

# Quarterly Report 3/2007



The future is our tradition



# Key data quarter 1-3/2007

Values in EURO millions	1st – 3rd Quarter 2007	Change	1st – 3rd Quarter 2006
Group output	1,916.9	18.9%	1,611.6
of which domestic	1,271.0	11.8%	1,137.2
of which foreign	645.9	36.2%	474.4
Foreign share of total output in %	33.7%	4.3 PP	29.4%
Total order receipts	2,575.4	18.8%	2,167.0
of which domestic	1,347.8	- 17.3%	1,629.6
of which foreign	1,227.6	128.4%	537.4
Total order balance	2,671.9	32.3%	2,020.1
for the rest of the current year	733.5	25.4%	585.1
for subsequent years	1,938.4	35.1%	1,435.0
Domestic order balance	1,333.3	- 5.8%	1,415.8
for the rest of the current year	408.8	0.0%	409.0
for subsequent years	924.5	- 8.4%	1,006.8
Foreign order balance	1,338.6	121.5%	604.3
for the rest of the current year	324.7	84.4%	176.1
for subsequent years	1,013.9	136.8%	428.2
Average staffing level	11,320	9.2%	10,368
of which blue-collar workers	7,329	7.4%	6,822
of which salaried employees	3,991	12.5%	3,546
Staffing level at end of quarter	12,374	8.4%	11,409
of which blue-collar workers	8,167	5.2%	7,761
of which salaried employees	4,207	15.3%	3,648

## Title page:

Globe Theatre, London

Musikverein Magna Auditorium, Vienna

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## DEAR SHAREHOLDERS,

The third quarter has been another great success for PORR. The economic situation in Austria held steady despite the US real estate crisis and EURO zone growth continued – albeit at a slower pace – enabling PORR to continue showing promise on the market.

We managed to increase production output to EUR 1.9bn as of September, of which 36% of growth was generated outside Austria. The increase in the foreign share to 34% is a significant step. By the end of the year it is likely that foreign activities will cross the EUR 1bn mark.

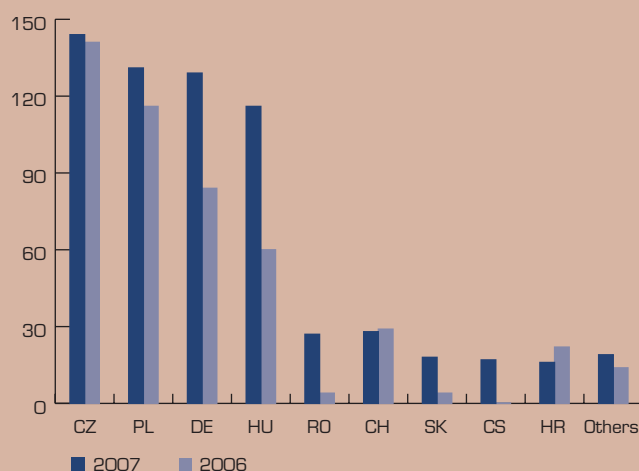
In the third quarter our risk-aware expansion aims intensified due to the establishment of new business areas. A particular focus of ours is on energy projects in CEE and SEE countries, where we are already well-established as a relevant player. We aim to cover the entire project life-cycle in the energy sector.

PORR is a multi-utility provider. For this reason our philosophy will continue to be meeting all of our customers infrastructure needs from a single provider. This enables us not only to find the best possible combination of our core competences for the customer, but also to remain unaffected by business fluctuations thanks to complex long-term projects.

Alongside these aims, we have also identified great potential in increasing efficiency internally. By adopting a new personnel development policy, we intend to develop our human resources and capitalise on them accordingly. In addition we are making new waves in the Public Relations sector, which will offer even more effective support of our market presence and operations (especially in Eastern Europe) through complementary communication innovations.

PORR is excellently prepared to meet the challenges of the future and is therefore able to impact pro-actively on market developments or to respond to them accordingly. A main focus is the increasing development of new high-margin segments, to complement and expand our service range. The foreign share of total revenue continues to rise steadily – a result of our persistent dedication to our internationalisation strategy. We are certain that the measures taken will lead to a sustainable market presence and will bring positive developments for the Group.

Distribution of output as of 30th September 2007 by country in EURO millions



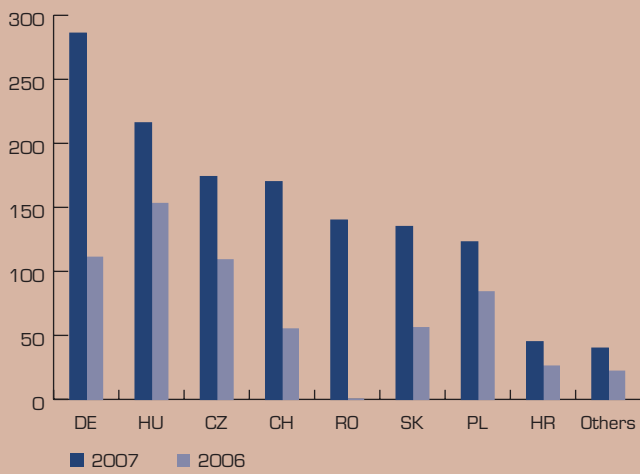
## PRODUCTION OUTPUT

The positive economic development this year slowed slightly during the summer, but despite this the PORR Group also recorded positive growth in the third quarter. At the end of September group output stood at around EUR 1.92bn – around 19% higher than in 2006. Output in Austria increased by around 11.8%, from around EUR 1.14bn to around EUR 1.27bn. Foreign output rose by around 36.2% from EUR 0.47bn to EUR 0.65bn. This means that foreign output accounted for 33.7% (against 29.4% for the same time period 2006).

The most important markets outside Austria are the Czech Republic with EUR 144m (+2%), Poland with EUR 131m (+13%) and Germany, where output grew by 58% to EUR 129m. These pleasing developments were largely due to the construction of office and commercial buildings, as well as the residential complex Triebfeder. Hungary saw a rise of 92% to EUR 115m, thanks to the infrastructure sector in particular.

In terms of sectors, there was equally strong growth in both building construction and civil engineering up on 2006. Building construction grew by 20.8% from EUR 641.6m to EUR 774.9m. On the domestic market the dominant factors were commercial and office buildings and sport facility construction, while abroad the highest rises were from industrial and engineering construction and miscellaneous building construction. The civil engineering segment was up 17.9% on 2006, from EUR 700.8m to EUR 826.4m. At home the strongest

### Distribution of foreign orders situation as of 30th September 2007 by country in EURO millions



increases came from pipe and cable construction and tunnel construction, while abroad bridge and fly-over construction and miscellaneous construction were the strongest individual sectors by volume.

### CURRENT ORDERS SITUATION

The order situation at the end of the third quarter 2007 showed a rise of around 32.3% on the previous year (EUR 2671.9m on 30th September 2007 against EUR 2020.1m in 2006). This order balance can be traced back to a two-fold increase in the order situation from foreign markets. Here the PORR Group can announce orders of around EUR 1338.6m, against EUR 604.3m in September 2006. In Austria the value of EUR 1333.3m shows a slight drop of 5.8% on the previous year. It is therefore apparent that the significance of foreign markets already accounts for over 50%.

In terms of individual countries, Germany is well ahead with an increase of EUR 111m to EUR 286m (+258%) predominantly generated by the civil engineering sector, although Hungary also contributed to a considerable increase in civil engineering from EUR 153m to EUR 216m. Thanks to the rises in civil engineering, there were exceptionally positive developments in the current orders situation in Switzerland (EUR 170m from EUR 54m) and in Romania (EUR 140m from practically EUR 0m). Building construction is largely responsible for increasing orders in Poland (EUR 123m from EUR 84m), in Slovakia

(EUR 135m from EUR 56m) and partly also in the Czech Republic (EUR 174m from EUR 109m in 2006). The PORR Group also saw steep rises in Croatia of 73% from EUR 26m to EUR 45m. From this order balance, a total of around EUR 733.5m is to be realised this year, with around EUR 1938.4m due in coming years.

The Group's strong commitment to foreign business can also be seen in the sector results. Both building construction (+24.9% to EUR 1042m) and civil engineering (+29.5% to EUR 1259.3m) registered rises in orders exclusively in foreign markets. As regards building construction abroad, the order balance almost doubled on 2006 (EUR 520.3m) with each individual sector achieving above average growth rates, with the exception of residential construction. Civil engineering abroad exceeded last year's figures by 143% to EUR 645.5m. In this sector just miscellaneous civil engineering and road construction were below last year's levels.

### PERSONNEL

The average workforce figures increased by around 9.2% on last year to 11,320 employees (10,368 in September 2006), necessitated by expansion in all business areas. This overall rise is however disproportionately low when compared to the increase in output. One exception is the number of employees outside Austria, which rose disproportionately highly by around 30% to 1402 employees. This is testament to the Group's ambitious expansion aims of providing a multi-utility service, covering the complete value chain both in terms of economics and construction expertise. At the end of the third quarter, the figure of 7329 industrial employees represents a rise of 7.4% or 507 people on 2006 (6822 employees), of which the vast majority (447 employees) were appointed in Austria. This also reflects the policy of cooperating predominantly with partners and sub-contractors outside Austria.

### EARNINGS SITUATION

Despite rising prices for energy and raw materials, we have been able to improve earnings – particularly in operational areas. Expansive output growth was matched by a correspondingly strong rise in earnings. With an EBT of EUR 3m in accordance with IFRS, we were able to exceed the previous year's results by EUR 1m.

# Overview of 2007 (whole year)

PORR began the fiscal year 2007 with an outstanding order situation. The orders received by the end of the third quarter verify the optimism and confirm the expansion efforts.

Assuming the continuing improbability of a decisive economic slump, the stated aims of achieving Group output of between EUR 2.7bn and EUR 2.8bn can certainly be met. Earnings will continue to be affected by rising advance outlay costs and, as

regards human resources, the shortage of skilled labour remains a significant cost factor.

We are however able to predict an EBT in accordance with IFRS at least equal to that of last year.

November 2007, Vienna  
The Executive Board

## Major new orders for the PORR Group in the third quarter 2007

Construction of the Eurovea International Trade Centre in Bratislava (Slovakia) by Porr Projekt und Hochbau AG

New construction of link road for the airport Berlin Schönefeld in Berlin (Germany) by Porr Germany GmbH

M7 Motorway project unit Balatonkeresztúr – Nagykanizsa in Hungary by Porr Technobau und Umwelt AG

New construction of residential complex Orasteig BP 7-9 in Vienna (Austria) by Porr Projekt und Hochbau AG

New construction of the Gstuehl Centre Baden in Baden (Switzerland) by PORR SUISSE AG

Reconstruction and extension of the Nordbahnstraße 50 building in Vienna (Austria) by Porr Projekt und Hochbau AG

New construction of residential complex Donaufelderstraße 91 in Vienna (Austria) by Porr Projekt und Hochbau AG

New construction of aircraft traverse in military airport in Zeltweg (Austria) by Porr GmbH

Section Rynächt/Erstfeld in Erstfeld (Switzerland) by PORR SUISSE AG

Renovation of main station project unit 2, Eisbergbogen in St. Pölten (Austria) by Porr Technobau und Umwelt AG

Renovation of the Federal Ministry of Finance in Vienna (Austria) by Porr Projekt und Hochbau AG

## Disclaimer

This quarterly report (interim notice in accordance with the Stock Exchange Act § 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.

# Selected PORR Group construction projects in the third quarter of 2007

	SECTOR	LOCATION	COUNTRY
<b>PORR PROJEKT UND HOCHBAU AG (PPH) Building construction</b>			
Offices Euro-Plaza	Office and commercial buildings	Vienna	Austria
Market Inzersdorf	Industrial construction	Vienna	Austria
Terminal Tower Linz*	Office and commercial buildings	Linz	Austria
Major Renovation Theater Josefstadt	Renovation	Vienna	Austria
IKEA Oldenburg	Office and commercial buildings	Oldenburg	Germany
Production Hall Fiat Tychy	Industrial construction	Tychy	Poland
Shopping Centre Stary Browar 2*	Office and commercial buildings	Poznań	Poland
Equator 1	Office and commercial buildings	Warsaw	Poland
Egger halls Phase IV	Industrial construction	Rădăuți	Romania
SLSP Headoffice Bratislava	Office and commercial buildings	Bratislava	Slovakia
Pegas Hall	Industrial construction	Znojmo	The Czech Republic
Offices Chodov SO 11	Office and commercial buildings	Prague	The Czech Republic
Offices Budafoki Budapest	Office and commercial buildings	Budapest	Hungary
<b>PORR TECHNOBAU UND UMWELT AG (PTU) Civil engineering</b>			
Tunnel Vienna Woods*	Tunnel construction	Chorherrn	Austria
Tauern tunnel	Tunnel construction	Flachau	Austria
Rail Link Brenner H3-4*	Tunnel construction	Kramsach	Austria
Tunnel S 35, project unit 22*	Tunnel construction	Pernegg an der Mur	Austria
Pumped-storage power station Limberg II (Kaprun)*	Misc. civil engineering	Kaprun	Austria
Lainzer tunnel 33 Hofjagdstraße*	Tunnel construction	Vienna	Austria
Ganzstein tunnel*	Tunnel construction	Mürzzuschlag	Austria
Local by-pass Schaala	Road Building	Rudolstadt-Schaala	Germany
Railway fly-over Greifswald	Bridge Building	Greifswald	Germany
District heating pipeline BMW Dingolfing	Misc. civil engineering	Dingolfing	Germany
Sopač tunnel	Tunnel construction	Delnice	Croatia
Bridges Warszawskie*	Bridge Building	Wroclaw	Poland
Road MO East section	Road Building	Budapest	Hungary
M7 Motorway	Road Building	Sávoly	Hungary
<b>TEERAG-ASDAG AG (T-A)</b>			
A4 Expansion*	Road Building	Vienna	Austria
Brixen By-Pass*	Road Building	Brixen	Austria
Tunnel Link Road Gnas	Misc. civil engineering	Gniebing	Austria
Repairwork A12 Kranebitten*	Road Building	Innsbruck	Austria
Soundproofing NÖ*	Misc. civil engineering	Böheimkirchen	Austria
Renovation Landstraße No. 60	Road Building	Ciechanów	Poland

\* Released as joint venture

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