

THIRD QUARTERLY REPORT 2006



KEY DATA FOR THE PORR GROUP

Values in million €	Quarters 1-3 2006	Change	Quarters 1-3 2005
Group output	1,611.6	1.8%	1,583.6
of which domestic	1,137.2	2.9%	1,105.0
of which foreign	474.4	-0.9%	478.6
Foreign share of total output in %	29.4	-0.8 PP	30.2
Total order receipts	2,167.0	28.8%	1,682.0
of which domestic	1,629.6	28.2%	1,270.8
of which foreign	537.4	30.7%	411.2
Total order balance	2,020.1	24.7%	1,619.5
for the rest of the current year	585.1	-0.9%	590.3
for subsequent years	1,435.0	39.4%	1,029.2
Domestic order balance	1,415.8	31.9%	1,073.7
for the rest of the current year	409.0	2.9%	397.4
for subsequent years	1,006.8	48.9%	676.3
Foreign order balance	604.3	10.7%	545.8
for the rest of the current year	176.1	-8.7%	192.9
for subsequent years	428.2	21.3%	352.9
Average staffing level	10,368	3.6%	10,009
of which workers	6,822	2.6%	6,650
of which salaried employees	3,546	5.6%	3,359
Staffing level at end of quarter	11,409	3.5%	11,024
of which workers	7,761	1.9%	7,617
of which salaried employees	3,648	7.1%	3,407

LETTER TO THE SHAREHOLDERS

QUARTERS 1–3 2006

DEAR SHAREHOLDERS,

The PORR Group is maintaining its course. Business developed as planned in the third quarter. We do not anticipate any negative aberrations in the fourth quarter.

We are paying close attention to the negative aspects of continuing demand. At present, costs are outstripping prices in the wake of the speculative high oil and steel prices, with subcontractors and suppliers facing surging procurement costs and even delivery problems. Such a market reaction to an economic upturn is normal. We have prepared for this eventuality and are responding by way of selective acquisitions, i.e. we are avoiding orders involving financial and/or incalculable risks. Strong growth would not be difficult under present market conditions, but expansion is constrained by a lack of requisite specialists in all sectors. The entire branch is likely to be facing general recruitment difficulties during the several years of anticipated strong demand ahead.

The upside of this huge demand is that orders are at an all-time high in almost all markets we service, amounting to €2,020.1 million as of the end of the 3rd quarter. Consequently, our capacities are already engaged for 2007, allowing us to integrate further market opportunities in an optimal manner.

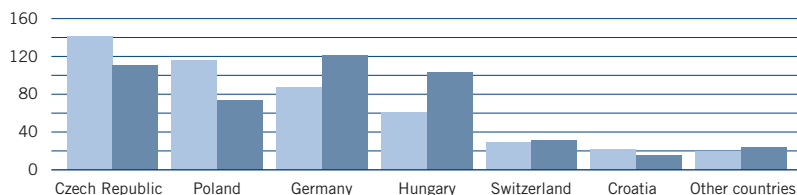
In 2007 we are looking to increasingly open up areas of business that have seen excess unmet demand, indicating renewed growth potential. An example of such a sector is energy construction. As a countermeasure, we will be winding down activities with limited potential, seeking to achieve qualitative growth overall.

PRODUCTION OUTPUT

Total production output for the PORR Group in the first nine months of the 2006 fiscal year was €1,611.6 million, exceeding the comparable figure for the previous year by 1.8% or 28.0 million. Of this output volume, 70.6% (€1,137.2 million) was generated domestically and 29.4% (€474.4 million) abroad. This equates to an increase in the domestic volume of 2.9% (plus €32.2 million) with respect to the previous year. As of the reporting date, foreign output had fallen by 0.9% (-€4.2 million).

DISTRIBUTION OF FOREIGN OUTPUT AS OF 30TH SEPTEMBER 2006 BY COUNTRY

IN MILLION €



In the table showing foreign output, as of 30th September 2006 "Other countries" are Bosnia and Herzegovina, France, Latvia, Montenegro, Serbia, Romania, Slovakia and Slovenia. (2005: Bosnia and Herzegovina, Slovakia and Slovenia)

2006 2005

Production output by markets

The first three quarters of 2006 continued to see variation in the development of the PORR Group's foreign activities. The Czech Republic established itself as the group's dominant foreign market, with an increase in output of 26.9% to €141.2 million. This was primarily attributable to building construction (+76.4% or €29.9 million to €68.9 million), with its outstanding office and commercial construction sector (+86.6% to €57.6 million). On the other hand, the civil engineering output of the TEERAG-ASDAG subsidiary PSVS was only slightly above the previous year's level (+1.5% to €65.1 million). €.

With an increase of 60.4% to €116.6 million in 2006, Poland constitutes the second largest foreign market for the PORR Group. Traditionally, building construction is also the dominant sector in this market, lifting output by 42.1% or €24.4 million to €82.4 million. This trend was largely driven by office and commercial construction, which more than trebled in volume in comparison with the previous year to €56.6 million. After the completion of only initial road construction works in 2006, civil engineering was already able to account for just over 10% of total output.

The situation in Germany improved somewhat in comparison with previous quarters. With orders being processed selectively due to the generally tense economic situation, there was an improvement in the previous year's decline in almost all sectors. An output volume of €83.9 million equated to a deficit of -27.4% or €31.7 million with respect to the previous year, this figure having reached 40% at times.

Last year's business developments in Hungary were dominated by the M6 road construction project. Following the completion of this project, comparable output volumes did not eventuate in 2006 as the subsequent M0 project is only in its initial stages and has yet to witness any significant provision of services. Consequently, total output in Hungary fell by 41.2% or €42.4 million to €60.4 million. Albeit in tunnel construction, a comparable situation can be found in Switzerland. A lack of follow-up projects has meant a decline in production output of 12.4% or €4.2 million to 29.5 million.

In Croatia output has been lifted 33.1% or by €5.6 million to €22.4 million over the previous year, driven singularly by building construction, in particular of office and commercial construction. In Bosnia and Herzegovina, Montenegro, Romania, Serbia, Slovakia and Slovenia the group's market presence is being expanded incrementally thanks to various small projects.

Production output by sectors

The PORR Group's civil engineering divisions have been able to significantly turn around the previous year's decline in output thanks to the launch of several major projects. Although not compensating completely for the decline, the total volume of €700.8 million is only 8% or €61.2 million below the previous year's figure. The most robust sector is road construction, constituting almost half of all civil engineering activities, with a volume of €337.3 million (+0.3%).

The group's building construction divisions relied ostensibly on office and commercial construction projects (+ 20.1% or €31.3 million to €187.4 million) and residential construction (+20.9% or €23.3 million to €134.6 million). As only industrial plant construction (-34.5% or €28.1 million to €53.4 million) was down on 2005, an overall increase in output of 7.1% or €42.4 million to €641.6 million was recorded in the first nine months of 2006.

CURRENT ORDER SITUATION

The PORR Group was able to achieve the highest order level in its history at the end of the 2006 third quarter. With a total volume of 2,020.1 million, the 2 billion milestone was reached for the first time, recording a +24.7% or 400.6 million increase with respect to the same time the previous year. Around 29.0% of this volume or 585.1 million is still to be delivered in the 2006 fiscal year. Orders amounting to 1,430.0 million for 2007 and subsequent years constitute an increase of 39.4% over the previous year, providing a solid basis for future business developments.

Order situation by markets

Thanks to a number of large contracts, particularly in tunnel construction, a significant increase of 31.9% or €342.1 million to €1415.8 million was achieved in Austria. Orders in the group's foreign markets were up €58.5 million or +10.7% to €604.3 million. Hungary provided a major input thanks to the acquisition of road construction orders (+53.0% to €153.1 million). Germany appears to have put stagnation and the associated decline in construction activity behind it, with orders amounting to €111.2 million or 23.1% higher than the previous year. While orders in the core markets of the Czech Republic (-31.5% to €109.1 million), Poland (-9.3% to €84.4 million) and Switzerland (-3.2% to €54.4 million) were down on last year's level, Slovakia's orders were up 20-fold to €56.0 million, thanks to a major project order.

Order situation by sectors

With orders amounting to €972.7 million, the civil engineering divisions boosted their previous year's level by 27.9% or €212.3 million, with tunnel construction at €345.1 million (+133.5%) and specialist civil engineering at €140.3 million (+137.0%) leading the advance. In contrast, road construction was down 12.2% to €257.1 million. Orders in building construction, totalling €850.6 million at the end of September 2006, are up 25.8% or €174.4 million. With the exception of industrial plant construction (-15.1%), orders in all other building construction sectors were higher. The dominant sectors were office and commercial construction (+32.3% or €278.6 million), other building construction (+43.9% or €241.9 million) and residential construction (+7.2% or €198.5 million).

PERSONNEL

As of the 30 September 2006, the PORR Group employed an average of 10,368 staff (6822 workers, 3546 salaried employees), boosting the previous year's average by 359 (172 workers, 187 salaried employees). This increase can be attributed to the need for an additional 126 staff abroad (11 workers, 115 salaried employees) and 233 new staff domestically (165 workers, 68 salaried employees) in light of business development. There has been a shift in staff numbers from Germany and Switzerland to the Eastern European countries such as the Czech Republic, Poland and Hungary.

EARNINGS SITUATION IN 2006

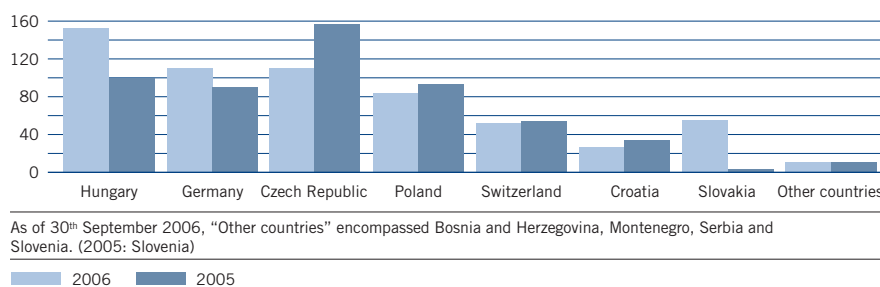
The satisfactory earnings trend of the previous quarter was also maintained in the 3rd quarter. This compensated for the slightly deflated earnings in the first months of the year, a challenging time for the construction sector that impacted negatively on earnings. With an EBT in accordance with IFRS of € 2.0 million, this year's result matched that of the previous year.

PRODUCTION OUTPUT 2006

Despite the high output volume achieved in the third quarter of 2006, thanks to ongoing acquisition success there is still a good order base, allowing the original prognosis to be boosted (+2%) in light of the current total production output of €2,303.0 million. This target figure is virtually assured as the residual acquisition volume only amounts to €106.3 million or 4.6% of the envisaged total output volume.

DISTRIBUTION OF FOREIGN ORDERS ON HAND BY COUNTRY AS OF 30TH SEPTEMBER

IN MILLION €



PRODUCTION OUTPUT 2007

The PORR Group anticipates overall output of €2,553.2 million for 2007, exceeding the 2006 prognosis by approximately 10.9%. The distribution of output between the domestic and foreign markets demonstrates the increased efforts of the individual group units to establish themselves in foreign and simultaneously challenging markets. While domestic output volume is likely to remain virtually unchanged according to current estimates, production output abroad is set to increase by approximately 39.0% to €971.0 million, reaching the record level of 38.0% of total production output. Apart from Poland and the Czech Republic, where the aim is to maintain the high volumes, increased outputs are planned in all other markets.

OUTLOOK FOR 2006 AND 2007

Building on the positive earnings situation of many operative units as well as overhead areas, PORR Group earnings continue to develop satisfactorily. Considering the start-up costs in new markets, the negative impact of problematic markets such as Germany, and continuing unsatisfactory price levels, the net result for the current year is anticipated to be on par with last year's.

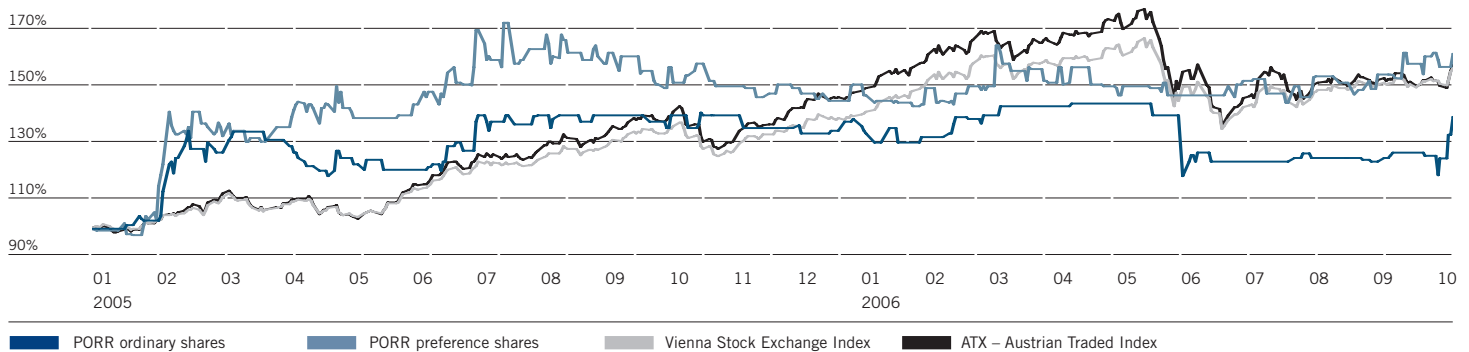
In 2007, the PORR Group result will benefit from the positive effects of a slowly recovering German economy on the one hand, and the improved earnings expectations in some of the Eastern European countries on the other. Based on these current estimates, we anticipate 2007 to produce an improved result.

DEVELOPMENT OF PORR SHARES

After some massive corrections to share prices in early 2006, the international share markets picked up again in the third quarter. For instance, buoyed by easing raw material prices, the Dow Jones (one of the most crucial US share market indices) almost entered record territory toward the end of the quarter. However, the European stock exchanges advanced even more strongly yet again. The leading share index for the Vienna Stock Exchange, the ATX, recovered from its 2nd quarter slump to deliver a performance of around 5.5% by 30th September, compared with the end of 2005. PORR ordinary shares rose by 4.0% in the comparable period. At the conclusion of the 3rd quarter, the more widely distributed PORR preference shares increased in price by 10.0% with respect to the end of last year.

DEVELOPMENT OF PORR SHARES FROM 1.1.2005 TO 30.09.2006

(INDEXED AS OF 1.1.2005)



SELECTED PORR GROUP CONSTRUCTION PROJECTS AS OF 30TH SEPTEMBER 2006

	SECTOR	PLACE	COUNTRY
PORR PROJEKT UND HOCHBAU AG (PPH)			
Hangar 6 Vienna Airport	Other building construction	Schwechat	Austria
Hotel Rennweg 16*	Other building construction	Vienna	Austria
Passive house in Pantucekgasse	Residential construction	Vienna	Austria
Residential building complex in Handelskai	Residential construction	Vienna	Austria
Monte Laa	Residential construction	Vienna	Austria
Arkadia Wroclawska	Office and commercial construction	Wroclaw	Poland
IO-1 Warschau	Office and commercial construction	Warsaw	Poland
Stary Browar 2*	Office and commercial construction	Poznan	Poland
Office building for VOEST Alpine SSC	Office and commercial construction	Tychy	Poland
Salzburg Center in Warsaw	Office and commercial construction	Warsaw	Poland
Business Technology Park in Chodov	Office and commercial construction	Prague	Czech Republic
Smichov Gate	Office and commercial construction	Prague	Czech Republic
Europe Tower	Office and commercial construction	Budapest	Hungary
PORR TECHNOBAU UND UMWELT AG (PTU)			
Wienerwald tunnel*	Tunnel construction	Chorherrn	Austria
Brixlegg tunnel*	Tunnel construction	Brixlegg	Austria
Railway station renovation and tunnel at Schwechat Airport	Railway construction	Schwechat	Austria
Clearing of Fischer waste disposal site*	Other civil engineering	Theresienfeld	Austria
Road shoulder and sound barrier on A 23*	Other civil engineering	Vienna	Austria
New building for collector F Voest	Other civil engineering	Linz	Austria
Ventilation for Fischer waste disposal site*	Other civil engineering	Theresienfeld	Austria
Matrans tunnel*	Tunnel construction	Raron	Switzerland
Renovation of Chienberg tunnel*	Tunnel construction	Sissach	Switzerland
M6 Autopalya*	Road construction	Erd	Hungary
Eastern section of M0 motorway	Road construction	Budapest	Hungary
Aalen-Leipheim Nato pipeline*	Other civil engineering	Leipheim	Germany
Zagreb tower	Office and commercial construction	Zagreb	Croatia
TEERAG-ASDAG (T-A)			
Asphalting of A 1 Steyrermühl-Regau*	Road construction	Regau	Austria
Expansion of apron at Nord-Ost Airport Schwechat Phase 2	Road construction	Schwechat	Austria
Sound barrier, Buch Geiseldorf	Other civil engineering	Gleisdorf	Austria
ABA Zistersdorf	Other civil engineering	Zistersdorf	Austria
Renovation of National Highway 61, Laski – Rozan section	Road construction	Rozan	Poland

* Realised as joint venture

MAJOR NEW ORDERS FOR THE PORR GROUP IN THIRD QUARTER 2006

Widening of A4 East motorway (cloverleaf expansion at Schwechat - AS Flughafen), near Schwechat, by Allbau GmbH

External facilities Tauern tunnel North and South, in Flachau-Winkl, by TEERAG-ASDAG AG, Salzburg subsidiary

Specialist market centre in Wies, by TEERAG-ASDAG AG, Steiermark subsidiary

Heat and power plants in Eisenstadt, Rechnitz, Siegendorf and Oberpullendorf, by Hans Böhcheimer Hoch- und Tiefbau GmbH

Office and residential building on Schwarzenbergplatz, in Vienna, by Porr Projekt und Hochbau AG

PVA Office building, in Vienna by Porr Solutions Immobilien- und Infrastrukturprojekte GmbH

LKH Klagenfurt - Surgical medical centre, in Klagenfurt by Porr GmbH

Inzersdorf meat market, in Vienna, by Porr Projekt und Hochbau AG

Osrham Opto production building, in Burgweinting (Germany) by Porr Deutschland GmbH

Terrace house complex in Neubiberg (Germany), by Emil Mayr Hoch- und Tiefbau GmbH

Delta City Shopping Center in Belgrad (Serbia), by Porr Beograd d.o.o.

Lio office building, in Berlin-Lankwitz (Germany) by Porr GmbH & Co.KG, Berlin

Sopac tunnelling, in Delnice (Croatia) by PORR Hrvatska d.o.o.

Kirchdorf and Kaltenbach S 35 tunnel, in Pernegg an der Mur by Porr Tunnelbau GmbH

Warszawskie bridges over the Oder, in Wroclaw (Poland), by Porr Technobud Polska Sp.z.o.o.

Bridge construction and noise protection on A4, near Schwechat, by Porr Technobau und Umwelt AG

Main cooling water line and pump house, in Boxberg (Germany), by Porr Technobau München GmbH

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