



# A tradition of values. Since 1869.

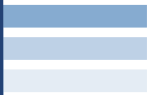


Sustainable Value Report 2009

# Key Data

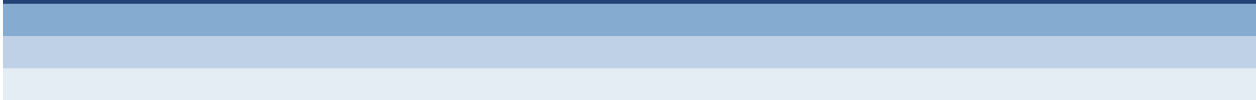
in EUR million	2008	Change	2007	2006	2005
<b>Income Statement</b>					
Revenue	2,656.5	+20.0%	2,214.4	1,921.0	1,828.2
Production output	3,182.9	+16.0%	2,743.7	2,322.7	2,258.0
of which domestic	1,861.1	+3.9%	1,791.5	1,632.4	1,553.5
of which foreign	1,321.8	+38.8%	952.2	690.3	704.5
Foreign share in %	41.5	+6.8 PP	34.7	29.7	31.2
EBIT	70.9	+4.4%	67.9 <sup>1)</sup>	58.0 <sup>1)</sup>	57.6 <sup>1)</sup>
EBT	46.7	+21.0%	38.6	35.3	32.4
Profit	37.9	+20.4%	31.5	26.8	25.2
<b>Balance Sheet</b>					
Balance	1,902.7	+2.6%	1,853.2	1,604.2	1,527.6
Non-current assets	956.4	+11.3%	859.2	735.1	706.8
Current assets	946.3	-4.8%	994.0	869.2	820.8
Non-current liabilities	712.6	+5.6%	674.5	572.6	507.9
Current liabilities	821.6	+0.6%	816.5	770.4	768.7
Equity (incl. minority interest)	368.5	+1.7%	362.2	261.3	251.0
Equity as % of total capital	19.4	-0.1 PP	19.5	16.3	16.4
<b>Cash Flow and Investments</b>					
Operating cash flow	79.9	+5.0%	76.1	63.7	77.0
Cash flow from operating activities	52.4	+20.3%	43.6	14.9	64.2
Cash flow from investing activities	-85.8	+99.5%	-43.0	-51.6	-4.3
Cash flow from financing activities	5.6	-87.4%	44.5	2.5	-41.9
Investments	128.6	+138.1%	54.0	83.2	66.7
Depreciation/amortisation	58.6	+9.8%	53.4	41.5	47.8
<b>Operating Data</b>					
Order bookings	3,299.8	+3.9%	3,175.3	2,870.9	2,219.8
Order backlog at year end	2,561.9	+4.8%	2,445.1	2,013.4	1,465.3
Average staffing levels	12,116	+4.9%	11,555	10,615	10,241
of which foreign in %	25.6	+2.1 PP	23.5	21.3	21.5
<b>Value Add</b>					
EBIT margin in %	2.7	-0.4 PP	3.1 <sup>1)</sup>	3.0 <sup>1)</sup>	3.2 <sup>1)</sup>
ROCE in %	9.6	-0.4 PP	10.0 <sup>1)</sup>	8.7 <sup>1)</sup>	8.8 <sup>1)</sup>
ROE in %	10.3	+1.6 PP	8.7	10.3	12.8

<sup>1)</sup> See Consolidated financial statements, point 6.3. Changes to comparative information



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# Foreword by the Executive Board

Dear Reader,

It doesn't happen overnight – it takes years of continuously responsible trading to gain a clear advantage on the market, along with the economic success this brings. In the long term, economic lows can only be overcome through caution during times of crisis and moderation during boom times.

Being aware of economic responsibility, along with close links to both society as a whole and to decision makers is the way forward for construction companies to position themselves as being sustainable and responsible.

Sustainability and Corporate Social Responsibility are therefore the two terms which have transcended their literal meanings and become key corporate values for companies all across the world.

PORR is well aware of what the term “sustainability” really means. As one of the largest groups in the Austrian construction industry, we understand the corporate responsibility that accompanies this role. We are proud that the PORR Group has been living up to the ideals of Corporate Social Responsibility for many decades, particularly with regard to corporate value add and in terms of supporting and nurturing staff. PORR has also actively promoted environmental preservation since the 1980s and is one of the industry's pioneers in this field, an endeavour which is not always so easy for a company in the construction business.

PORR sees the equal balance and harmonisation of corporate, social and ecological values as the key challenge of the past and for the future. As a company with a long tradition, we have therefore deliberately chosen to publish this report as a “Sustainable Value Report”:

- ‘Adding value’ describes our quest for sustainable corporate growth.
- ‘Recognising value’ concerns how our staff are not only the most important factor in our success, but also the ambassadors of our living values.
- ‘Preserving value’ is our legacy for future generations: environmental awareness and economic success are not mutually exclusive. Combining the two is increasingly becoming the most important challenge of the coming decades.

This Sustainable Value Report aims to provide an insight into our world of values, along with an understanding of our corporate culture. This report is also an invitation to come along with us on this exciting journey, whether you are a business partner, shareholder, staff member or critical observer.

We hope you find it an interesting read,



Wolfgang Hesoun  
C.E.O.



**I am proud that the PORR Group has been living up to the ideals of modern Corporate Social Responsibility for many decades. This holds true not only for corporate value add, but also supporting and nurturing staff, along with environmental engineering and ecological sustainability.**

Wolfgang Hesoun  
C.E.O.



# Leopold Haidinger Foreman

# Alexander Vizir Civil Labourer/Formwork Apprentice

## How long have you been at PORR?

Leopold Haidinger (LH): Since June 2006

Alexander Vizir (AV): Since September 2006

## Education and training?

LH: Civil labourer, foreman training

AV: Civil labourer/formwork apprentice

## My future at PORR?

LH: To continue doing a good job and also to retain my position

AV: To become a foreman

## Three words that sum up a "typical work day"...

LH: Organising, assigning tasks, planning, inspecting, checking, motivating colleagues

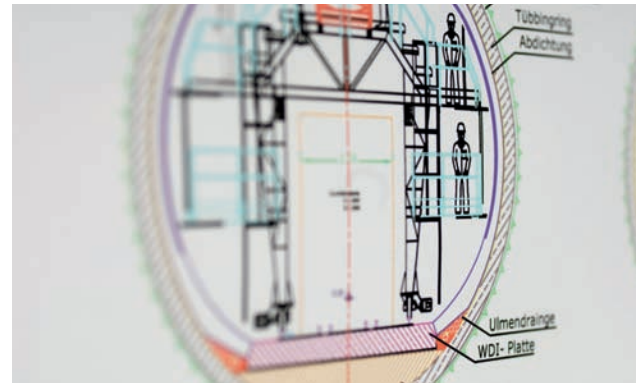
AV: Digging and filling, laying pipe ducts, placing formwork

## What makes PORR different/special?

LH: The motto "there's nothing that can't be done" applies to my work at PORR. I really appreciate the opportunity to share ideas and then actually realise them

AV: The approach to apprentices is excellent – I feel that I am being well trained and also that I am taken seriously





# Graduate Engineer Martin Diewald

Site Manager

**How long have you been at PORR?**

Since January 1991

**Education and training?**

Graduate in civil engineering at Vienna Technical University

**My future at PORR?**

Head of department for tunnel construction

**Three words that sum up a "typical work day"...**

I'm currently a project manager on the Wienerwald Tunnel.

My main responsibilities include:

- Participating in concept development (overseeing the construction project)
- Preparing and concluding contracts with subcontractors/suppliers
- Various meetings with the client

**What makes PORR different/special?**

PORR excels at team spirit, motivation, performance and variety. I also see it as the market leader in terms of expertise.



# Adding Value

Qualitative growth  
through sustainable  
economic approach

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# Moving forward: value add through modern management

## Yes to growth – with responsibility

With production output of around EUR 3.2bn, PORR was once again among Austria's top 3 construction companies in 2008.

Founded in 1869, the company celebrates 140 successful years in the construction business in 2009. These decades of experience enable the PORR Group to overcome the challenges of today and use them to the group's advantage: global economic networking, along with the related opening up of markets and changing competitive conditions do not represent obstacles for PORR, but instead yield new opportunities for sustainable growth.

A clear commitment to sustainable growth goes hand in hand with an awareness of the responsibilities towards staff, owners and investors. The balancing act between adjusting to and exploiting a rapidly changing business environment on the one hand and maintaining clear company values on the other, is a challenge to which the company responds with

experience and a thirst for innovation, broad expertise and specific know-how.

The ability to react to changes without relinquishing successful traditions in the process is precisely what has enabled PORR's transformation from an Austrian construction company into an internationally active group.

The management's work is based on three pillars:

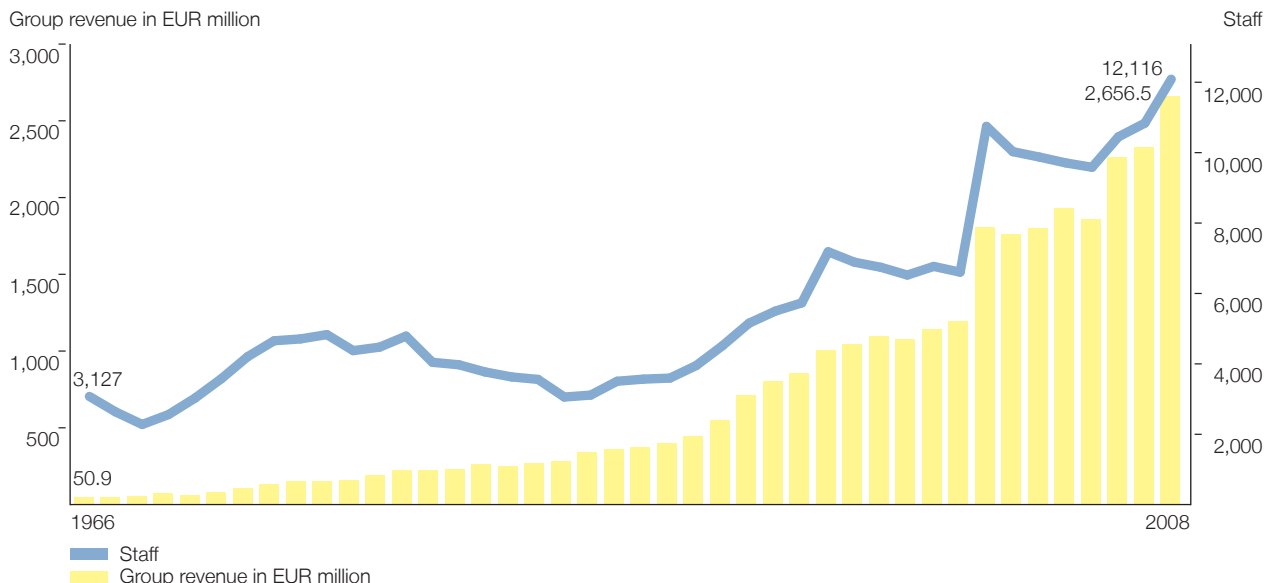
- Adaptable organisational structure
- Continuous investment policy
- Forward-looking leadership

### Adaptable organisational structure

Continuously successful business development is based on a multi-faceted product portfolio. The range of services on offer from PORR covers the entire value creation chain

### *Planning – Financing – Building – Operating – Maintaining*

Along with the parent company, the expertise of the leading PORR companies is also responsible for the group's success.



Individual group companies focus on their core business and competencies; this not only leads to organisational optimisation, but also to a diverse range of offers covering all services necessary for the value creation process in the construction industry. This structure allows for the full provision of all construction-related services, from project development and execution right through to facility management.

#### **PORR Technobau und Umwelt AG (PTU)**

Civil engineering: expertise in construction engineering, environmental technology, resource management, operator and concession models

#### **PORR Projekt und Hochbau AG (PPH)**

Building construction: general contractor services, project planning, project development, construction development as core competency

#### **TEERAG-ASDAG AG (TA)**

Road construction: focus on civil engineering

#### **PORR Solutions Immobilien- und Infrastrukturprojekte GmbH (PS)**

Developing real estate and infrastructure projects

#### **UBM Realitätenentwicklung AG**

Developing, letting and selling real estate

## Forward-looking leadership

PORR introduced an integrated management system (IMS) in 2007, making it both the first and the largest company in the Austrian construction industry to implement such a system across the entire group. In addition to the existing systems which are currently separate from each other, namely the quality management system certified to EN ISO 9001:2000 and the environmental management system to EN ISO 14001:2004, requirements related to health and safety in accordance with the occupational health & safety management system, OHSAS 18001:1999, were also integrated into the system. This process has been examined and certified by an independent body, DQS, the German certification body for management systems. In order to ensure a continuous improvement process, the IMS will undergo a comprehensive review in 2009. The occupational health & safety management system will be updated and replaced with the version OHSAS 18001:2007; the quality management system will change to EN ISO 9001:2008.

The integration of the three management systems gives PORR an optimal basis internally for utilising synergies, while externally it allows the group to make a visible contribution to a sustainable society.

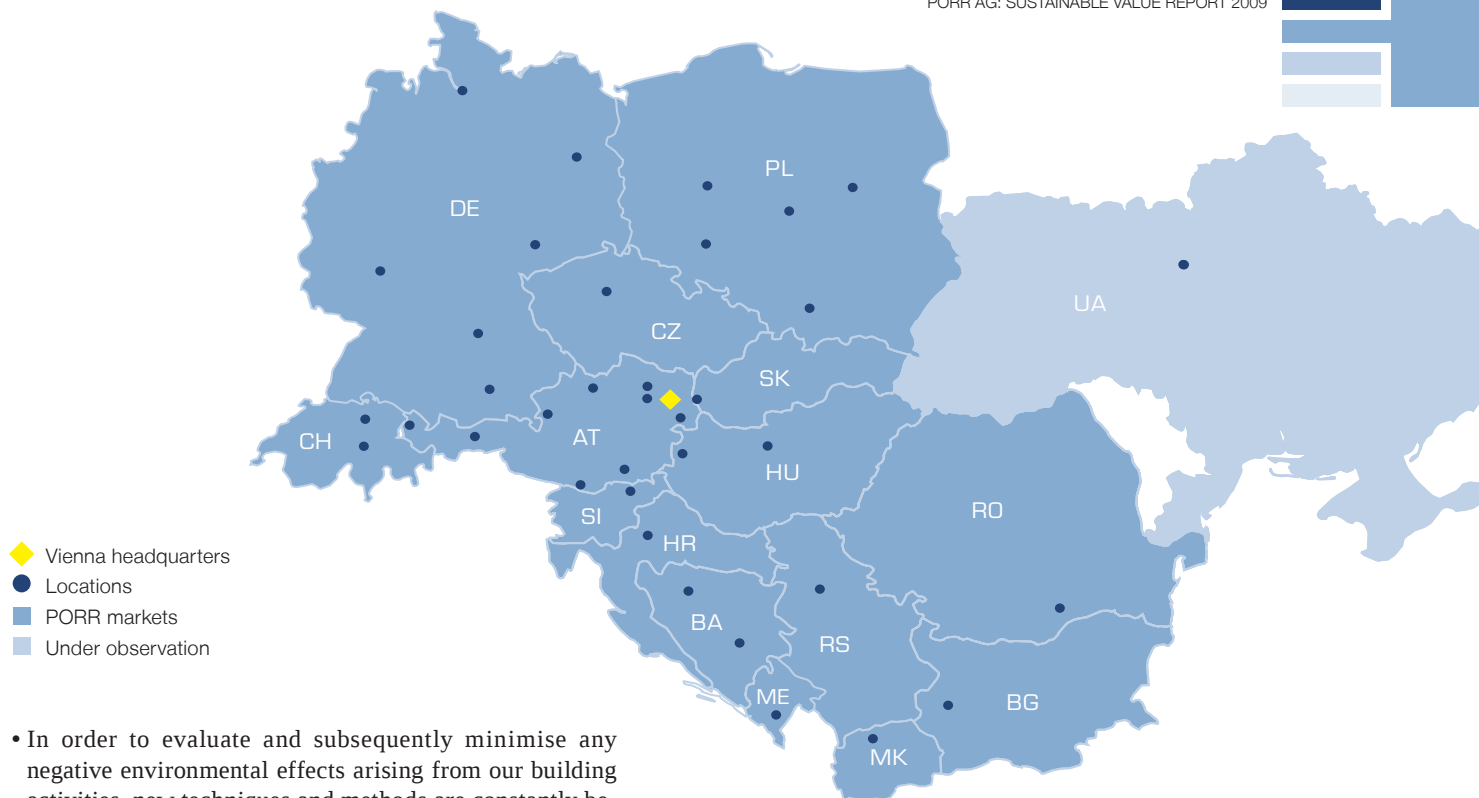
The main advantages that PORR gains from the IMS include higher efficiency thanks to fewer rules, lower maintenance outlay, fewer meetings and savings regarding audits. It also makes it easier to avoid overlaps and repetitions: the integrated system reduces the risks related to incompatibility and conflicts of objectives which are present in divergent systems. Furthermore, the IMS brings more transparency, acceptance and flexibility to the company.



from left: Reinhard Frank (Head of QM), Peter Weber (PORR AG Board Member), Stefan Heinloth (MD of DQS Group)

In practice, the IMS provides the following value add:

- IMS certificates are increasingly becoming a precondition for participating in calls for tender on the international markets.
- The fact that the IMS is in place across the whole group results in prompt cooperation between group companies for offers on international markets, providing PORR with a key competitive advantage.
- The group-wide certification of all organisational units, including all special competencies and sector organisations, ensures complex projects can be realised in internal service partnerships; it also means that all group companies meet requirements through the IMS, as seen for example on the upgrading of the Campina-Predeal rail stretch in Romania.
- Optimising the potential for environmentally friendly construction right from the planning phase. Here, “value-add variants” are presented, discussed and implemented in partnership with the client. Austria’s largest Passive House in Pantucekgasse is an example of this.



- ◆ Vienna headquarters
- Locations
- PORR markets
- Under observation

- In order to evaluate and subsequently minimise any negative environmental effects arising from our building activities, new techniques and methods are constantly being developed, appraised and assessed in terms of practical viability. Examples: using biodiesel from biodegradable hydraulic fluids, recycling building materials and reusing them in road construction, reducing the length of transport routes or using environmentally friendly separating agents in concrete and asphalt construction.
- Improvements in occupational health and safety such as a reduction in frequency and severity of accidents, for example from radio contact between crane operators, using skips as load bearers (on cranes) and personal protective equipment.
- Best criteria for choosing subcontractors, suppliers and partners.
- Traceability ensured by the documentation as per IMS of a uniform handbook etc.
- Increasing improvement potential at every level, “error avoidance instead of error correction”.
- Qualified staff through ongoing professional development and training, both internal and external.

### Continuous investment policy

The management is committed to a sustainable organic growth policy: long-term company success takes priority over high-risk, short-term growth targets. PORR recognised the major growth potential in central, eastern and south-eastern Europe early on and began its cross-regional operations while adhering to sustainable and organic growth policies and taking into account varying regional conditions. Regional development has been promoted in cooperation with international financial institutions and there has been investment in these up-and-coming markets. PORR’s market coverage today extends across Austria, Germany, Switzerland, CEE and SEE countries as far as the Ukraine. The PORR Group is currently represented in 16 countries and around 250 million people live in this economic area.

### Cooperation with World Bank

In 2008 PORR and the International Finance Corporation (IFC) concluded a cooperation agreement for a multi-loan facility amounting to EUR 35m in total. IFC is a member of the World Bank Group, which supports sustainable growth in developing and emerging nations through financing from private-sector investment. The multi-loan facility consists of a line of credit over a period of up to ten years and is predominantly earmarked for small and medium waste, wastewater and real-estate projects in Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Serbia, Romania and the Ukraine. PORR guarantees that the realisation of these projects will accord to the IFC’s stringent ecological and social guidelines.

Cooperation with the World Bank subsidiary provides support for PORR’s SEE strategy and contributes to reducing both political and economic risks. This thereby creates added value for the SEE countries, as with optimal frame conditions it promotes infrastructure expansion, which in turn helps to stimulate the economy.

# Holding firm: value add through sustainability

## The “sustainable building” approach

Corporate Social Responsibility (CSR) is a voluntary undertaking which has been a part of the value-oriented company culture for many years. The group operates on the basis of economic, ecological and social standards which are an essential part of the PORR Group’s corporate policy along with the programmes to implement them. The company pays particular attention to this voluntary undertaking when carrying out all business processes. Social commitment is integrated into strategy and has therefore become a key principle of the group’s management.

PORR’s “sustainable building” approach is based on the following principles:

- Every client is offered services of the same high quality standards.
- PORR takes the special requirements of all stakeholders into account in making every decision.
- As a company which operates internationally in the construction industry, PORR is confronted in individual countries and markets with very different values, behaviour, expectations and needs of the people living there. PORR always takes this into consideration and believes that forward-looking solutions can only be found through dialogue with local and regional groups.
- Acting in a socially responsible way also means operating as a fair employer. PORR values every member of staff, regardless of ethnicity, gender, religion, disability or age.
- Facilitating and ensuring the productivity and expertise of our staff represents the basis for implementing social and ecological measures.
- Displaying social responsibility also means contributing to value add in every country in which PORR operates.

## Aspects of responsible corporate management

**Economic aspect:** Acting in an economically responsible manner means promoting sustainable development for the company and ensuring a stable financial position. PORR is committed to a long-term, organic growth strategy which is a key contributor to securing jobs. The company is focused on preserving assets – this is why PORR offers jobs with long-term prospects and great career opportunities. The most conclusive proof of sustainable operations and the responsible perception of the group’s role in society is the company’s record dating back 140 years. This has been and always will be characterised by the value-oriented leadership approach of the management.

**Ecological aspect:** PORR places immense value on minimising the possible negative effects of its construction activities; it therefore works together with affected parties and is committed to finding appropriate solutions in cooperation with them. Acting in an ecologically responsible manner includes preserving resources, reducing emissions, protecting ecosystems and proactive management of all related risks.

**Social aspect:** The company operates as a fair employer – this is an indispensable part of the company culture. Professional development and training is promoted by active HR management. Numerous social benefits have been voluntarily implemented through cooperation with the works council and healthcare programmes have also been drafted.

## Corporate Governance

PORR views Corporate Governance as a comprehensive concept for responsible company management and auditing aligned towards long-term value add. Principles of good Corporate Governance have a high value here, which is why the executive board and supervisory board work closely together in the interests of the company and are involved in ongoing discussions about the development and strategic direction of the company. Social responsibility also refers to responsible approaches to shareholders and the high number of other stakeholders. Therefore PORR management practices and strategies always incorporate strict adherence to legal regulations as well as ethical standards and clear communication with all interest groups.

### Transparent communication with stakeholders

PORR believes that a transparent information policy is crucial and places a high value on open communication with all relevant stakeholders. Ongoing dialogue builds trust in the company's operations and provides a basis for sustainable company development in the future.

In order to meet the most varied communication requirements, PORR is in constant contact with all target groups:

- Clients/commissioning bodies
- Owners (shareholders) and lenders
- Staff and the works council
- Suppliers and subcontractors
- Politicians, authorities and Non Governmental Organisations (NGOs)
- Media representatives
- Local residents

### Effective Compliance Guidelines

In April 2002 the compliance guidelines agreed by PORR came into force; these regulate the exchange of information within the company and include organisational measures for preventing the misuse of insider information. The compliance guidelines, which were last updated in November 2007 in order to conform to amended legal provisions, regulate the precautionary measures in the company which should ensure above all that laws are adhered to, conflicts of interest are avoided and that insider information is not misused.

Adherence to the compliance guidelines, which are available on the intranet to all PORR staff, is monitored by a compliance supervisor who reports directly to the executive board. Everyone who has access to insider information is restricted to certain confidential areas and is informed in writing of the legal stipulations and the possible consequences of abusing the information. These people, including group employees as well as external consultants and service providers, are entered into an insider register and their signature obliges them to adhere to the regulations specified.

The compliance supervisor reminds all persons with access to confidential information of the relevant lockup period before the publication of annual and interim reports in good time. This concerns the fact that trading with group shares and other financial instruments is forbidden during the six weeks preceding publication of the annual results and for three weeks preceding the publication of interim results.

## Multifaceted support: PORR Sponsoring

Providing financial support to socially relevant projects is a well established company tradition. The range of projects extends from culture and science through to sport and social initiatives.

### Culture

With regard to culture, it is worth mentioning the support offered to the institutions which act as the backbone of Austria's cultural scene. In 2009 PORR sponsored the Vienna Festival (Wiener Festwochen) and subsidised a selection of concerts in Vienna's Konzerthaus and Musikverein. Furthermore, PORR is sponsoring premiere performances in the 2008/09 season at Theater in der Josefstadt ("A flea in her ear", "From the life of the marionettes", "The Talisman", "The Guest", "Halpern & Johnson"). Another project supported by PORR in 2008 was the "Safety Curtain", a project from the museum in progress, in cooperation with the Vienna State Opera House and the Bundestheater-Holding. The "Safety Curtain" is an exhibition series conceived by the museum in progress in collaboration with the Vienna State Opera House, which transforms the fire wall between the stage and the auditorium into a temporary exhibition space for contemporary art. Architecture is a partner to the construction industry and PORR recognises this by subsidising the "Architekturtage" (Experiencing Architecture project) and the State Prize for Architecture.

### Science

In 2007 PORR was awarded the prize for services to society and for promoting social harmony by the Federation of Austrian Friendship Associations. PORR doubled the value of the award and used it to promote international goodwill. The PORR board decided to support two exceptional students from the University of Bratislava and to enable them to study for a year in Vienna.

### Sport

Sports, which have traditionally had a high value at PORR, were at the forefront of 2008. PORR takes its social responsibility seriously with regard to subsidising sport and is one of the main partners in the Austrian "Go for Gold" sports initiative. This is a cooperation which makes an ongoing contribution to the success of up-and-coming and top Austrian sportsmen and women – because top-level sport requires constant dedication. Sports assistance gives athletes a financial base from which to excel and is therefore the first port of call for up-and-coming and top Austrian sportsmen and women and is also a contact partner for professional associations. This involvement earned PORR the subsidising sports assistance medal 2008.

PORR also subsidised the federal ski championships in 2008, along with support for the Austrian Paralympic Committee and numerous other charitable sporting events. PORR is once again focusing on sports subsidies in 2009 by sponsoring the Kulm Ski-jump Challenge.

### Social

Social support provided by PORR in 2008 included sponsoring the traditional "St. Nicholas trip", which gives children with special needs and youngsters from socially deprived families the opportunity to have a fun-filled travel experience during the run up to Christmas. There was also a project targeted towards social integration, including breaking down barriers, promoting mutual understanding and interpersonal contacts as well as building self-confidence and improving various social skills.

PORR is planning another focal point in 2009 – PORR will support the initiative "Bright help for people in need" by providing one of the most prominent advertising spaces in Austria, the PORR tower situated near the busy A23 motorway. Part of these revenues will go to Volkshilfe Österreich to help people in need.



# Driving innovation: value add through innovative strategies and products

Supporting and implementing innovation is a cornerstone of the continuous corporate success the PORR Group enjoys. On the one hand this applies to developments in the technical sector, on the other hand it also involves embracing completely new approaches, as shown above in management practices and for order acquisition.

## Sustainable competitiveness through Life Cycle Costs

When it comes to contract procurement, the ‘cheapest bidder’ principle often has an advantage over any awarding principle involving a combination of high quality and cost-effectiveness.

In cooperation with the “Austrian Association for Research on Road, Rail, and Transport”, PORR has developed criteria for a more sustainable form of contract procurement. Evaluating life cycle costs involves estimating the costs over the entire lifespan of a structure. This means that it is not only the construction costs which are taken into account, but also the predicted maintenance costs for the proposed structure. Here the tenderer can set a higher price for the initial construction, but still remain competitive due to maintenance costs lower than those of other bidders.

As a full service provider in the infrastructure sector, PORR covers every business field in the modern construction industry thanks to a watertight value creation chain. This strength really comes into play in modern and innovative contract procurement.

PORR, together with the “Austrian Association for Research on Road, Rail, and Transport”, is committed to sustainable value competitiveness and to not competing on price alone. A “practice-oriented approach to innovation-driven public procurement” for the Federal Ministry of Economy, Family

and Youth was developed to this end with considerable contributions from PORR Group experts.

## PORR – a trailblazer for new technologies

The group sees technological expertise as an important asset. This is why the group places a key value on research and development, particularly as regards construction materials and optimising construction processes. In order to realise these plans, the PORR Group is involved in close, long-term cooperation with universities and other research institutes. One outstanding example is the cooperation with the Christian Doppler Laboratory (CD lab): TEERAG-ASDAG AG, a PORR Group company, subsidises and gives technical support to the CD lab which was set up in order to optimise the performance of asphalt roads, taking into account the expected increase in traffic loads and with a view to reducing lifespan costs. The laboratory’s location and scientific base is Vienna Technical University. In the course of its 5-year operations, the CD lab has developed methods for evaluating the long-term effectiveness of asphalt coverings with regard to rutting, fatigue and cracking. The results gained wide recognition across Europe and have also been incorporated into European standards.

The model of close, long-term cooperation between PORR and the universities is also applied in other specialist areas, such as concrete construction, developing energy-efficient buildings, preserving resources and ecological building. The research capacity of higher educational institutions is therefore more focused on practical projects with a high probability of application. Improving the quality and cost-effectiveness of infrastructure facilities is the goal of various research projects which are underway at PORR in cooperation with scientific institutes. Construction processes also benefit from research and can be further developed in this way.

## “Slab track” system

The “slab track” system (in German: “Feste Fahrbahn”) was developed together by the Austrian Federal Railways (ÖBB) and PORR. The system involves embedded monoblock sleepers encased in rubber and is remarkable for the quality of the fair-faced concrete in the prefabricated parts and the maintenance-free lifespan of more than 17 years to date.

The “slab track” system has been widely used in Austria since 1995 and has also been in use in Germany on bridges and tunnels since 2001. There are currently around 100 kilometres in use and no defects have been reported so far. The oldest section has now been in use for more than 17 years without requiring any maintenance or repairs.

## NATM - New Austrian Tunnelling Method

PORR also played a role in developing the “New Austrian Tunnelling Method” and has been the number one specialist in tunnel construction in Austria for decades. Around half of all tunnels, galleries, caverns and underground railways built across the world use this method. Many underground railways across the world have a bit of Austrian engineering magic in them. The “New Austrian Tunnelling Method”, developed in the 1960s, has proven to be especially useful for dealing with challenging geological conditions. A distinctive feature of this construction method is that only a thin layer of shotcrete covers the tunnel space, the rock mass itself supports the construction. Here, the load-bearing capacity of the rock itself is utilised as far as possible, with the help of shotcrete and anchorage.

### Own raw materials stocks

Building up our own resources gives PORR a certain independence from the international commodities markets and provides a clear competitive advantage.

### Modern processing – Unterpremstätten gravel plant

Gravel is mined and processed with cutting-edge machinery at seven gravel plants situated across Austria and Germany. The Unterpremstätten gravel plant in Styria works with a free-fall classifier, the only one of its kind in Austria, where the processing of gravel of any grain size is possible at the touch of a button.

### Secure reserves – Pronat stone quarry

The quarry in Preg is one of five stone quarries in Austria operated by the PORR Group company Schotter- und Betonwerk Karl Schwarzl BetriebsGmbH. The stone here is characterised by extremely high rigidity and durability. If annual production continues at around 600,000 metric tonnes, reserves from this site will be sufficient for multiple generations.

### Wide range – transport concrete

14 concrete factories in Austria and Hungary supply a wide range of concrete types in accordance with Austrian standards. These are subject to strict in-house testing and outside monitoring by an accredited testing institute. The range is constantly updated to meet current demand through new developments.





# Looking forward: value add through real economic benefits

The construction industry ...

... contributes around EUR 17 billion (2006) or 7% to Austria's gross domestic product.

... drives the job market and is a key employer. Over 8% of the workforce is employed in the construction industry. The employment rate is even higher when professions related to the industry such as architectural and engineering services are included.

... plays a crucial role in asset formation: buildings and structures represent around 70% (2006) of Austria's national tangible assets and over half of domestic gross fixed investment.

... is an important driving force for research and development: Austrian construction companies are international trailblazers in the development and application of new techniques and construction innovation.

... is a leader in exports: Austrian construction exports generate between EUR 6-7 billion a year.

## Innovation in infrastructure – despite economic crisis

While the Austrian construction industry saw a 12.7% rise in total production output to EUR 14.8bn in the period January to end November 2008, in 2009 it faces the challenge of a global economic crisis. Stimulus packages should strengthen the weakening economy and build trust. It is crucial for the construction industry that the state implements counter-cyclical measures, that it invests in infrastructure and research and development, and that these investments are quickly put into practice.

The future of the construction industry lies in the field of energy-efficient building, which even today is playing a key

role in the design of residential and commercial building. In addition, new and innovative financing models such as Public Private Partnerships will become increasingly important, as long as the capital markets make the requisite financing available.

Exports are another area which holds considerable promise for the Austrian construction sector. The construction industry will also continue to align itself towards international markets; here the export of general and planning services are particularly important. Above all, Austria can benefit from export opportunities related to know-how transfer – this has been primarily responsible for new developments in building construction and civil engineering, and in tunnel, water and power plant construction. The construction industry already has a competitive edge with environmental technology and engineering, which can also be maintained and utilised in the future.

### Private Public Partnership (PPP) – a sustainable financing model

PPP involves the inclusion of private-sector companies in realising public-sector projects, with the aim of increasing the cost-effectiveness of the tasks of the state. Until now this form of public private partnership has mainly been used in infrastructure project development. PORR has already realised numerous successful projects using this form of financing. One example is the construction in 2006 of the M6 motorway middle section in Hungary as part of a consortium – one of the largest infrastructure projects in Hungary. The concession agreement with a state organisation of the Republic of Hungary specified the rights and obligations for the consortium with regard to the construction, financing, maintenance and operation of the motorway stretch over a 22-year period and therefore lays out risk distribution in the technical, financial and legal sense. The consortium receives pre-agreed remuneration from the Hungarian state, which is not tied to traffic levels, for building, operating and maintaining the motorway.

Large-scale, complex PPP models in central and eastern Europe will become ever more important in the future as it becomes easier to secure financing and to increase operating efficiency.

# Facts

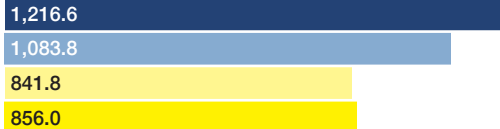
## Highlights 2008

Record order bookings	of EUR 3.3bn (+3.9%)
Record order backlog	of EUR 2.6bn (+4.8%)
Increase in production output	to EUR 3.2bn (+16.0%)
Revenues	of EUR 2.7bn (+20.0%)
EBT rise	to EUR 46.7m (+21.0%)
Earnings per share:	EUR 11.1
Dividends per share:	EUR 2.2

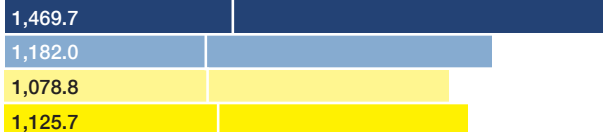
## Production output by sector

(in EUR million, change 2008 against 2007 in %)

Building construction (+12.3%)



Civil engineering incl. road construction (+24.3%)



Road construction in civil engineering (+13.2%)



■ 2008  
■ 2007  
■ 2006  
■ 2005



# Objectives

In order to carry forward the solid success of recent years well into the future, PORR is increasingly combining innovation with well-considered, sustainable approaches and activities.

Sustainability remains the key underlying corporate principle:

- In the following years, corporate success will increasingly depend on satisfied, responsible staff and an intact environment.
- Modern management and system upgrades will only provide

a strategic competitive advantage when they become routine and a matter of course. Therefore PORR will continue steadily along the established path and remain open to new ideas once they have been carefully evaluated.

- Communication is the guiding principle of mutual understanding and is implemented in a targeted manner: Using Corporate Governance as a basis, transparent and comprehensible decisions by the group management strengthen the trust of investors, clients, business partners and all other stakeholders.

**We believe that economy and ecology are not mutually exclusive. Taking responsibility for our environment can also be an ongoing contributor to economic success.**

Rudolf Krumpeck  
Executive Board Member





# Sonja Gruber

Technician

## How long have you been at PORR?

Since July 2007

## Education and training?

Degree in architecture; now studying part-time at FH Campus Wien University of Applied Sciences (subject: civil engineering and construction management, specialisation: large-scale projects)

## My future at PORR?

Near future: site manager; long-term: middle management, to increase the ratio of women

## Three words that sum up a "typical work day"...

Submitting proposals, drawing up tenders, checking invoices

## What makes PORR different/special?

PORR doesn't take on any contract at any price (e.g. no projects in conflict areas), it cares about staff satisfaction and wants to employ people long-term.





# Markus Spindler Formworker

# Patrick Bauer Bricklaying/Formwork Apprentice

## How long have you been at PORR?

Markus Spindler (MS): Since May 2003

Patrick Bauer (PB): Since May 2008

## Education and training?

MS: Formwork

PB: Bricklaying/formwork apprentice

## My future at PORR?

MS: Head-workman and then maybe foreman

PB: My aim is to become a foreman

## Three words that sum up a "typical work day"...

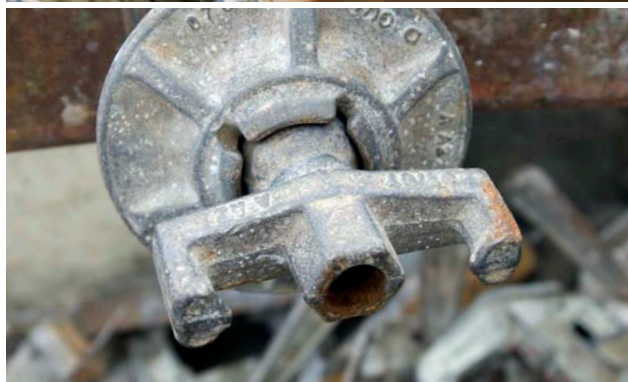
MS: Forming and manufacturing construction parts from concrete and ferro-concrete, producing special formwork to the given formwork and structural drawings

PB: Preparing tools, producing simple walls, measuring

## What makes PORR different/special?

MS: The main thing I like is the team spirit at PORR.

PB: The way colleagues cooperate and the excellent promotion prospects within a large company are what make PORR stand out.



# Recognising value

## Our employees are our future

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# Dialogue: securing the future through staff involvement

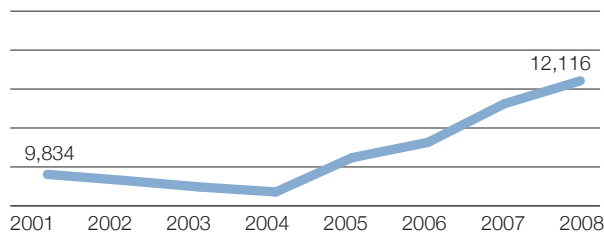
## Representation of interests and communication

In 2008 there were 12,116 staff employed by PORR – 4,431 salaried employees and 7,685 waged workers.

The vast majority of staff in the salaried employees sector are subject to the “Collective Agreement for the Construction Trade and Industry”. Limited work contracts are only issued in exceptional circumstances which are always project related.

The average length of employment with the company is 11.9 years for salaried staff and 10.8 years for waged workers.

### Development of average staffing levels



### Representation of interests ...

Tougher competition through increased globalisation, technological change and rising mobility all characterise the working environment of the 21st century and constantly present employees with new challenges.

The PORR executive board is well aware of how these demanding requirements affect staff and promotes dialogue with the works council within the framework of a modern management system.

The works council represents the economic and social interests of staff, in addition to involvement in health and safety issues and cultural events. Along with representation of employee interests, the works council also functions as a competent contact point and expert advisor to the executive board and to management. The works council sends a total of 18 representatives from across the whole group to sit on the supervisory boards of the holding and its incorporated companies.

### ... as the basis for a good working environment

The responsible cooperation between the works council, group management and staff is an intrinsic part of the PORR corporate culture and brings benefits for everyone. A positive working environment comes from avoiding social tension and increases the motivation of each individual, leading to excellent output.

### Leading features of teamwork

- Concluding bargaining agreements
- Assessing compliance to the collective agreement and to health and safety policy
- Negotiating voluntary, profit-related financial benefits
- Information on retirement, progressive retirement provisions, redundancy payments, support for employees in need and for dependant relatives after the death of active employees through monetary and other donations, etc.
- Implementing and promoting corporate welfare provisions
- Providing a foreign advisor in each country for every “PORR Expatriate” when posted abroad

## Communication

Communication is not just a catchphrase at PORR, it is a way of life. PORR takes its responsibilities as an employer seriously and has implemented a range of communication platforms to promote integration across the entire group. The management uses communication as the most important element for involving and engaging staff – across every department and national border. Transparency is a top priority.

Technological advances enable international corporations such as the PORR Group to transmit information quickly, clearly and in a targeted manner to all employees. To this end, the company uses a balanced mix of traditional and modern information channels.

**RePORRtage**, the staff newsletter, has been published quarterly since 2008, with a total print run of 12,000 copies. In order to underline the cross-European unity within the group, the magazine is published not only in German, but also in Hungarian, Polish, Czech and English. The medium contains the latest news from across the group, introduces individual departments, and reports on the latest projects from the different countries. Articles on environmental protection and occupational health and safety (“How to protect yourself in the sun”) offer highly practical tips and should provide food for thought and opportunities for personal application.



### The European Works Council

The Europeanisation of the world of work, the growth of the PORR Group and the traditionally high mobility of skilled construction workers has resulted in representation of interests at the European level. The EU's works council directive facilitated the establishment of a “European Works Council” (EWC), a cross-border body to represent employee interests.

PORR signed and implemented this EWC agreement in 1999. In addition, the decision-making bodies of the group have concluded further PORR-specific securities for staff, far beyond the legal minimums. The European works council holds a right of access to all national and international workplaces at PORR, allowing Europe-wide assessment of occupational health and safety and working conditions. Staff members are mainly deployed to PORR's key

foreign markets. The European Works Council also acts as a dialogue partner for PORR, as a change of workplace often involves employment and tax-related changes for employees.

The Committee of European Works Council Representatives of PORR promotes cooperation between interest representatives from the management side and from trade unions at European level. In order to achieve this, the committee relies on strong networks. These offer PORR another opportunity to be successful on the European market with motivated and highly qualified staff.





As contributions to the newsletter are not just from the editorial team, but also submitted by staff members from every department, the publication is something which staff can identify with and is truly authentic.



The **PORRtal intranet** keeps all staff completely up to date on every important piece of company news. Comprehensive-ly relaunched in 2008, the PORRtal now provides information in an even more targeted way to every user. In addition to general information about the entire group (news, group telephone directory, management, documentation), specialist information on the individual PORR subsidiaries is also available online. A choice of languages and upgraded search functions make the system even easier to use. The group-wide network facilitates efficient knowledge sharing and an ongoing exchange of information.



The **Welcome Day** is held at regular intervals at PORR headquarters. New staff members from every site have the opportunity to get to know the company better and employees are informed about the PORR Group's strategies and structures. The Welcome Day also acts as a platform for networking.



The **Site Managers' Conference** was held for the 46th time in 2008: 900 PORR employees presented the latest projects. The two-day conference promotes knowledge transfer between qualified specialists and demonstrates the expertise and variety that PORR enjoys as a full service provider.

# Development: securing the future through education and training

## Investing in staff

Skilled employees are the foundation of any company success. This PORR management principle is shown through the exceptionally high number of staff who take part in further development and training initiatives: 3,317 staff took part in a total 316 training sessions in 2008. In 2007, 2,787 employees attended 266 educational events. This significant increase is due in part to the company's growth and is also proof of increased investment in human resources by management and the HR development department.

Training days per (participating) staff member	
2008	1.9 days
2007	1.7 days

Further training and development opportunities for all staff in the company are characteristic of flexibility, mobility, open-mindedness and life-long learning.

Internal training and events fall into the following categories:

- Professional expertise: training and development in construction technology, law, business administration, information technology, languages, secretarial and commercial skills.
- Personal development: leadership skills, soft skills, social and intercultural training.

## Apprenticeship programmes: investing in the future

PORR takes its responsibilities towards training young people very seriously and aims to provide a solid basis for future career success through specific educational programmes. In order to counter the skilled labour deficit, PORR offers an attractive range of educational opportunities to train future specialists within the company.

Individually tailored programmes for apprentices help them to gain confidence on the job, as well as acquiring soft skills such as language and teamwork skills. Site managers, foremen and supervisors receive training on their responsibilities and legal obligations as apprenticeship masters.

In 2008 PORR had 172 skilled apprentices (including one female) and 26 commercial trainees (including 18 female) undergoing training. PORR goes beyond the legally stipulated education provisions and offers extra training for apprentices:

- Skilled apprentices regularly attend extra training sessions at the Guntramsdorf Construction Academy at Lehrbauhof Ost. One week of practical and theory-based lessons is offered twice a year. The company covers all of the costs.
- Commercial trainees have the option of visiting external computer courses and completing the European Computer Driving Licence (ECDL).
- Sports training and organised excursions act as team-building measures and are considered an important part of the staff development programme.

### “PORR Zukunftsfonds”

The “PORR Zukunftsfonds” was founded in 2008 with the aim of improving employee training. The fund supports members of staff who want to complete vocational training in the first phase of their careers. A personal mentor is assigned to the employee, reducing the induction phase significantly and making integration into a

large company much easier. 44 employees from six countries were subsidised by the fund in 2008. With a prevailing skilled labour deficit on the market, PORR invests in employees who may be needed as early as tomorrow.



- In the taster weeks, apprentices interested in training as bricklayers, formworkers and civil labourers have the opportunity to try out the practical side of these professions.
- PORR is the only construction company in Austria to offer apprentices training as plasterers or civil labourers the opportunity to learn to use special equipment earlier than usual. This measure gives apprentices a broader training range and therefore an advantage on the job market, also leading to PORR's nomination for the Austrian State Prize of "Exceptional Employer" in 2009.
- Ongoing public relations such as the industry-wide information campaign "Bau auf Bau" should raise awareness among young people of training opportunities in the construction industry.

### Qualitative growth requires solid vocational training

The growth of the PORR Group also brings new challenges. Demand is high for well-trained foremen at numerous construction sites across eastern Europe. This demand is increased still further as there is no comprehensive training for foremen in CEE comparable to that in Austria. PORR recognised this problem early on and launched the "PORR EU Foremen" training programme. The plan is for PORR specialists from the core markets of the new EU member states to come and train at the Guntramsdorf Construction Academy to become EU foremen. This training should take four semesters and be held during the winter months.

In a growing company there is always a high demand for well-educated management. PORR offers special training to current and potential managers which is tailored to their daily work and builds the long-term problem-solving skills required in a highly complex and competitive environment. The leadership skills of management are constantly enhanced and the complementary training of people from a wide range of areas creates synergies both in the day-to-day job and for the future.

### Ongoing information management

PORR utilises a wide range of innovative tools for knowledge management. These measures are essential for efficient, high-quality human resource development.

#### Effective HR marketing

Positioning and establishing PORR as an attractive employer brand among the employees of tomorrow – this is the objective of numerous HR marketing projects. Long-term image building takes priority over direct recruiting and requires targeted measures directly at educational and training institutes.

With this in mind, PORR builds up contacts and networks to pupils and students from a variety of disciplines, accompanies them during their education with specific programmes and is also represented at numerous career-orientation and information fairs. A targeted image folder and a more user-friendly internet site ([www.karriere.porr.at](http://www.karriere.porr.at)) has been created in response to the needs of potential young employees.

#### Innovative recruitment management: engage!

The recruitment management tool facilitates the optimum organisation of the complete recruitment workflow, from vacant positions to job announcements, agreeing interview dates and conducting the entire application process. Since the launch of engage! more than 4,700 applications have been processed in this way.

The (inter)national rollout of engage! began in 2009. It was introduced in Germany in January 2009 and will be rolled out to the branch offices in Austria in the first half of 2009. As engage! is available in multiple languages, a roll out to the international PORR branch offices is planned for the second half of 2009.



### Event management: porr\_academy

The online seminar management system provides every staff member with a complete overview of the training and development opportunities offered by the PORR Group. Participants can register for seminars via internet. The porr\_academy was introduced in autumn 2008 and recorded more than 2,200 registrations in the first two months. The portal is constantly

being upgraded to meet group-specific demands. The multi-language option facilitates the fast and efficient introduction of the system in all group countries. The porr\_academy also allows users to carry out and document computer-supported appraisals and performance reviews.

### Knowledge management: PORR-Experts

A company database of experts allows users to search quickly and easily for experts and specialists in specific technological, discipline and knowledge areas and promotes experience sharing and closer ties between group areas and departments.



## “Social partnership is a way of life in this company”

Michael Tomitz on ...

### ... training at PORR:

“One of PORR’s major strengths is that we rely on our own resources and invest in training staff who are already familiar with the company. An array of different educational opportunities and regular staff training sessions are an established tradition at PORR. Human resource development has been even more actively pursued since 2006 when a dedicated department was set up within the human resource management field. The company is also committed to new interactive communication channels. This is why the education database was implemented, available to staff on the intranet and modulated to the various hierarchy levels. In the meantime, staff appraisals have been made more accessible via IT support, in order to provide a seamless record of the interviews conducted.”

### ... corporate pension funds at PORR:

“2005 saw the introduction of corporate pension funds for every member of staff – salaried employees and waged workers – in Austria. This is a particular source of pride and is a

genuine accomplishment across the whole industry, provoking envy among several competitors. We have been working on this social model since the 1990s. After the crisis in 1995, company insiders agreed to transfer the former loyalty bonus into a staff pension fund.”

### ... sustainability at PORR:

“Every major building project has a natural effect on the environment. PORR was, however, one of the first construction companies in Austria who began as early as the 1980s to incorporate environmental awareness. This is how our expertise in environmental technology and engineering developed. Methods such as cleaning contaminated soil make a decisive contribution to sustainability. Taking further steps towards environmental commitment will be our next challenge.”

**Michael Tomitz**, Chief representative of works council representatives in the PORR Group and chairman of the works council for salaried employees, at PORR since 1989.



# Safety: securing the future through avoiding risks

## Anticipatory measures towards risk avoidance and health promotion

One of PORR's primary concerns is that every employee has a safe and secure job. One precondition for health and safety at work is access to medical care. In Austria in 2008 there were seven occupational health practitioners working at PORR. In addition to regular access to a doctor, staff also received advice where necessary on medical facilities as well individual answers to any questions regarding personal health care. In 2008, there were 1,512 employees who took up the opportunity to have a medical consultation. The doctors have their own infrastructure at the PORR headquarters, with a comprehensively equipped occupational health office.

There is an ongoing, lively exchange between doctors, the works council and group management in order to meet the needs of every staff member and initiate improvements.

With the implementation of the "integrated management system" (IMS), PORR also conforms to every specification regarding occupational health and safety in accordance with the occupational health & safety management system, OHSAS 18001:1999. This process has been examined and certified by an independent body, DQS, the German certification body for management systems.

## Avoiding risks through information

Work-related accidents, injuries and occupational illness should not only be reduced through targeted information dissemination, if possible, they should be prevented entirely. The implementation of a certified safety management system is there to ensure that international standards and preventative

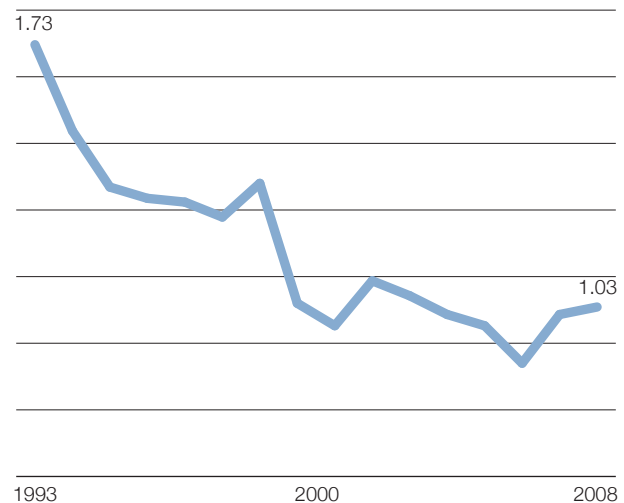
occupational health and safety measures are adhered to. Furthermore, PORR issues as much information as possible to all staff. The staff newsletter, "RePORRtage" regularly publishes articles related to health and safety in the workplace. Foremen and supervisors receive training in conforming to safety regulations which they then pass on to their workers.

### Reporting and preventing accidents

Another feature of our proactive communication policy and awareness raising is the publication of accident statistics on the intranet. Every accident which involves missing at least one hour of work is evaluated.

The severity of the accident is also recorded and is measured as a percentage of the number of hours lost from the total working hours:

Severity of accidents 1993–2008



## Training for better safety

The construction industry is one of the business fields with the highest accident rates. According to AUVA (Austrian social insurance for occupational risks) statistics, accidents are particularly frequent among the 15-25 age group. In 2002 PORR launched the project “Better safety at sites” and has been implementing it consistently ever since. There is now a focus on safety training as part of the apprenticeship education programme. Safety issues account for around a quarter of the education programme overall.

The educational objectives are:

- Optimum apprentice training to ensure that they can handle day-to-day construction work without damaging their health.
- Awareness raising among apprentices in order to identify possible site risks in advance.
- Better training for trainers and supervisors to improve their handling and understanding of youngsters’ needs.
- Maximum practical experience through PORR’s mentor concept: young staff members work side by side with workers with years of experience.
- Greater staff involvement through solid training.
- Linking site workers with the responsible staff units from head office (quality management and equipment management).
- Preparing apprentices for their possible future role as managers.

Basic legal stipulations are taught during three additional training weeks; here, handling hazardous materials is explained and approaches to reducing hazards at work are also covered. Information on using protective gear and excursions to large-scale building sites are as much a part of the training as specialist lectures from external experts.

The new educational approach at PORR has proven successful. The number of accidents among under-19-year-olds was previously above average, today it is significantly lower than the average – nowadays only 4% of staff under 19 are affected by accidents. The severity of accidents and therefore time missed has also dropped significantly as regards young staff members in recent years.

## First Aid training

102 first-aiders each received 16 hours of training in 2008 and 28 attended a first-aid refresher course. This means that PORR significantly exceeds the legal stipulation of first-aid ratios. Participation in this training is voluntary for all staff.

## Health care provision

The health of the company’s employees must be subject to ongoing monitoring. This is the only way to reduce long-term damage and to prevent staff exposure to potential health risks. Health checks are carried out every month with the approval of the health insurance organisations. A total of 1,512 staff members attended the PORR occupational health office in 2008. Other examinations are specially tailored to individual areas and focus on avoiding accidents as well as promoting health and safety in the workplace.

## Hyperbaric medical examinations

Boring works in underwater tunnels take place under extremely challenging conditions. Workers are tested before carrying out these works to ascertain whether they are fit to work in a high-pressure environment. Ongoing hyperbaric check-ups are carried out for around 40 staff members a year.

## Preventing hearing loss

The development of quieter working methods, installing sound-proofing measures and equipping workers with high-quality protective gear and technical equipment all lead to a significant reduction in noise exposure at sites. These measures have proven successful: occupational health check-ups in recent years have shown a steady drop in hearing damage. 1,268 workers in Austria were tested for hearing loss in 2008.

## Lung function testing

Around 100 people have their lung function tested at PORR every year. In 2008 there were 61 employees tested for exposure to welding fumes, of which 33 were workers from PORR Umwelttechnik GmbH.



# Stability: securing the future through prevention and provisions

## Social security through corporate health and retirement provisions

### Sport

PORR can look back on a long sporting history within the group and works on the principle that sport not only improves general health, but also promotes team spirit. This is why the sports section of the works council offers all employees a rich, balanced sporting programme. In addition to discounted entrance fees in various Austrian spa centres and reduced membership fees at fitness centres, staff are also offered rented tennis courts, sponsored kit for cycling, mountain biking or running events and access to a beach on the banks of the Danube in Vienna. Aimed at enhancing work-life balance, yoga and pilates courses for relaxation and stress relief are also subsidised.

Participation in numerous competitions and tournaments within the group improves team spirit and increases company cohesion: up to 500 competitors from every PORR market take part in the annual PORR skiing championships.

### Vaccination drive

The company finances various vaccination programmes to promote preventative health care on a voluntary basis. Last year, for example, around 370 people took the opportunity to have a tick-borne encephalitis vaccine. By buying vaccinations in bulk, the PORR works council managed to reduce the costs per head for the annual flu jab dramatically; the injection was given free-of-charge to around 400 staff members by occupational health practitioners. Vaccination advice and pre-travel vaccines saw increased interest in 2008: in total there were 380 advisory sessions and vaccines carried out, predominantly against Hepatitis A and B.

### Retirement provisions

PORR is the only company in the Austrian construction industry to offer a corporate pension plan to all employees in Austria. PORR's corporate pension plan for all Austrian labourers and salaried employees has been in effect since January 1st 2005 and is the second pillar alongside the state pension for retirement provision. This voluntary social benefit should provide long-term financial security for company staff.

The conditions for joining the corporate pension scheme are the same for both waged workers and salaried employees, namely a minimum of five years employment within the group.

The Austrian Pension Funds Act (Pensionskassengesetz) prescribes the careful assessment of money in bonds, stocks and real estate for pension funds. The return which is yielded is paid out as a monthly pension upon retirement. The capital and the yield for the duration is therefore highly beneficial to staff. The administrative costs of 4.3% are voluntarily covered by the company in accordance with the company agreement.

In 2008 a total of around EUR 1.27m was used here, of which 100% was provided by the employer.

# Facts

All of the following figures are average values.

## Number of PORR Group staff

2008



2007



■ Waged workers  
 ■ Salaried employees

## Number of PORR-Group staff domestic/foreign

2008



2007



■ Domestic  
 ■ Foreign

## Staff structure in Austria by gender

(Annual average 2008)



■ Male  
 ■ Female

## Average length of employment and average age of staff in Austria

Salaried employees	2007	2008
	Average length of employment in years	12.1
Average age	40.8	39.3
Waged workers	2007	2008
	Average length of employment in years	11.3
Average age	42.2	41.5

## Training

	2007	2008
Professional expertise	2,360	2,844
Personal development	427	473
<b>Total</b>	<b>2,787</b>	<b>3,317</b>

## Number of participants in training sessions

2008



2007



■ Participants – professional expertise  
 ■ Participants – personal development





# Objectives

As a competitive European company, PORR has set these objectives to ensure that we are well prepared for the future:

## Building up a skilled workforce

- To reduce the skilled labour deficit, we will increase in-company training for qualified staff.
- We will continue to promote further education and professional development.
- We will continue to offer mentoring programmes to support professional development.

## Promoting staff involvement

- We will increase the involvement of staff from every “PORR country” in group-wide training programmes.
- We will implement a uniform health and safety and accident prevention policy at every PORR site in Europe.
- We will make platforms for networking and integration available through regular group-wide events.

**As a company with a strong sense of responsibility, we are engaged in dialogue with staff and we nurture staff through education and professional development. This is our investment in the future of our employees.**

Peter Weber  
Executive Board Member





# Erwin Orsolits

Health & Safety, Environment and Refuse Officer

**How long have you been at PORR?**

Since 1990

**Education and training?**

Grammar school, College of Mechanical Engineering, training in health and safety and refuse

**My future at PORR?**

Applying my experience in environmental and health and safety management and helping PORR on the way to a sustainable future



**Three words that sum up a “typical work day”...**

Identifying problems, developing solutions together with staff and realising them

**What makes PORR different/special?**

The social structures in this multifaceted company are really important to me.



# Nicole Käfer

Media Expert Trainee

## How long have you been at PORR?

Since September 2007

## Education and training?

Grammar school to 5th year, then traineeship to become a media expert – in market communication and advertising

## My future at PORR?

To be responsible for an individual area within the corporate communications department

## Three words that sum up a “typical work day”...

Currently: preparing advertisements, maintaining our intranet (PORRtal), maintaining the archives and database, taking minutes

## What makes PORR different/special?

As a large corporate group, PORR also offers opportunities to get to know an extremely wide spectrum of disciplines within the communication field.



# Preserving value

## Safeguarding the environment for future generations

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# Preservation: responsibility through environmental management

As a full service provider in the infrastructure sector, PORR offers a comprehensive and diverse range of services. Here, environmental engineering is an important pillar of the group.

All PORR companies are keenly aware of the need for a respectful approach to the environment. There are two important players within the PORR Group who are particularly specialised and constantly apply sustainable environmental management and realise their environmental responsibility:

PORR Umwelttechnik GmbH was founded as an independent PORR company in 1990 and makes a decisive contribution to preserving an environment worth living in. By founding PORR Umwelttechnik GmbH, the expertise in the field of technological environmental protection was concentrated and innovations in planning, financing, building and operating environmental structures and facilities were realised.

PORR Umwelttechnik GmbH is a service company for every issue related to environmental protection. Its task is to work together as closely as possible with customers to identify problems, define them clearly, describe the appropriate need for action and then develop and realise solutions which are both pragmatic and efficient.

PORR Umwelttechnik GmbH operates in the following business sectors:

- Landfills and waste management
- Engineering services and environmental laboratory tasks
- Waste treatment and treatment plants
- Rehabilitation of contaminated sites
- Earthwork, demolition and disposal services

PORR Energy GmbH is a wholly-owned subsidiary of Porr Solutions and bundles PORR's expertise in the energy sector. With the strategic aim of covering the entire value chain in the construction industry, PORR Energy does not only have a role to play as a builder, but also as a developer, operator and seller. The company has been active since 2008 and has increased the importance accorded to the issues of "renewable energy" and "ecology" – also in the CEE

and SEE region which is precisely where the most pressing demand for this is found.

## The environment handbook

The environmental handbook, regularly published by PORR Umwelttechnik GmbH, is a comprehensive compendium of important facts such as laws, directives, prescriptive limits and standard values. In addition, this work compiles information and contact details of the relevant federal and provincial offices, as well as legal databases and internet addresses. The environmental handbook plays a key role in improving information in the rapidly changing environmental policy field and provides available information quickly and on site.



## Environmental management system

With regard to environmental protection, PORR aims to reduce the possible effects of construction activities through economic means. One key instrument for achieving this objective is the environmental management system certified to EN ISO 14001:2004, which PORR integrated into the existing quality management system in 2007.

The international norm ISO 14001 is based on voluntary commitment, own initiative and negotiated agreements; it also lays the foundation for sustainable trading:

- Ecological aspects are implemented in corporate responsibility.
- Environmental protection and ongoing improvements in this field are implemented and monitored in the company in a process-oriented manner.
- Environmental effects can be analysed systematically and environmental performance can be optimised when carrying out construction activities.
- Environmental impact should be reduced as much as possible in accordance with economic, technical, legal and political requirements.
- The potential for environmentally friendly construction should be optimised during the planning stage (before the construction stage). Here ecological “value-add variants” are developed, discussed and implemented in cooperation with the client.
- The implementation of an internationally recognised norm system not only builds trust and improves public perception, it also brings material advantages. Long-term preservation of resources can lead to significant cost savings.

**“Sustainability is a new spin on an established PORR tradition.”**

Reinhard Frank on ...

**... sustainable activities at PORR:**

“If we’re talking about corporate consciousness, then sustainability is not a new topic at PORR. The company has always been dedicated to following economic principles, but without ever losing sight of ecological and social concerns. The importance of the ecological aspect is steadily growing and presents us with new challenges when realising projects.”

**... tradition at PORR:**

“For me, PORR has traditionally been a principled company, built on values. The guiding principles of the group’s management are highly value-oriented. These principles are based on a combination of the human factor, the environment and increasing and maintaining earnings.”

## Preserving resources

Every construction activity leaves a creative mark on the environment. PORR is aware of the responsibility this brings and analyses every activity with regard to “environmental aspects” and “effects on the environment” in order to incorporate activities into the targeted programme for reducing environmental effects (a detailed list can be found on page 43). For example, during the planning stage attention is paid to optimum construction design so that space is used to its maximum potential and that as few trees as possible are destroyed. Minimal water consumption is guaranteed at PORR sites thanks to the use of cutting-edge equipment. Natural resources are preserved and the impact on people and the environment is reduced as far as possible.



**... promoting sustainability at PORR:**

“Coherent communication automatically increases general acceptance. For sustainability in the company it is essential that all three pillars – profitability, environment and staff – carry equal weight. This ensures that the “ceiling” – corporate success – has solid support. Here, awareness of public perception and communicating accordingly was a relatively new approach for the group. This has been made visible through the introduction and ongoing realisation of an integrated management system in which quality, health and safety, and environmental protection all meet. In the future we want to build on this and incorporate environmental issues even more strongly.”

Reinhard Frank is Head of the Quality Management department and a Management Representative at PORR. He has been with the company since 1994.



# Research: responsibility through innovation

PORR has built up its own research infrastructure. Detailed preliminary surveys must be carried out for environmentally sensitive construction projects. In order to get meaningful information on the state of the subsurface, special attention has to be paid to the documentation, sampling method and representative range of samples when taking samples of solids, water and gas. Appropriately trained staff undertake the detailed documentation of all fieldwork conducted.

The in-house environmental laboratory is fitted with state-of-the-art analysis equipment and facilitates physical-chemical analyses. Resulting data is expertly evaluated and interpreted and is then also suitable for drawing up expert opinions such as appraisals and estimates.

Water, soil and air samples are analysed in particular with regard to assessing possible dangers which can arise from waste and contaminated ground. This analytic process is the basis for the development of innovative technologies and methods by the experts at PORR Umwelttechnik GmbH.

## The BIOPUSTER® method

Even many decades after they have been closed down, landfills continue to develop odorous gases that are sometimes toxic and explosive. In addition, water seeping through the landfill is heavily laden with organic contaminants representing a hazard to the groundwater. The cause is the anaerobic microbial degradation of organic waste material in the landfill that takes place very slowly, releasing undesirable substances. One of the main products of anaerobic degradation is methane, which is explosive and has an extremely adverse effect on the atmosphere as a greenhouse gas.

PORR has developed a method to address this problem. The so-called BIOPUSTER® method is a highly complex system for waste treatment:

1. Oxygen-rich air is blasted into the landfill, so that all materials and even densely packed areas are oxygenated. In order to accelerate decomposition it is also possible to mix pure oxygen into the compressed air.

2. Aerobic microbial decomposition begins; in contrast to anaerobic processes, it is markedly faster and has a lower impact on the environment, as it mostly produces only carbon dioxide and water.
3. At the same time as air being injected in, the suction lances draw air away from the landfill. The low pressure which results ensures that no gas can escape uncontrolled through the surface of the landfill during treatment.
4. The next step is that the landfill can be opened without risk and the waste can be removed safely.
5. This method makes a significant contribution to protecting the environment and surrounding areas.

## Methods for conserving ground water

One project developed by PORR involves building filter windows into the enclosure in order to conserve as much groundwater as possible. As the water can only leave the problem site via these filters, the water flows out in a purified state. PORR Umwelttechnik GmbH was awarded the environmental prize “Daphne – Spirit of Environment” for this innovative solution.

## Stabilising hazardous materials

Thanks to a special stabilisation technique in PORR’s stabilisation plant, hazardous waste can be deposited above ground.

As part of a consortium, PORR Umwelttechnik GmbH operates a stationary soil-washing plant equipped with the latest technology. Mineral waste is processed at this plant and some is recycled. This enables hazardous materials, which may be contaminated by heavy metals and excluded from storage above ground by legal regulations, to be safely disposed of after this treatment.

# Protection: responsibility through waste management

A responsible approach to handling commercial and industrial waste is a pressing problem which can only be countered with cutting-edge technology and innovative methods.

PORR handles this challenge with a two-pronged approach: Firstly, PORR uses innovation to uncover new directions in commercial waste management and offers customers the services that come from these innovations.

Secondly, the group expressly believes that the company should set a good example internally. A sustainable waste and environmental network helps to protect and preserve precious resources.

## Commercial waste management

### Restoration planning

Planning, building, operating and restoring landfills, along with waste treatment and processing, are key pillars of PORR Umwelttechnik GmbH. The company has the know-how and expertise available to erect and operate complex turnkey facilities such as power plants, sewage plants and landfills.

The specialists at PORR Umwelttechnik develop and implement ecological and cost-effective proposals for planning and realising practical safety and restoration measures. Here, direct cooperation with the relevant authorities plays a key role.



### Landfill restoration in Lower Austria

The Berger and Fischer landfills were former gravel pits which were then filled with household and industrial waste in the 1970s and 1980s. They were situated in the hydrological catchment of a groundwater trench at Mitterndorf, Austria's largest groundwater reservoir. When contamination began to leak out, the authorities ordered the complete clearance of the landfills.

With a view to occupational health and safety and to protect the surrounding area, the first step before clearing began was the treatment of the waste with the BIOPUSTER® method. After this, the landfills could safely be opened. The waste underwent a rough sorting process on site, which meant that the optimal recycling and disposal of individual waste types could be achieved. Chemical analysis of the different substances enabled the team to sort and store the waste in the appropriate treatment and disposal facilities.

At the Berger landfill, a total of around 1.379 million tonnes of waste and contaminated subsoil was removed. At the Fischer landfill, around 840,000 tonnes of waste, numerous containers with hazardous contents and around 560,000 tonnes of contaminated subsoil were processed in an environmentally friendly way.



## Rehabilitating contaminated sites and waste treatment

One key focus is securing and rehabilitating contaminated sites and waste. PORR has been successfully applying different techniques for treating hazardous waste for many years. These techniques guarantee that the treatment and recycling of waste materials is both cost-effective and ecological. Hazardous waste is temporarily stored in warehouses before being treated, so as not to pollute the earth, water or air.

In order to make contaminated sites suitable for existing or future use, a combination of different methods for securing and rehabilitating the site must often be used:

- Pre-treatment, clearing and disposal
- Creating an enclosure from diaphragm walls
- Immobilisation
- Groundwater purification
- Extraction of subsurface air
- BIOPUSTER® method

## Building and operating waste incineration plants and landfills

PORR was involved in the construction of nearly every waste incineration plant in Austria – either as part of a joint venture or independently. As a building management company, PORR Umwelttechnik GmbH does not only construct landfills, but also covers the broad range from finding a site to planning, financing, and operating the landfill.

The company also operates landfills for mineral waste in Lower Austria, where various types of problematic waste can be stored in accordance with state-of-the-art technology.

## Waste management in the group

PORR also shows its commitment to the environment through the application of a strict waste management policy. To this end PORR has installed an environmental and waste network. This network ensures a long-term approach to resources and an efficient reduction in waste at workplaces and construction sites. During construction projects, valuable waste is processed on site using mobile recycling units and the construction process is carried out with a view to the product lifecycle. For example, in 2008 PORR achieved an asphalt recycling rate of 91%.



**Pfaffenau waste incineration plant**

The Pfaffenau waste incineration plant is the third of its kind in Vienna and is also the most cutting-edge. It has a capacity of 250,000 tonnes of non-recyclable waste per year. The energy created during incineration is also used for generating electricity and feeding Vienna's district heating network.

Total weight of waste at production sites (in tonnes)		
Waste type	2007	2008
Non-hazardous waste	2,749	2,690
Hazardous waste	418	282

Disposal methods of non-hazardous waste at production sites (in %)		
Disposal methods	2007	2008
M/B treatment and landfill	35.9	34.7
Reclamation	27.4	28.9
Recycling	18.8	19.5
Incineration or use as fuel	10.3	10.5
Composting	7.5	6.3
Re-use	0.1	0.1

Disposal methods of hazardous waste at production sites (in %)		
Disposal methods	2007	2008
Incineration or use as fuel	92.1	88.7
Reclamation	4.6	10.0
Re-use	3.3	1.3

# Reduction: responsibility through energy efficiency and reducing CO<sub>2</sub>

Company	Business area	References
Porr Projekt und Hochbau AG	Erecting passive houses and low-energy buildings (revitalisation and restoration)	Anton-Heger-Platz, Vienna; Pantucekgasse, Vienna; Hetzendorferstraße, Vienna
Porr Projekt und Hochbau AG Building technology group	General contractor in constructing electrical and building technology systems	Various building construction projects, across Austria and internationally
Porr Solutions Immobilien- und Infrastrukturprojekte GmbH	Project development, building technology, project management	Skyline - office and more, Vienna Terminal Tower Linz
Porr Umwelttechnik GmbH	Installation of geothermal systems	Skyline - office and more, Vienna
Porr Technobau und Umwelt AG, Foundation Engineering department	Installation of drilled piles and slurry walls with heat exchangers	U2/1 Schottenring, Vienna Haus am Hafen, Bregenz
ALU-SOMMER GmbH	Aluminium-glass facades	Various buildings

Climate protection is a top priority for PORR. Resource and energy-saving construction methods and structures are an important building block towards a sustainable climate protection policy. The comprehensive service range offered by PORR's leading companies supports and furthers this strategy, which should help considerably in hitting Kyoto targets.

## Constructing energy-efficient buildings

Climate protection, an increase in quality of living and cost-effectiveness can all be successfully combined in building construction. Optimum harmonisation with the surrounding area and the use of alternative energy sources for energy supply are a key part of the complete concept in erecting energy-efficient buildings, as well as an important contributor to reducing CO<sub>2</sub> emissions. When it comes to planning, fitting, equipping and operating buildings, PORR takes special care to ensure that the least possible energy is required for heating and cooling. In order to be able to meet this challenge head on with the most cutting-edge building technology that the task requires, PORR set up an "Energy-efficient construction" working group. This is tasked with concentrating the expertise of the whole group in order to develop properties which can be operated with maximum environmental awareness and energy efficiency.

Buildings are planned to ensure that running costs and energy expenses are kept as low as possible. This guarantees low

rental and maintenance costs even in the long term. Furthermore, PORR is a long-established specialist in the fields of renovation, revitalisation and thermal upgrades. In order to accomplish the high energy efficiency, an active contribution to climate protection and preserving the fabric of a valuable historic building is required.

### Pantucekgasse residential complex in Vienna – Austria's largest 'passive house'

In 2005 PORR acquired the general contractor tender for the turnkey construction of this complex. With 114 residential units, this is currently Austria's largest passive house. By using solar and geothermal energy as well as controlled indoor and garage ventilation, this project stands as a particularly successful example of sustainable residential construction. Excellent insulation values keep running costs exceptionally low.

### "Skyline - office and more" office tower in Vienna – Innovative project by Porr Solutions

This office building is the last word in environmental and energy technology: the building is cooled with geothermal energy. Energy efficiency is increased by a special blind system which optimally utilises daylight. Green rooftops were created, which not only have the positive effect of protecting the building from heat and cold, but also reduce air and dust pollution and support the natural water cycle. Surface water seeps away into the drainage gravel, so it doesn't flow into the public sewer and add to the load of the sewage system.

PORR has contributed to Austria's milestones in energy and environmental construction.

## Promoting renewable energies

### Building environmentally friendly power plants

PORR is and was heavily involved in constructing every type of power plant in Austria. In recent decades the group has built over 100 reservoir, hydro, wind, biomass and thermal power plants. In developing these facilities the PORR Group has been able to build up key expertise. Business development in this sector has therefore been nurtured, as it generates interesting economic benefits on the one hand and positive environmental effects on the other.

There has been an increased focus on developing projects in this area in recent years. The specialist knowledge acquired through building and operating eco-energy facilities is increasingly also being applied to PORR's foreign markets. One example in 2008 is the acquisition of 32 small hydro power plants in Romania along with a strategic partner, which are being upgraded to increase energy efficiency.

### Converting the company fleet to gas-fuelled vehicles

The PORR Group has over 3,400 vehicles in its fleet, of which almost half are in use at TEERAG-ASDAG AG. TEERAG-ASDAG AG is currently testing the use of natural-gas double-cabin flatbed trucks and passenger cars as part of a pilot project. Instead of using petrol or diesel, these cars run on CNG (Compressed Natural Gas) thereby lowering CO<sub>2</sub> emissions.



#### Biomass power plants in Aschach and Gresten

Both of these biomass power plants are combined heat and power plants which generate CO<sub>2</sub> neutral heat and electricity by using wood. Each of the plants feeds into a district heating network. This means that 800 households can receive eco-heat all year round. These plants operated by PORR have contributed to reducing CO<sub>2</sub> emissions by around 5,000 tonnes a year. All plants were built, financed and are now operated by PORR.

#### Tegesbach power plant, Nassereith

When constructing small-scale power plants, PORR proceeds with the utmost care towards preserving natural flora and fauna. The Tyrolean-based plant began operating in mid 2006 and is capable of producing environmentally friendly electricity for around 500 households.



#### Timelkam – one of the world's cleanest and most modern steam and gas power stations

From 2007 to 2008 PORR carried out the master-building works and part of the general contractor works on the new construction of a gas turbine power plant in the 400 megawatt class in Timelkam. The construction of the gas and steam power plant was truly a superlative project. PORR played a leading role in the creation of what is currently the world's cleanest and most modern power station of its kind.

#### Kaprun

PORR was heavily involved in the creation of the pumped-storage power plant in Kaprun at the beginning of the 1950s. 50 years after completion, Kaprun now produces a good 400 megawatts of power. As part of a joint venture, PORR is erecting the "Limberg II" Kaprun power plant, which should more than double the plant's capacity and is set for completion in 2012.

# Facts

## Disposal methods of non-hazardous waste at production sites (in %)

2008



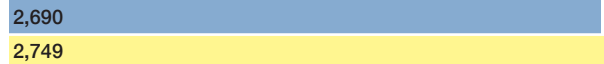
2007



- M/B treatment and landfill
- Reclamation
- Recycling
- Incineration or use as fuel
- Composting
- Re-use

## Total weight of waste at production sites (in tonnes)

Non-hazardous waste



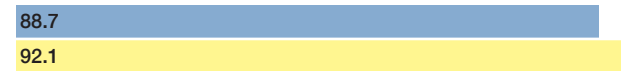
Hazardous waste



■ 2008  
■ 2007

## Disposal methods of hazardous waste at production sites (in %)

Incineration or use as fuel



Recycling



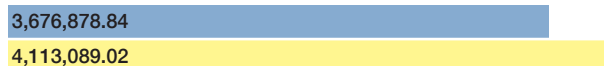
Re-use



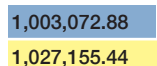
■ 2008  
■ 2007

## Total raw material production

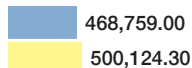
Ballast (in tonnes)



Asphalt mix (in tonnes)



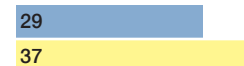
Concrete (in m³)



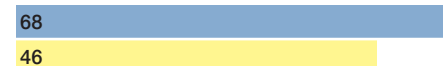
■ 2008  
■ 2007

## Recycling rate von construction waste (in %)

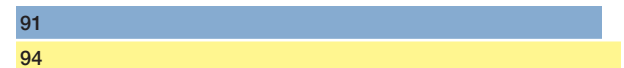
Excavation



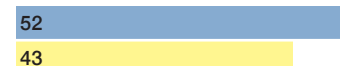
Concrete



Asphalt



Rubble



■ 2008  
■ 2007

Environmental aspect	Effects on the environment	Programme for reducing effects on the environment
Using earth-moving equipment	Diesel engine emissions	New acquisitions exclusively include equipment which conforms to the latest regulations and cutting-edge technology.
	Use of fossil fuels and lubricants; CO <sub>2</sub> emissions	Biodiesel is currently only applicable for up to 5% of volume due to technical and liability reasons.
	Contamination of soil, surfaces or ground-water through diesel leakage when refuelling or the bursting of a hydraulic hose	New equipment uses organic-based hydraulic oil.
	Noise	A collecting tray is used when fuelling; oil binding agents are always kept in reserve.
Building plot design	Use of surface area	Use of quieter equipment which conforms to the latest technology.
Forest clearance in the course of realising projects	Destroying trees	An optimal building plot design is incorporated into the planning stage.
Use of separating agents in road construction	Possible contamination of soil and bodies of water	Intelligent advance planning, good logistics and special preservation measures to make sure that as few trees as possible must be felled.
Operating machinery and equipment	Noise	Biodegradable separating agents are used.
	Energy consumption	All machinery and equipment used meets the latest technological standards, is subject to regular maintenance and is inspected once a year.
	Water consumption	The use of state-of-the-art machinery guarantees minimal electricity consumption.
	Waste production	The use of state-of-the-art machinery guarantees minimal water consumption.
Winter building	Depending on the heating type, electricity or gas consumption – related to CO <sub>2</sub> emissions	Disposed of in accordance with the appropriate waste management concepts.
Asphalt production	Noise	Heating is switched off when construction is not underway. Using a timer system optimises heating.
	Energy consumption	The plant is sound-proofed to the latest standards.
Demolition works	The resulting waste is normally not contaminated. If the demolition site contains asbestos or if it is contaminated then this can have negative environmental effects	In order to reduce heat and energy loss during asphalt production, the facility is thermally insulated.
	Dust formation, water consumption	Potentially hazardous substances are identified and removed before work begins. Waste is either separated on site or in PORR plant; hazardous waste is treated in one of PORR's own treatment facilities.
	Noise	Dust is bound or removed by finely spraying water from a special nozzle.
Traffic route works	Causing traffic congestion	Noise from equipment is minimised by only using quieter equipment which meets the latest technological standards.
	Workers, road users	Optimal planning of traffic routes.
	Noise	Traffic routes are made safe and clearly marked.
		The contractor has only limited influence on the choice of freight companies with quieter vehicles. Optimised construction site logistics should also contribute to noise reduction.

# Objectives

The activities of every construction company leave a creative mark on the environment. PORR employs a sustainable range of measures in order to keep these effects to a minimum and to conserve natural resources.

- PORR Umwelttechnik GmbH and PORR Energy GmbH act as the “competency centres” for environmental expertise and thereby play a key role in the group. The existing know-how will be further extended in the future through investment in research and development.
- Environmental protection will continue to take a front seat in the company in the future: the pilot project “converting the fleet to gas-fuelled vehicles” will be extended. Recycling waste will continue to be promoted through the group’s internal waste network and recycling facilities will be steadily modernised.
- Sustainable energy production is the future. By applying years of expertise in building and operating power plants, PORR will continue to promote the generation of renewable energies.
- Building energy-efficient structures will make a significant contribution to environmental protection in the future. PORR takes care to ensure that energy costs are kept as low as possible during the planning, construction, fitting and operating phases of every building developed by the company.

**The PORR Group is characterised by a combination of innovation and continuity, which today enables us to lay the foundations for many more years of success.**

Johannes Dotter  
Executive Board Member



# Imprint

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## Concept, content and text

IIPA (International Industrial & Public Affairs), Vienna

## Layout, design and production

schoeller corporate communications, Vienna/Hamburg

## Photos

Rita Newman (staff photos)  
Georg Wilke, Klaus Vyhnalek (Executive Board photos)  
PORR archives  
Cover photo: Kaprun Limberg II Power Plant

## Printing

AV+Astoria Druckzentrum GmbH, Vienna

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