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Report of the Management Board of

PORR AG

on agenda item 6 of the General Meeting on 29 May 2018 in accordance with § 170 in conjunction with § 153 (4) of the Austrian Stock Corporation Act (AktG)

The Management Board and Supervisory Board propose to the annual General Meeting of shareholders of PORR AG (the "**Company**" or "**PORR**") on 29 May 2018, agenda item 6, the revocation of the existing unutilised authorisation of the Management Board to effect a share capital increase in accordance with § 169 AktG (authorised capital) in the remaining amount of up to EUR 6,612,500 in connection with a new authorisation of the Management Board to effect a share capital increase in accordance with § 169 AktG (authorised capital) by up to EUR 4,364,250 (corresponding to 15% of the current share capital of the Company) for contributions in cash and/or in kind, including the authorisation of the Management Board to exclude subscription rights. The Management Board shall be authorised, with the approval of the Supervisory Board, to exclude the subscription right of shareholders in full or in part in case of a share capital increase (i) for contributions in kind or (ii) for contributions in cash if (A) the sum of the shares issued for contributions in cash under exclusion of subscription rights does not exceed the limit of 10% (ten percent) of the entire share capital of the Company at the time the authorisation is exercised, (B) the share capital increase is effected by contributions in cash to service an over-allotment option (greenshoe) or (C) for the settlement of fractional amounts.

In accordance with the statutory provisions of § 170 in conjunction with § 153 para 4 AktG, the Management Board provides in the context of the possible exclusion of the subscription right the following

REPORT:

1. Authorisation for the exclusion of subscription rights in the event of a share capital increase for contribution(s) in kind

The Management Board shall be authorised, with the approval of the Supervisory Board, to exclude the subscription right of shareholders in full or in part in case of a share capital increase for contributions in kind. The authorisation to issue new shares for contributions in kind under exclusion of subscription rights is intended to give the Management Board the option to use shares from authorised capital as a (partial) purchase price for existing companies, businesses, parts of companies or shares in companies, if required. In addition, real estate, shares issued by the Company or claims against the Company may also be considered as assets to be contributed in kind to the Company. Contribution of such assets as a contribution in kind requires the exclusion of shareholders' subscription rights, since the composition of the asset in question is usually unique and can only be contributed by the respective person (rather than any shareholder).

The acquisition of existing companies, businesses, parts of companies, shares in companies or other assets by means that these assets are contributed to the Company as a contribution in kind under exclusion of the subscription right of the shareholders is in the interest of the Company, as the Company intends to acquire such assets.

The exclusion of subscription rights in this context is necessary because the Company can only secure by this measure that the acquisition of the respective assets will not cause an outflow of liquidity and/or a seller (especially sellers of shares in companies) may only be willing to transfer such assets if it in return receives a value-equivalent participation in the Company and thus exchange-tradable shares. From the Company's perspective, it may also make sense for strategic or organizational reasons to integrate the seller into the PORR Group as a shareholder.

In case of an acquisition by way of contributions in kind, the seller as a contributor in kind can only achieve the desired participation if he receives the new shares exclusively. The exclusion of subscription rights is proportionate because the Company regularly has a special interest in acquiring the relevant asset. The interests of the existing shareholders are protected by the fact that - usually after a valuation - shares are granted proportionately. If assets are acquired for contributions in kind by issuing new shares from authorised capital, the value of both the asset to be contributed as well as the Company is assessed, and the contributor receives new shares in the Company based on such ratio. Thus, there is no risk of the value of the equity interest of existing shareholders being diluted. Furthermore, the existing shareholders will participate in future profits of the acquired asset. A noticeable dilution of the voting rights of the existing shareholders will not occur in case of a share capital increase within limits of the authorisation. In addition, shareholders have the option of maintaining their proportional shareholding and voting rights by purchasing shares on the stock exchange.

In consideration of all the above circumstances, the proposed authorisation to exclude subscription rights in the event of a share capital increase for contributions in kind is necessary, appropriate, adequate and objectively justified in the interest of the Company.

2. Authorisation to exclude subscription rights in the event of a share capital increase for contributions in cash

The Management Board shall be authorised, with the approval of the Supervisory Board, to exclude the subscription right in whole or in part in the event of a capital increase for contributions in cash in the following events.

a) Up to 10% of the share capital at the time the authorisation is exercised

The issuance of shares for contributions in cash up to 10 % of the share capital making use of the authorisation (with the approval of the Supervisory Board) to exclude shareholders' subscription rights shall enable the Management Board to cover the Company's equity requirements promptly and flexibly by one or more cash capital increases with a limited volume.

It is in the interest of the Company to be able to cover a financing requirement (of the company or the PORR Group) or to strengthen the capital structure of the Company quickly by issuing new shares. In particular, a need for financing may arise to finance an acquisition, the expansion of business activities or major projects or to refinance indebtedness (for example, to repay a bond, loan or other financing). Especially in such cases, a swift issue of shares may be required or desirable.

By waiving the performance of a time-consuming and costly subscription right procedure, the Company will be in a position to react quickly to beneficial situations on the market. Experience has shown that such share capital increases can be placed at better conditions and with a lower placement risk than a share capital increase with shareholders' subscription rights (under a two-week subscription period) due to the swift possibilities for action (in particular in an accelerated bookbuilding process) resulting in a higher cash inflow a reduced risk of an incomplete placement. In case of a share capital increase with an exclusion of subscription rights, the Company has in particular no (at least) two-week period (subscription period) in which the share capital increase transaction has already been publicly initiated and the Company is exposed to the risk of an adverse change in the market conditions and a risk of speculation (in particular of short selling) against the share during the pending subscription period. Such market risk factors are regularly calculated by (institutional) investors at the Company's expense as a deduction affecting the issue price.

Moreover, in the case of an offering to a limited circle of investors (e.g. a placement to institutional investors only) or a private placement, there is no obligation to prepare a prospectus, the preparation of which requires the Company to make considerable use of its own resources and incur considerable external costs and, finally, liability for the content of the prospectus. The preparation of a prospectus also requires a long lead time, making it impossible for the Company to react quickly and flexibly to market developments. Furthermore, if new shares of up to 10% of the shares already admitted to trading are admitted within a period of 12 months, there is also no obligation to prepare a listing prospectus.

The shareholder structure can also be systematically expanded or stabilised by means of a cash share capital increase with the exclusion of subscription rights in the interests of the company. This concerns the anchoring of the company with (certain groups of) institutional investors. This can improve the tradability of the company's shares, the trading activity in the company's shares and thus also the company's ability to finance itself via the capital market. For strategic reasons, it may also be appropriate for the Company's business activities to acquire one or more existing or potential business partners of companies of the PORR Group as new shareholders for the Company or to increase their shareholding in the Company in order to strengthen their bond to the Company.

The exclusion of subscription rights is therefore in the interest of the Company and is necessary to enable the Company to raise equity capital quickly and flexibly (without a two-week subscription period). An adverse effect on the shareholders is not to be expected, as the financial interests of the shareholders are protected by the legally required determination of an appropriate issue price/offer price for new shares in accordance with then prevailing market conditions. In addition, shareholders have the option of maintaining their proportion of shareholding and voting rights by purchasing shares on the stock exchange.

In this context, the Management Board also notes that it is not intended to (disproportionately) allocate shares in the context of a cash share capital increase with exclusion of subscription rights to existing shareholders who are members of the Ortner-Strauss syndicate controlling the Company.

The exclusion of shareholders' subscription rights in this context is therefore necessary, appropriate, adequate, objectively justified and necessary in the overriding interest of the Company.

b) Over-allotment option (greenshoe)

An exclusion of shareholders' subscription rights may also be beneficial in connection with a share capital increase and placement of new shares of the Company or another placement of shares of the Company, so that over-allotment options (greenshoe) can be settled from authorised capital. In the case of an over-allotment option (greenshoe), the underwriter has the possibility (with the legal framework of applicable capital markets laws) to allocate to investors more shares than offered; the shares required for such over-allotment are usually made available to the underwriter via a securities lending. This procedure serves a stabilisation of prices: If the share price drops after the offer, the underwriter may acquire shares on the market, thereby supporting the price of the offered shares and servicing their obligation to re-deliver shares under the securities lending (or directly the over-allotment in case of an agreed delayed settlement). If the prices rise, the underwriter exercise a previously concluded option pursuant to which the Company undertakes to issue more shares to the underwriter at the price of the original issue. Such a measure is customary (and within the applicable legal framework lawful) in the context of public placements and has the purpose of stabilising the market price after the placement of the shares and is thus in the interest of the Company.

The interests of the existing shareholders are protected by the fact that if an over-allotment option granted by the Company based on authorised capital is exercised, the new shares are issued at the price of the original placement and thus at the market price determined in such placement. A noticeable dilution of voting rights should not be suspected in the event of a share capital increase in the limited amount of the authorisation. In addition, shareholders have the option of maintaining their proportion of shareholding and voting rights by purchasing shares on the stock exchange.

c) Fractions

The authorisation of the Management Board to exclude the subscription right for the settlement of fractions is intended to enable a practicable subscription ratio for the relevant share capital increase. Without such an exclusion of subscription rights, the technical implementation of a share capital increase would be hindered, particularly in the case of a share capital increase with a round total amount. The new shares excluded from shareholders' subscription rights as free fractions will be utilised either by sale on the stock exchange or in another manner in the best interests of the Company. This approach is standard market practice and objectively justified because the costs of subscription right trading for fractions are disproportionate to the benefits for shareholders and the effects of the restrictions will be barely perceptible.

d) Further reports

In the event of a later exclusion of the subscription right on the basis of the authorisation, the Management Board has to publish a further report in accordance with § 171 para 1 in conjunction with § 153 para 4 AktG at least two weeks before the corresponding resolution is adopted by the Supervisory Board.

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