the completion of this large-scale project, it was possible to acquire numerous new orders in the reporting period. The order backlog reached EUR 47m, an increase of EUR 7m or 17.6%. Order bookings even rose to EUR 31m, representing growth of EUR 10m or 46.8%.

Thanks to the strong cushion of orders and its renowned expertise in niche segments, BU 5 is also optimistic about the year 2015. PORR's internal value creation and the ongoing focus on special solutions – such as the “A-GB-A” model (offering demolition, foundation engineering and excavation from a single source) – will continue to serve as the success factors of PORR Umwelttechnik well into the future.

Interim Consolidated Financial Statements as of March 31st 2015

Consolidated Income Statement

in EUR thousand	Notes	1–3/2015	1–3/2014[1]
Revenue		528,800	548,511
Own work capitalised in non-current assets		101	747
Share of profit/loss of companies accounted for under the equity method		5,908	1,491
Other operating income		30,432	22,065
Cost of materials and other related production services		-344,395	-362,762
Staff expense		-156,000	-146,874
Other operating expenses		-57,500	-62,682
EBITDA		7,346	496
Depreciation, amortisation and impairment expense		-17,420	-15,650
EBIT		-10,074	-15,154
Income from financial investments and other current financial assets		6,277	2,839
Finance costs		-8,237	-9,495
EBT		-12,034	-21,810
Income tax expense		455	3,617
Profit/loss for the period from continued operations		-11,579	-18,193
of which: attributable to non-controlling interests		-178	-136
of which: attributable to holders of profit-participation rights		800	1,300
of which: attributable to shareholders of the parent		-12,201	-19,357
Profit/loss for the period from discontinued operations		-	-1,218
of which: attributable to non-controlling interests		-	52
of which: attributable to shareholders of the parent		-	-1,270
Total profit/loss for the period		-11,579	-19,411
of which: attributable to non-controlling interests		-178	-84
of which: attributable to holders of profit-participation rights		800	1,300
of which: attributable to shareholders of the parent		-12,201	-20,627
Basic (diluted) earnings per share, continued operations (in EUR)	(6)	-0.85	-1.63
Basic (diluted) earnings per share, discontinued operations (in EUR)	(6)	-	-0.10
Basic (diluted) earnings per share (in EUR)	(6)	-0.85	-1.73

[1] The comparative figures have been adjusted retrospectively in accordance with IFRS 5.

Statement of Comprehensive Income

in EUR thousand	1–3/2015	1–3/2014[1]
Profit/loss for the period	-11,579	-19,411
Other comprehensive income		
Remeasurement from benefit obligations	-4,809	-
Income tax expense (income) on other comprehensive income	1,246	-
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	-3,563	-
Exchange differences	1,645	-160
Gains (losses) from fair value measurement of securities	-281	67
Gains (losses) from cash flow hedges of associates	-	-1,136
Income tax expense (income) on other comprehensive income	70	-17
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	1,434	-1,246
Other comprehensive income	-2,129	-1,246
Total comprehensive income	-13,708	-20,657
of which: attributable to non-controlling interests	-147	-86
Share attributable to shareholders of the parent and holders of profit-participation rights	-13,561	-20,571
of which: attributable to holders of profit-participation rights	800	1,300
Share attributable to shareholders of the parent	-14,361	-21,871

[1] The comparative figures have been adjusted retrospectively in accordance with IFRS 5.

Consolidated Statement of Financial Position

in EUR thousand	Notes	31.3.2015	31.12.2014
Assets			
Non-current assets			
Intangible assets		56,034	56,310
Property, plant and equipment		418,170	412,855
Investment property		45,761	46,767
Shareholdings in companies accounted for under the equity method		39,111	50,180
Loans		775	797
Other financial assets		139,393	139,663
Other non-current assets		26,615	16,292
Deferred tax assets		6,256	5,149
		732,115	728,013
Current assets			
Inventories		77,505	72,647
Trade receivables		713,315	725,101
Other financial assets		160,912	129,943
Other receivables and current assets		24,317	18,593
Cash and cash equivalents		199,761	465,617
Assets held for sale		14,719	6,116
		1,190,529	1,418,017
Total assets		**1,922,644**	**2,146,030**

Equity and liabilities			
Equity			
Share capital	(7)	29,095	29,095
Capital reserves		249,014	249,014
Hybrid capital		22,657	17,150
Other reserves		18,494	44,881
Equity attributable to shareholders of parent		319,260	340,140
Equity from profit-participation rights		44,960	44,160
Non-controlling interests		716	871
		364,936	385,171
Non-current liabilities			
Bonds		155,376	155,294
Provisions		136,938	132,253
Non-current financial liabilities		101,622	96,528
Other non-current financial liabilities		2,154	2,319
Deferred tax liabilities		21,217	22,436
		417,307	408,830
Current liabilities			
Bonds		78,478	78,393
Provisions		122,137	125,007
Current financial liabilities		45,564	70,851
Trade payables		556,546	655,360
Other current financial liabilities		37,792	39,308
Other current liabilities		287,974	370,774
Tax payables		11,910	12,336
		1,140,401	1,352,029
Total equity and liabilities		**1,922,644**	**2,146,030**

Consolidated Cash Flow Statement

in EUR thousand	1–3/2015	1–3/2014[1]
Profit (loss) for the period	-11,579	-19,411
Depreciation, impairment and reversals of impairment on fixed assets	17,430	16,367
Interest income/expense	2,991	8,579
Income from companies accounted for under the equity method	1,306	2,178
Profits from the disposal of fixed assets	-3,372	-1,369
Decrease/increase in long-term provisions	-123	23
Deferred income tax	-941	-4,211
Operating cash flow	5,712	2,156
Decrease/increase in short-term provisions	-2,950	23,840
Increase in inventories	-4,858	-13,205
Increase in receivables	-9,380	26,044
Decrease in payables (excluding banks)	-186,391	-149,967
Interest received	3,241	1,385
Interest paid	-4,465	-7,602
Other non-cash transactions	-166	-231
Cash flow from operating activities	-199,257	-117,580
Proceeds from sale of property, plant and equipment and investment property	5,326	12,701
Proceeds from sale of financial assets	1,073	1,940
Proceeds from the disposal of assets held for sale	1,401	1,923
Payouts for financial investments	-36,395	-
Investments in intangible assets	-1,068	-572
Investments in property, plant and equipment and investment property	-7,194	-18,608
Investments in financial assets	-208	-2,219
Cash flow from investing activities	-37,065	-4,835
Dividends paid out to non-controlling interests	-	-49
Proceeds from the sale of treasury shares	-	2,483
Payouts for the purchase of treasury shares	-12,030	-
Obtaining loans and other financing	-	651
Redeeming loans and other financing	-24,828	-
Hybrid capital	5,208	-
Cash flow from financing activities	-31,650	3,085
Cash flow from operating activities	-199,257	-117,580
of which: from discontinued operations	-	-19,627
Cash flow from investing activities	-37,065	-4,835
of which: from discontinued operations	-	1,681
Cash flow from financing activities	-31,650	3,085
of which: from discontinued operations	-	3,767
Change to cash and cash equivalents	-267,972	-119,330
Cash and cash equivalents at Jan 1st	465,617	332,907
Currency differences	2,116	-121
Changes to cash and cash equivalents resulting from changes to the consolidated group	-	2,013
Cash and cash equivalents at March 31st	199,761	215,469
Tax paid	1,188	106

[1] The comparative figures have been adjusted retrospectively in accordance with IAS 8.

Segment Report[1]

1–3/2015 in EUR thousand	BU 1 – DACH	BU 2 – CEE/SEE	BU 4 – Infrastructure	BU 5 – Environmental Engineering	Holding	Group
Production output (Group)	299,147	64,356	195,891	22,835	9,379	591,608
Segment revenue (Revenue, own work capitalised and other operating income)	312,077	72,574	144,748	15,973	13,961	559,333
Intersegment revenue	21,888	3,273	10,568	4,243	51,028	
EBT (Earnings before tax = segment earnings)	-13,502	-28	1,627	-982	851	-12,034

[1] Part of the notes

Statement of Changes in Group Equity

in EUR thousand	Share capital	Capital reserves	Revaluation reserve	Remeasurement from benefit obligations	Foreign currency translation reserves
Balance at Jan 1st 2014	24,203	139,632	24,203	-13,926	2,646
Total profit/loss for the period	-	-	-	-	-160
Dividend payout	-	-	-	-	-
Income tax on interest for holders of profit-participation rights	-	-	-	-	-
Treasury shares	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-
Balance at Dec 31st 2014	24,203	139,632	24,203	-13,926	2,486
Balance at Jan 1st 2015	29,095	249,014	14,425	-24,477	3,517
Total profit/loss for the period	-	-	-	-3,563	1,303
Hybrid capital	-	-	-	-	-
Income tax on interest for holders of profit-participation rights/hybrid capital	-	-	-	-	-
Purchasing treasury shares	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-
Balance at March 31st 2015	29,095	249,014	14,425	-28,040	4,820

1–3/2014 in EUR thousand	BU 1 – DACH	BU 2 – CEE/SEE	BU 4 – Infrastructure	BU 5 – Environmental Engineering	Holding	Group
Production output (Group)	318,951	59,736	174,036	27,824	11,504	592,051
Segment revenue (Revenue, own work capitalised and other operating income)	333,045	73,734	127,848	17,669	21,633	573,929
Intersegment revenue	16,523	2,866	2,607	1,772	47,912	
EBT (Earnings before tax = segment earnings)	-8,318	-5,833	-5,291	1,404	-3,772	-21,810

Total debt securities available for sale – fair value reserve	Reserve for cash flow hedges	Hybrid capital	Retained earnings and non-retained profit	Equity attributable to equity holders of the parent	Profit-participation rights	Non-controlling interests	Total
169	-31,571	-	153,377	298,733	46,120	2,809	347,662
50	-1,136	-	-20,625	-21,871	1,300	-86	-20,657
-	-	-	-	-	-	-49	-49
-	-	-	325	325	-	-	325
-	-	-	2,102	2,102	-	-	2,102
-	-	-	-346	-346	-	75	-271
219	-32,707	-	134,833	278,943	47,420	2,749	329,112
324	-	17,150	51,092	340,140	44,160	871	385,171
-211	-	299	-12,189	-14,361	800	-147	-13,708
-	-	5,208	-	5,208	-	-	5,208
-	-	-	275	275	-	-	275
-	-	-	-12,010	-12,010	-	-	-12,010
-	-	-	8	8	-	-8	-
113	-	22,657	27,176	319,260	44,960	716	364,936

Notes to the Interim Consolidated Financial Statements as at March 31st 2015

1. General Information

The PORR Group consists of PORR AG and its subsidiaries. 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.

These 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 (IFRSs) adopted by the European Union, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

In accordance with IAS 34, the interim consolidated financial statements do not contain every comprehensive entry which is obligatory in the annual financial statements and therefore this interim report should be read in conjunction with the annual report of the PORR Group as at December 31st 2014. As per IAS 34, the consolidated results of the interim consolidated financial statements are not necessarily indicative 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 these interim consolidated financial statements.

2. Consolidated Group and Acquisitions

The following two companies were consolidated for the first time in these interim financial statements:

Because of new foundations	Date of initial consolidation
PORR UK Ltd.	12.3.2015
PORR Construction B.V.	3.3.2015

3. Accounting and Valuation Methods

The accounting and valuation methods applied in the consolidated financial statements of December 31st 2014, which are presented in the notes to the consolidated annual 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:

Amendments to standards and interpretations

Amendment to IAS 19 Employee Benefits

The amendment clarifies how contributions from employees or third parties which are linked to service should be attributed to periods of service and also permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendment applies to fiscal years beginning on or after July 1st 2014.

Annual Improvements to IFRSs (2010–2012 Cycle)

The Annual Improvements to IFRSs 2010–2012 Cycle contains a number of minor amendments to different standards. The amendments apply to fiscal years beginning on or after July 1st 2014. The standards affected by these amendments include: IFRS 2 Share-based Payment; IFRS 3 Business Combinations; IFRS 8 Operating Segments; IFRS 13 Fair Value Measurement; IAS 16 Property, Plant and Equipment; IAS 24 Related Party Disclosures; and IAS 38 Intangible Assets.

Annual Improvements to IFRSs (2011–2013 Cycle)

The Annual Improvements to IFRSs 2011–2013 Cycle contains a number of minor amendments to different standards. The amendments apply to fiscal years beginning on or after July 1st 2014. The standards affected by these amendments include: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 3 Business Combinations; IFRS 13 Fair Value Measurement; and IAS 40 Investment Property.

The main purpose of the Annual Improvements project is to clarify the formulation of existing IFRSs and make small amendments to eliminate unforeseen consequences and conflicts.

New interpretations

IFRIC 21 – Levies

The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The interpretations apply to fiscal years beginning on or after July 1st 2014.

The first-time application of the interpretations and amendments to the standards have not had a significant impact on the consolidated financial statements.

The interim consolidated financial statements at March 31st 2015 use the same consolidation methods and basis for currency exchange as were used in the annual financial statements of December 31st 2014.

4. Estimates and Assumptions

Producing interim consolidated financial statements in accordance with IFRSs requires management to make estimates and assumptions which affect the amount and disclosure of assets and liabilities in the statement of financial position, income and expense, as well as 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. As a result of the fixed costs which exist, earnings are lower in the first two quarters than in the final two quarters. These seasonal fluctuations are less pronounced in building construction than in civil engineering and road construction.

6. Earnings per Share

in TEUR	1–3/2015	1–3/2014
Proportion of annual deficit/surplus relating to shareholders of parent, continued operations	-12,201	-19,357
Proportion of annual deficit/surplus relating to shareholders of parent, discontinued operations	-	-1,270
Weighted average number of issued shares and capital share certificates	14,316,628	11,909,974
Basic earnings per share = diluted earnings per share, continued operations in EUR	-0.85	-1.63
Basic earnings per share = diluted earnings per share, discontinued operations in EUR	-	-0.10
Basic earnings per share = diluted earnings per share, total in EUR	-0.85	-1.73

7. Share Capital

Share capital	No. 2015	EUR 2015	No. 2014	EUR 2014
Ordinary bearer shares	14,547,500	29,095,000	14,547,500	29,095,000
Total share capital	14,547,500	29,095,000	14,547,500	29,095,000

As the result of an Executive Board resolution on January 16th 2015, PORR AG purchased 286,432 shares at a price of EUR 42.00 per share. This corresponds to around 1.9689% of share capital. The transfer was concluded on January 21st 2015. The purpose of the buyback was granting shares, for payment or free of charge, to employees, managers and members of the Group Executive Board or one of its associated companies; or as a consideration for assets transferred to the Company or its subsidiaries, including property, companies, operations or shares in one or more companies in Austria and abroad.

At the reporting date treasury shares totalled 297,706, corresponding to 2.05% of the share capital.

Hybrid capital

In March 2015 the Executive Board of PORR AG resolved to increase the hybrid bond issued in October 2014 (ISIN AT0000A19Y36) by up to EUR 7,945,500 in the course of a private placement. EUR 5,000,000 of the total had been issued by the end of the reporting period.

8. Financial Instruments

The carrying amount of the financial instruments as per IAS 39 is a reasonable approximation of the fair value, with the exception of bonds subject to fixed interest rates (fair value hierarchy level 1), deposits from banks subject to fixed interest rates (fair value hierarchy level 3), and other financial liabilities subject to fixed interest rates (fair value hierarchy level 3).

in EUR thousand	Measure-ment category	Carrying amount at March 31st 2015	(amortised) Acquisition costs	Fair Value other com-prehensive income	Fair Value affecting net income	Fair Value hierarchy	Fair Value at March 31st 2015
Assets							
Loans	LaR	864	864				
Other financial assets[1]	AfS (at cost)	3,457	3,457				
Other financial assets	AfS	11,086		11,086		Level 1	11,086
Other financial assets	AfS	124,849		124,849		Level 3	124,849
Trade receivables	LaR	713,315	713,315				
Other financial assets	LaR	184,903	184,903				
Other financial assets	FAHfT	2,195			2,195	Level 1	2,195
Derivatives (without hedges)	FAHfT	340			340	Level 2	340
Cash and cash equivalents		199,761	199,761				
Liabilities							
Bonds							
at fixed interest rates	FLAC	233,853	233,853			Level 1	244,929
Deposits from banks							
at fixed interest rates	FLAC	14,961	14,961			Level 3	14,950
at variable interest rates	FLAC	43,536	43,536				
Lease obligations[2]		69,799	69,799				
Other financial liabilities							
at fixed interest rates	FLAC	17,945	17,945			Level 3	18,017
at variable interest rates	FLAC						
Trade payables	FLAC	556,546	556,546				
Other financial liabilities	FLAC	39,946	39,946				
Derivatives (without hedges)	FLHfT	945			945	Level 2	945
by category:							
Loans and receivables	LaR	899,082	899,082				
Cash and cash equivalents		199,761	199,761				
Available-for-Sale Financial Assets[1]	AfS (at cost)	3,457	3,457				
Available-for-Sale Financial Assets	AfS	135,935		11,086			
Financial Assets Held for Trading	FAHfT	2,535			2,535		
Financial Liabilities Held for Trading	FLHfT	945			945		
Financial Liabilities Measured at Amortised Cost	FLAC	906,787	906,787				

in EUR thousand	Measure-ment category	Carrying amount at Dec 31st 2014	(amortised) Acquisition costs	Fair Value other com-prehensive income	Fair Value affecting net income	Fair Value hierarchy	Fair Value at Dec 31st 2014
Aktiva							
Loans	LaR	891	891				
Other financial assets[1]	AfS (at cost)	3,449	3,449				
Other financial assets	AfS	10,883		10,883		Level 1	10,883
Other financial assets	AfS	125,330		125,330		Level 3	125,330
Trade receivables	LaR	725,101	725,101				
Other financial assets	LaR	145,964	145,964				
Derivatives (without hedges)	FAHfT	177			177	Level 2	177
Cash and cash equivalents		465,616	465,616				
Liabilities							
Bonds							
at fixed interest rates	FLAC	233,688	233,688			Level 1	244,996
Deposits from banks							
at fixed interest rates	FLAC	15,407	15,407			Level 3	15,165
at variable interest rates	FLAC	43,483	43,483				
Lease obligations[2]		70,592	70,592				
Other financial liabilities							
at fixed interest rates	FLAC	17,770	17,770			Level 3	17,842
at variable interest rates	FLAC	20,122	20,122				
Trade payables	FLAC	655,360	655,360				
Other financial liabilities	FLAC	41,627	41,627				
Derivatives (without hedges)	FLHfT	5			5	Level 2	5
by category:							
Loans and receivables	LaR	871,956	871,956				
Cash and cash equivalents		465,616	465,616				
Available-for-Sale Financial Assets[1]	AfS (at cost)	3,449	3,449				
Available-for-Sale Financial Assets	AfS	136,213		136,213			
Financial Assets Held for Trading	FAHfT	177			177		
Financial Liabilities Held for Trading	FLHfT	5			5		
Financial Liabilities Measured at Amortised Cost	FLAC	1,027,457	1,027,457				

[1] These are related to Group shareholdings, predominantly shares in GmbHs, whose fair value cannot be reliably measured and for which there is no active market so that they are measured at acquisition cost less possible impairment. There are currently no concrete plans to sell.

[2] Lease obligations fall under the application of IAS 17 and IFRS 7.

9. Related Party Disclosures

There have been no significant changes in relationships between related companies, or any resultant obligations or guarantees since December 31st 2014.

As a result of entry into the Commercial Register on February 19th 2015 of the merger of PIAG AG with UBM AG and the universal succession of UBM Development AG, the companies in the UBM Development Group constitute related parties.

In addition to subsidiaries and associates, related parties include the companies of the Ortner Group as they or their controlling entity has a significant influence over PORR AG through the shares which they hold, as well as the Strauss Group, as a member of the Executive Board of PORR AG has significant influence over it, as well as the Kapsch Group, as a member of the Executive Board of PORR AG holds a key position at the same time as having significant influence over PORR AG. In addition to people who have a significant influence over PORR AG, related parties also include the members of the Executive and Supervisory Boards of PORR AG as well as their close family members.

10. Audit Disclosure

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

11. Events after the End of the Reporting Period

The following events subject to disclosure occurred after the end of the reporting period:

The hybrid capital was increased by a further EUR 2,945,500 in April and May 2015 in the course of a private placement.

May 31st 2015, Vienna

The Executive Board

Karl-Heinz Strauss
Christian B. Maier
J. Johannes Wenkenbach

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 three 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 nine months of the fiscal year and with regard to related party disclosures.

May 31st 2015, Vienna

Karl Heinz Strauss Chief Executive Officer	Christian B. Maier Executive Board Member	J. Johannes Wenkenbach Executive Board Member

Acknowledgements

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Disclaimer
This interim 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.

Changes expressed in percentages relate to non-rounded values. Absolute figures have been rounded off using the compensated summation method.

Forecasts related to the future development of the Group take the form of estimates based on information available at the time of the interim report 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 interim 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 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.