



REPORT ON THE 3RD QUARTER 2014

powered
by



Key Data

in EUR m 1-9/2014 1-9/2013 Change

Operating data

Production output	2,674	2,285	+17.0%
Foreign share	39.8%	35.1%	+4.7PP
Order backlog	4,659	4,721	-1.3%
Order bookings	2,742 ¹	3,632	-24.5%
Average staffing levels	12,330	11,339	+8.7%

Income statement

Revenue	2,227	1,842	+20.9%
EBITDA	83.1	66.1	+25.7%
EBIT	35.8	27.9	+28.3%
EBT	12.9	6.5	+98.5%
Interim profit	12.2	4.5	+171.1%
Earnings per share in EUR	0.63	-0.09	>100.0%

Cash flow and investments

Operating cash flow	39	28	+39.3%
Cash flow from operating activities	-85	-36	-136.1%
Cash flow from investing activities	-34	-45	+24.4%
Cash flow from financing activities	42	80	-47.5%
Investments	70	77	-9.1%
Depreciation/amortisation/impairment	48	41	+17.1%

in EUR m 30.9.2014 31.12.2013 Change

Statement of financial position

Total assets	2,493	2,296	+8.6%
Equity (incl. non-controlling interest)	434.1	347.7	+24.8%
Equity ratio without cash flow hedges	18.6%	16.3%	+2.3PP
Equity ratio with cash flow hedges	17.4%	15.1%	+2.3PP
Non-current assets	1,130	1,069	+5.7%
Current assets	1,363	1,228	+11.0%
Non-current liabilities	701	669	+4.8%
Current liabilities	1,358	1,280	+6.1%
Net debt	434	679 ²	-36.1%

¹ Order bookings at similar level to previous year; one-off impact of Green Line Doha Metro worth EUR 943m.

² In the comparable period to September 30th 2013

The absolute values have been rounded off.
The changes are based on the unrounded figures.

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This is PORR Management Report

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Acknowledgements

Foreword by the Executive Board

Dear shareholders and respected business associates,

Europe's economy has taken a severe hit from the current crises – in particular sanctions against Russia are putting the brakes on economic growth. Strict budget consolidation policies remain the largest problem for the eurozone, as they are hampering any investments which would stimulate growth.

This backdrop makes PORR's business performance in the third quarter 2014 all the more gratifying. Production output in the first nine months 2014 rose by 17.0% to reach a total of EUR 2,674m. The early start to the construction season was not the only factor in this positive development, the consistent implementation of our strategy once again proved successful – concentrating on our home markets (Austria, Germany, Switzerland, Poland and the Czech Republic) and on our core competencies in housing, private building construction and infrastructure.

“In the reporting period we took all of the necessary steps to realise our new real estate strategy.”

The order books remain at a very high level and numerous new high-profile projects were acquired. These included the Marbach viaduct, the Prague office complex Marina Phase II and the Smart Campus – currently one of the largest building construction projects in Vienna. Another new tender from Qatar was especially pleasing: the elevated works for the Green Line of Doha Metro. This

underlines the strong performance and good reputation which PORR has managed to establish in the region. The success of business activities in Qatar is also reflected in an organisational change which has been implemented primarily to meet the strategic demands of the market: in future international activities will be handled by Business Unit 4 – Infrastructure, establishing a new, stronger and even more powerful business unit. German civil engineering, which was originally in Business Unit 1, will also be integrated into Business Unit 4. In addition to significantly greater efficiency, a primary benefit should be the synergic effects.

Another new development relates to PORR reporting. As a clear signal to the capital market, PORR is publishing a quarterly report fully conformant with IFRS for the first time. The recent measures to increase the liquidity of the PORR shares are also a sign of transparency towards our investors.

All necessary steps towards realising our new real estate strategy were also taken in the reporting period. The purchase of a majority stake in UBM, effective October 2014, will enable us to make the most of a key opportunity to reorganise our real estate business and ultimately facilitate a clear focus on our business activities. As a first step there will be two “pure”, independent companies once the spinoff takes effect: a construction group – PORR AG, and a real estate company – PIAG/UBM. This approach will contribute to an increase in value for the PORR Group and thereby represents clear added value for our shareholders. All PORR shareholders will receive one PIAG share for each of

their PORR shares. This proportional spinoff was approved by the extraordinary general meeting on October 29th 2014. Another step is to merge PIAG and UBM, creating a player of European stature.

The Executive Board
Vienna, November 2014



Karl-Heinz Strauss
Chief Executive Officer



Christian B. Maier
Executive Board Member



J. Johannes Wenkenbach
Executive Board Member

Focus

Concentration on the core competency of construction – Spin-off of the real estate and development sector

Events after the end of the reporting period:

Following the resolution of the extraordinary general meeting on October 29th, PORR is realigning the real estate sector after the acquisition of a majority stake in UBM. One goal is to achieve an even clearer focus and concentration for the PORR Group on its core competency – construction. Another goal is to establish an independent, listed company which will have a decisive focus on

the real estate and development sector. In future both companies – PORR and PIAG/UBM – will be able to realise their strengths more effectively thanks to their streamlined profiles. By freeing up capital, PORR will improve its balance sheet and earnings, as well as achieving a significant reduction in net debt. In turn, PIAG/UBM will be of sufficient size for a meaningful independent presence on the capital market.

PORR on the Stock Exchange

PORR share outperforms ATX

Following on from the first quarter 2014, when the Ukraine crisis led to market uncertainty and slumps in share prices, the second quarter briefly showed a slight upwards trend. In the third quarter the international stock markets continued to be volatile in light of the ongoing geopolitical tension. In Europe the first half of August in particular was marked by a significant correction in the share price. For the first nine months the Eurostoxx 50 held steady overall, while the leading ATX index fell sharply.

The price of PORR shares has doubled since the start of the reporting period and stood at EUR 50.8 as of September 30th 2014. It thereby significantly outperformed the leading ATX index, which fell by 13.5% in the same period. As of September 30th 2014 market capitalisation was EUR 739.0m. Average trading volumes were 22,831 shares at September 30th 2014.

Successful conclusion of capital increase

At the beginning of May 2014 PORR AG successfully concluded its capital increase. Investors subscribed to a total of 2,645,000 new shares in two tranches. The preplacement of 2,164,138 shares on April 9th and 10th 2014 was four times covered, whereby the subscription and offer price was set

at EUR 45.00 per share. After subscription rights were exercised, the second tranche of 480,862 new shares was 22 times covered. Total gross proceeds of EUR 119m were raised in this capital increase. The proceeds have primarily been used to strengthen the Group's equity and for the partial payback of the ABAP profit participation rights (a PORR subsidiary).

PORR acquires majority stake in UBM and spins off real estate business

On July 11th 2014 PORR AG announced that, subject to various conditions precedent, it will acquire a 25% stake (plus eight shares) from CA Immo International Beteiligungsverwaltung GmbH in UBM. The total purchase price is EUR 36m; thereby EUR 24.00 per share in UBM. Closing took place on October 10th 2014. The extraordinary general meeting approved the spinoff of 41.3% of shares in UBM and a 39.96% stake in STRAUSS & PARTNER Development GmbH.

Investor Relations

In the third quarter 2014 the management and investor relations team held numerous one-on-one talks with investors and analysts in the most important European financial centres and participated in international conferences.

PORR share price (indexed since January 1st 2014) and trading volumes



Management Report

General Economic Environment

After robust growth at the start of 2014, the economic recovery came to an abrupt end in the second half of the year. The upward trend in the global economy did not pick up pace as expected in the third quarter, instead slowing significantly. The reason for this was weak demand from many emerging markets – particularly in South America, South East Asia and Eastern Europe – caused by the capital flight which followed the announcement of the USA's monetary policy turnaround. Furthermore, Russia increasingly suffered under economic sanctions. Slower economic growth in China and India as well as a number of conflicts in North Africa and the Middle East led global economic growth forecasts for 2014 to fall far below the average in recent years to just 2.7%.

While the American economy continued its recovery, primarily as a result of robust domestic demand, the economy in most European countries slowed significantly. The increasing geopolitical setbacks and insufficient structural reforms are endangering economic growth long term. German GDP shrank in the second quarter, mainly due to a lack of investment in construction, which had been planned for early summer but was brought forward in light of the mild winter. Economic growth in Austria's most important trade partners in Eastern Europe also tailed off in the second quarter. Poland's economy held steady, as did that of the Czech Republic, albeit with some limitations.

Given Austria's strong focus on exports, the Austrian economy was also unable to buck the downward European trend. Moreover, limited investment once again had a negative economic impact in the first half year. In light of the lack of stimulus from consumer spending, the economic slowdown is set to continue or worsen by the end of the year. WIFO has forecast slight GDP growth of 0.75% for the year 2014.

Development of Output

Despite a challenging backdrop, PORR once again succeeded in increasing production output in the first three quarters 2014 to EUR 2,674m – a rise of EUR 389m or 17.0%. In addition to the early start to the construction season facilitated by the mild winter, the consistent implementation of the strategy once again proved successful – concentrating on the home markets of Austria, Germany, Switzerland, Poland and the Czech Republic and on the core competencies in building construction, civil engineering and infrastructure.

Every PORR segment once again achieved an increase in output. The fastest growth was in Business Unit 4 – Infrastructure, with a plus of EUR 229m or 55.4%. This growth was mainly triggered by tunnelling – particularly the projects under construction such as the Doha Metro, Koralm Tunnel KAT 3, Albaufstieg and Stuttgart 21. However, activities in foundation engineering and railway construction with the projects Coburg–Illmenau, Staffelstein Coburg and Dimitirovgrad–Svilengrad were also key contributors to improvements in output in the reporting period.

Around 93% of production output was generated on PORR's home markets. In terms of output the most important market was Austria, followed by Germany, Poland, the Czech Republic, Qatar and Switzerland. In Austria the federal provinces with the strongest growth were Vienna (Seestadt Aspern, U1 lots 13,14 and 15, DC Living, Rudolfsheim care home and Atzgersdorf residential complex), Styria with the Styria Media Center, the Voitsberg power plant consortium (recycling components), the S6 Tunnelkette Bruck consortium and the Niesenergasse residential complex, as well as Lower Austria – starting out already from a very high level. There was once again a significant increase in Germany, primarily due to the aforementioned infrastructure projects and the Stresemannallee residential complex (Frankfurt/Main), Wohnquartier Alexanderplatz (Berlin), Living 108 (Berlin) and Twin Yards Munich.

Positive contributions to output also came from Poland (with the Barglow–Koscielny bypass, Poznań business park, Ogrody Elbląg shopping centre) and Romania with the Sebeş–Turda motorway and maintenance works on state road 76. The activities of Prajo GmbH also had a positive impact on Group output.

Order Balance

PORR's order situation remains highly satisfactory. At September 30th 2014 the order backlog stood at EUR 4,659m and was therefore slightly down on the very high level of the previous year, slipping back by just 1.3%. PORR continues to have significantly more than one year's capacity utilisation on its order books. The significant rise in production output led to a decline in the order backlog in BU 4 – Infrastructure, BU 1 – DACH and BU 2 – CEE/SEE.

In the current reporting period order bookings stood at EUR 2,742m, down by 24.5% or EUR 890m against the same period in the previous year. This decrease is the result of the one-off effect of acquiring major tenders for the Green Line of the Doha Metro and Koralm Tunnel KAT 3 in the previous year. If these one-off effects are taken into account, the order bookings in the first three quarters of 2014 were well above those in the comparable period 2013.

The largest order bookings in the third quarter included the Smart Campus, currently one of Vienna's largest building construction projects, the Marbach viaduct in Germany and the elevated works in Qatar – the open extension of an underground railway line as part of the Green Line of Doha Metro. Order bookings also developed well in the CEE/SEE region. PORR will build the Times II office building in Poland. Outside the home markets PORR is pursuing a selective acquisition policy appropriate to the market environment. New projects are only being taken on if secure co-financing is in place from the EU and preferably in the core competency of infrastructure.

Financial Performance

The seasonal nature of the construction industry and the high advance costs mean that the first months of a business year are typically characterised by negative earnings, which are then balanced out by earnings in the second half of the year.

Revenue in the third quarter 2014 totalled EUR 2,227.2m, an increase of 20.9% against the comparable period 2013. While there was a slight increase in the percentage of revenue used for expenses for materials and other related production services, (+2.0%), the amount accounted for by staff costs declined slightly (-0.5%), along with other operating expenses (-1.4%). This led to an improvement in EBITDA of EUR 17.0m to EUR 83.1m. The increase in depreciation, amortisation and impairment expense (EUR +9.1m to EUR 47.4m) resulted from the initial consolidation of equipment-intensive companies. At September 30th 2014 EBIT amounted to EUR 35.8m and was therefore EUR 7.8m (+28.3%) higher than the value from the previous year. While financing costs could be maintained at almost the same level despite the increase in revenue, finance income saw a minor decrease of EUR 1.0m. This led to EBT of EUR 12.9m (+98.5%). The profit/loss for the third quarter 2014 stood at EUR 12.2m, thereby marking a significant increase on the comparable period at EUR +7.7m.

Financial Position and Cash Flows

At September 30th 2014 total assets amounted to EUR 2,493.5, thereby representing a significant rise against the comparative reporting date, December 31st 2013. The increase in assets primarily resulted from the rise in working capital triggered by the massive revenue growth.

In non-current assets there was a particular impact on investment property (EUR +38.7m) from establishing two new property projects, while there was a rise in property plant and equipment (EUR +18.2m) due to the initial consolidation of an equipment-intensive track manufacturing firm. In current assets, significant revenue growth led to a strong rise in trade receivables (EUR +160.5m) as well as in inventories, which increased sharply by EUR 46.8m to EUR 143.0m.

In the first three quarters 2014 there was an increase in equity, mainly due to the capital increase of EUR 114.8m. In contrast, dividend payments of EUR 18.8m had the effect of reducing equity, as did the fall in interest rates and the related increase in social capital, which was recorded under other comprehensive income. Overall equity improved by EUR 86.5m to EUR 434.1m. At September 30th 2014 the equity ratio including the interest rate hedges thereby stood at 17.4% compared to 15.1% at December 31st 2013. If interest rate hedges for Hungarian PPP projects are excluded, the equity ratio stood at 18.6%.

Under liabilities, there was an increase of EUR 26.4m in non-current financial liabilities because of financing a new property project and the inclusion of track manufacturing equipment from companies included in the consolidated group for the first time. In terms of current liabilities, trade payables (EUR +83.5m) and current provisions (EUR +39.2m) rose as a result of the revenue growth, while non-current financial liabilities fell owing to a loan repayment. Other liabilities also declined because of working off major orders which had been paid in advance.

While net debt (total from bonds and financial liabilities less cash and cash equivalents) rose by EUR 76.8m to EUR 434.3m as a result of the revenue rise and the inclusion of additional companies in the consolidated group, there was a contrary net-debt-reducing impact of EUR 114.8m as a result of the capital increase.

Operating cash flow was up by EUR 10.9m to EUR 38.9m, mainly reflecting the improvement in the profit for the period against the comparable period of the previous year. Cash flow from operating activities amounted to EUR -84.7m, which was EUR 48.9m lower than the same period 2013 owing to the fact that working capital, particularly trade receivables, rose as a result of the massive increase in revenue. Cash flow from investing activities was EUR 11.2m lower than the comparable period and mainly reflected the growth of two investment properties, owing to the progress of construction work and the necessary investments to replace construction equipment and property used by the Group. Proceeds from the sale of prop-

erty, plant and equipment had a positive impact. Cash flow from financing activities reflected the incoming funds from the capital increase and the outflows from paying dividends and payments to non-controlling shareholders of subsidiaries as well as the outflow for the buyback of 48,089 capital share certificates in the third quarter 2014. Furthermore, loans and other financing were redeemed. Cash and cash equivalents stood at EUR 257.7m at September 30th 2014.

Investments

No significant investments were made in the first three quarters of 2014 except the usual investments to replace machinery and construction site equipment. The strict cost controls, which are part of the **fitforfuture** programme throughout the Group, were thereby also upheld.

Staff

Average staffing levels increased in the first three quarters of 2014 owing to the rise in production output and amounted to 12,330 people at September 30th 2014; this is 991 people more than the comparable period 2013. However, with a rise of 8.7%, the increase in staff was significantly less pronounced than growth in production output (+17.0%), resulting in an increase in output per staff member.

Opportunity and Risk Management

Risk management involves the areas of HR management, liquidity management, project management, lending and borrowing management, procurement, currency and interest exchange management, as well as risks related to markets and the general economy. The main purpose of opportunity and risk management in the PORR Group is to implement processes in such a way that risks can be identified early on so that the requisite countermeasures can be taken swiftly. As part of **fitforfuture**, opportunity and risk management has been strengthened and the early warning system developed still further. Particularly in the area of international expansion in markets such as Qatar, risk management is a top priority and is subject to targeted adjustments to meet the conditions prevailing in the region.

Forecast

PORR remains right on track after the first nine months 2014. There have been fundamentally different consequences from the weather in the current year. Following on from an early construction start due to the mild winter, the increase in output shrank significantly in summer as a result of unusually heavy rainfall. In contrast, the mild weather in autumn facilitated a return to strong construction output in Austria and abroad. On condition that there is no early onset of winter, the Executive Board forecasts an increase in production output from the construction business for the full year 2014.

In addition, the high cushion of orders has a positive impact and is based on an approach to acquisitions facilitated by the principle “profit over output”,

which applies to every area, but especially for those sectors in which PORR has exceptional expertise. Alongside the innovative slab track system for railways and the expertise in tunnelling, these areas include PORR’s leading role in residential construction in the Greater Vienna area, its strong position in foundation engineering in the whole of Austria and, increasingly, its good reputation with private industrial clients in Austria and Germany.

The high order backlog, the planned spinoff of the real estate business from the PORR Group and the consistent focus on working capital management will all have an impact on the PORR’s liquidity and earnings. The Executive Board thereby forecasts a renewed increase in earnings for the full year 2014.

Segment Report

Segment Business Unit 1 – DACH

Key data			
in EUR m	1–9/2014	1–9/2013	Change
Production output	1,452	1,353	+7.3%
Order bookings	1,371	1,507	-9.0%
Order backlog	1,390	1,473	-5.6%
Average staffing levels	6,901	6,562	+5.2%

Business Unit 1 – DACH (BU 1) is responsible for the home markets of Austria, Germany and Switzerland, as well as large-scale building construction projects with a special focus on general contractor and design-build services. BU 1 includes the activities of the TEERAG-ASDAG Group. There is a particular focus on residential construction, office construction, industrial construction and road construction. Numerous large-scale infrastructure projects are developed in cooperation with Business Unit 4 – Infrastructure. In the reporting period German civil engineering was integrated into BU 4 in order to exploit synergies between the two business units.

Against the backdrop of a very mild winter and ongoing favourable weather conditions in the third quarter, BU 1 achieved a renewed rise in business activities in the first three quarters 2014, starting out from an already high level. Production output amounted to EUR 1,452m, a rise of EUR 99m or 7.3%. In addition to the Vienna region, the greatest contributors were Styria and Lower Austria. PORR also managed to achieve strong gains in Tyrol. In addition to the German market, Switzerland in particular achieved strong output growth, thereby

confirming the good business performance after the new start in building construction. There was an overall decline in volume for large-scale building construction projects, as projects were concluded and the subsequent projects acquired are not yet making a full contribution to output figures.

The order backlog in the home markets Austria, Germany and Switzerland was slightly below the high level of the previous year and amounted to EUR 1,390m at September 30th 2014, a decline of EUR 83m or 5.6%. Order bookings stood at EUR 1,371m, a decrease of EUR 136m or 9.0%. This decline was due to several factors including the increase in production output.

Overall, BU 1 is optimistic about the current year 2014. The strong credit metrics of both the public and private clients in Austria, Germany and Switzerland are the foundation for the Group's business growth. The German market in particular continues to offer opportunities for expansion, strengthened by good relationships with private industrial clients. Overall, output for the full year 2014 is likely to match the level of the previous year.

Segment Business Unit 2 – CEE/SEE

Key data

in EUR m	1–9/2014	1–9/2013	Change
Production output	299	269	+11.4%
Order bookings	328	320	+2.6%
Order backlog	367	430	-14.7%
Average staffing levels	1,407	1,535	-8.3%

Business Unit 2 – CEE/SEE (BU 2) covers PORR’s permanent business in the home markets of Poland and the Czech Republic, where PORR offers a full spectrum of services in building construction, residential construction and civil engineering, along with the specialist division for large-scale projects in earthworks, hydraulic engineering and pipeline construction. It also deals with all project-based activities in other CEE/SEE countries.

BU 2 achieved a significant increase in production output in the first three quarters 2014. At September 30th 2014 output stood at EUR 299m, a rise of EUR 31m or 11.4% compared to the previous year. The home markets of Poland and the Czech Republic once again reported business growth, while an increase in investment activity is expected in the coming quarters in the Czech Republic in particular. In the reporting period the strongest growth came from Romania.

The strong rise in production output was reflected in the decrease in the order backlog. In contrast, order bookings rose sharply and reflected increased business operations. At the end of September 2014 the order backlog stood at EUR 367m, a decline of EUR 63m or 14.7%. Order bookings increased and amounted to EUR 328m at the reporting date, a rise of EUR 8m or 2.6%. The largest order bookings in civil engineering were the Sebeş–Turda motorway in Romania and the railway construction project LK272 Kluczbork–Ostrzeszów in Poland.

Tendering efforts in Poland continue to be positive, while an increase in public-sector investment is expected in the Czech Republic. Positive preliminary indicators have also been observed in Romania. In most of the region’s other countries PORR has adjusted capacity to the economic backdrop or completely withdrawn from the market. PORR remains active on these markets on a project basis, as long as there are excellent relations to the client and secure co-financing from the EU.

Segment Business Unit 4 – Infrastructure (incl. International)

Key data			
in EUR m	1–9/2014	1–9/2013	Change
Production output	642	413	+55.4%
Order bookings	360	1,536	-76.6%
Order backlog	2,242	2,515	-10.9%
Average staffing levels	2,181	1,440	+46.4%

PORR is a leader in infrastructure projects in its home markets of Austria, Germany, Switzerland, Poland and the Czech Republic, as well as individual countries in the CEE/SEE region. The segment Business Unit 4 – Infrastructure (BU 4) includes activities in tunnelling, rail construction and foundation engineering, as well as large-scale projects in road and bridge construction, power plant construction and civil engineering. In the third quarter 2014 Business Unit 3 – International was integrated into BU 4 in order to exploit synergies between the two business units.

At September 30th 2014 BU 4 had achieved a significant increase in production output against the previous year. Output amounted to EUR 642m and was thereby EUR 229m or 55.4% more than the comparative value. In the reporting period or-

der bookings fell by 76.6% to EUR 360m, due to the acquisition of the metro project in Qatar, which was included in the order bookings of the previous year. The order backlog stood at EUR 2,242m, a decrease of EU 273m or 10.9%. Therefore the high cushion of orders was maintained in comparison to the sharp increase in production output. The most important new order in the third quarter was the elevated works for the underground rail construction in Qatar.

PORR has extensive technical expertise in areas such as tunnelling and foundation engineering, which will be consistently expanded in the coming years. BU 4's capacity is very well utilised with current projects; it is therefore possible to take a selective approach to acquiring additional projects with a view to the margins.

Segment Business Unit 5 – Environmental Engineering

Key data

in EUR m	1–9/2014	1–9/2013	Change
Production output	84	67	+24.1%
Order bookings	68	45	+50.3%
Order backlog	31	44	-30.0%
Average staffing levels	820	816	+0.5%

The segment Business Unit 5 – Environmental Engineering (BU 5) bundles the Group's expertise in environmental clean-up, waste management, demolition and renewable energy. Porr Umwelttechnik develops, builds and operates landfills, waste treatment and sorting facilities in Austria, Germany and Serbia.

Despite the difficult backdrop at the start of the year, BU 5 managed to consolidate its business activities. The takeover of Vienna-based demolition specialist Prajo last year has made a particularly positive contribution to the growth of BU 5. Production output reached EUR 84m and was therefore EUR 16m or 24.1% more than in the same period 2013. In addition to the large-scale order for the demolition of Voitsberg power plant in Styria, BU 5 processed numerous special tenders, particularly in the Greater Vienna area.

The increase in production output led to a decline in the order backlog to EUR 31m at September 30th 2014, a decrease of EUR 13m or 30.0% against the comparable period. In contrast, order bookings rose to EUR 68m, an increase of EUR 23m or 50.3%.

Thanks to the increase in the order backlog and BU 5's strong expertise in niche areas, the outlook for 2014 is optimistic. For the two home markets Austria and Germany PORR expects the market backdrop to remain challenging but stable, with opportunities in environmental clean-up, demolition and recycling looking particularly promising. Here PORR is benefiting in particular from the expertise of the Prajo Group. PORR's internal value creation and continuing to promote special solutions such as the "A-GB-A" model (offering demolition, foundation engineering and excavation from a single source) will be the future success factors of PORR Umwelttechnik.

Segment Business Unit 6 – Real Estate

Key data

in EUR m	1–9/2014	1–9/2013	Change
Production output	197	183	+7.8%
Order bookings	615	224	+174.4%
Order backlog	629	259	+143.2%
Average staffing levels	389	359	+8.4%

Following approval by the extraordinary general meeting, PORR will realign the real estate sector following the acquisition of a majority stake in UBM. One goal is to achieve an even clearer focus and concentration for the PORR Group on its core competency – construction. Another goal is to establish an independent, listed company – PIAG/UBM – which will have a clear focus on the real estate and development sector. Further details are given in the foreword by the Executive Board.

BU 6 expanded its business operations in the third quarter 2014. Production output rose to EUR 197m, an increase of EUR 14m or 7.8%. While STRAUSS & PARTNER reported a decrease in output owing to several sales in the comparable period of the previous year, PORREAL and UBM achieved increases.

Interim Consolidated Financial Statements as of Sept 30th 2014

Consolidated Income Statement

in EUR thousand	7-9/2014	1-9/2014	7-9/2013	1-9/2013
Revenue	865,087	2,227,194	811,504	1,841,820
Own work capitalised in non-current assets	114	659	1,472	1,719
Share of profit/loss of associates	25,269	42,028	2,545	12,950
Other operating income	29,412	80,752	23,396	82,654
Cost of materials and other related production services	-624,111	-1,511,438	-553,961	-1,212,633
Staff expense	-212,872	-574,694	-190,993	-484,346
Other operating expenses	-50,377	-181,354	-67,484	-176,023
EBITDA	32,522	83,147	26,479	66,141
Depreciation, amortisation and impairment expense	-15,898	-47,361	-13,090	-38,206
EBIT	16,624	35,786	13,389	27,935
Income from financial investments and other current financial assets	2,293	5,912	1,588	6,878
Finance costs	-8,854	-28,765	-8,571	-28,336
EBT	10,063	12,933	6,406	6,477
Income tax expense	-2,977	-757	-1,949	-1,999
Profit/loss for the period	7,086	12,176	4,457	4,478
of which attributable to non-controlling interests	233	211	-267	-472
Profit/loss for the period attributable to shareholders of the parent and holders of profit-participation rights	6,853	11,965	4,724	4,950
of which attributable to holders of profit-participation rights	800	3,400	1,900	5,973
Profit/loss for the period attributable to shareholders of the parent	6,053	8,565	2,824	-1,023
Basic/diluted earnings per share (in EUR)	0,44	0,63	0,23	-0,09

Statement of Comprehensive Income

in EUR thousand	7-9/2014	1-9/2014	7-9/2013	1-9/2013
Profit/loss for the period	7,086	12,176	4,457	4,478
Other comprehensive income:				
Gains/losses from revaluation of property, plant and equipment	-94	-94	-	-
Remeasurement from benefit obligations	-13,284	-13,284	-	-
Income tax expense (income) on other comprehensive income	2,974	2,974	-	-
Other comprehensive income which cannot be reclassified to profit or loss (non recyclable)	-10,404	-10,404	-	-
Exchange differences	-243	-308	388	-1,628
Gains/losses from fair value measurement of securities	83	169	84	70
Gains/losses from cash flow hedges				
Gains/losses recognised in profit or loss	-	-	192	619
Gains/losses from cash flow hedges of associates	-1,078	-4,061	-902	3,554
Income tax expense (income) on other comprehensive income	403	382	85	-18
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	-835	-3,818	-153	2,597
Other comprehensive income	-11,239	-14,222	-153	2,597
Total comprehensive income	-4,153	-2,046	4,304	7,075
of which attributable to non-controlling interests	245	223	-183	-496
Share attributable to shareholders of the parent and holders of profit-participation rights	-4,398	-2,269	4,487	7,571
of which attributable to holders of profit-participation rights	800	3,400	1,900	5,973
Share of profit/loss for the period attributable to shareholders of the parent	-5,198	-5,669	2,587	1,598

Consolidated Statement of Financial Position

in EUR thousand	30.9.2014	31.12.2013
Assets		
Non-current assets		
Intangible assets	65,420	65,829
Property, plant and equipment	467,400	449,202
Investment property	273,072	234,386
Shareholdings in associates	242,869	234,108
Loans	25,091	27,583
Other financial assets	15,985	19,019
Other non-current financial assets	29,542	31,431
Deferred tax assets	10,815	7,101
	1,130,194	1,068,659
Current assets		
Inventories	142,961	96,105
Trade receivables	811,438	650,987
Other financial assets	132,447	133,097
Other receivables and current assets	17,998	11,187
Cash and cash equivalents	257,706	332,907
Assets held for sale	739	3,528
	1,363,289	1,227,811
Total assets	2,493,483	2,296,470
Equity and liabilities		
Equity		
Share capital	29,109	24,203
Capital reserves	248,590	139,632
Other reserves	111,979	134,898
Equity attributable to shareholders of parent	389,678	298,733
Equity from profit-participation rights	43,360	46,120
Non-controlling interests	1,103	2,809
	434,141	347,662
Non-current liabilities		
Bonds	224,259	223,659
Provisions	136,517	123,124
Non-current financial liabilities	300,186	273,776
Other non-current financial liabilities	17,685	21,137
Deferred tax liabilities	23,019	26,996
	701,666	668,692
Current liabilities		
Bonds	99,112	99,134
Provisions	132,396	93,147
Current financial liabilities	68,433	93,796
Trade payables	696,871	613,414
Other current financial liabilities	166,621	119,802
Other current liabilities	183,642	251,097
Tax payables	10,601	9,726
	1,357,676	1,280,116
Total equity and liabilities	2,493,483	2,296,470

Segment Report¹

1-9/2014							
in EUR thousand	BU 1 – DACH	BU 2 – CEE/SEE	BU 4 – Infrastruc- ture	BU 5 – En- vironmental Engineering	BU 6 – Real Estate	Other incl. holding	Group
Production output (Group)	1,451,807	299,052	641,748	83,690	196,769	602	2,673,694
Segment revenue (revenue, own work capitalised and other operating income)	1,374,670	321,081	479,595	51,367	46,257	35,636	2,308,606
Intersegment revenue	71,005	9,972	13,260	7,693	12,495	159,638	
EBT (Earnings before tax – segment earnings)	20,533	-10,340	4,487	3,262	-9,781	4,772	12,933

¹ Part of the Notes

Statement of Changes in Group Equity

in EUR thousand	Share capital	Capital reserves	Revaluation reserve	Remeasurement from benefit obligations
Balance at Jan 1st 2013	19,896	121,353	13,897	-8,845
Total profit/loss for the period	-	-	-	-
Dividend payout	-	-	-	-
Income tax on interest for holders of profit-participation rights	-	-	-	-
Capital increase	4,307	18,290	-	-
Changes to consolidated group/acquisition of non-controlling interests	-	-	-	-
Balance at Sep 30th 2013	24,203	139,643	13,897	-8,845
Balance at Jan 1st 2014	24,203	139,632	24,203	-13,926
Total profit/loss for the period	-	-	-495	-9,909
Dividend payout	-	-	-	-
Income tax on interest for holders of profit-participation rights	-	-	-	-
Treasury shares	-	-	-	-
Capital increase	5,290	108,958	-	-
Buyback capital share certificates	-384	-	-	-
Changes to consolidated group/acquisition of non-controlling interests	-	-	-1	-
Balance at Sep 30th 2014	29,109	248,590	23,707	-23,835

1-9/2013							
in EUR thousand	BU 1 – DACH	BU 2 – CEE/SEE	BU 4 – Infrastructure	BU 5 – Environmental Engineering	BU 6 – Real Estate	Other incl, holding	Group
Production output (Group)	1,353,259	268,484	412,955	67,437	182,471	-	2,284,606
Segment revenue (revenue, own work capitalised and other operating income)	1,253,707	328,674	237,538	31,645	61,747	12,882	1,926,193
Intersegment revenue	49,930	11,403	1,359	6,803	4,764	130,754	
EBT (Earnings before tax = segment earnings)	26,494	-9,650	883	-1,411	-6,526	-3,314	6,477

Foreign currency translation reserves	Total debt securities available for sale – fair value reserve	Reserve for cash flow hedges	Retained earnings	Equity attributable to equity holders of the parent	Profit-participation rights	Non-controlling interests	Total
4,497	52	-35,279	110,981	226,552	92,119	3,882	322,553
-1,093	52	4,018	-1,379	1,598	5,973	-496	7,075
-	-	-	-3,775	-3,775	-11,200	-	-14,975
-	-	-	1,494	1,494	-	-	1,494
-	-	-	-2,210	20,387	-11,273	-	9,114
-	-	-	185	185	-	-1,738	-1,553
3,404	104	-31,261	105,296	246,441	75,619	1,648	323,708
2,646	169	-31,571	153,377	298,733	46,120	2,809	347,662
-323	127	-4,061	8,992	-5,669	3,400	223	-2,046
-	-	-	-12,090	-12,090	-6,160	-539	-18,789
-	-	-	850	850	-	-	850
-	-	-	2,487	2,487	-	-	2,487
-	-	-	-	114,248	-	-	114,248
-	-	-	-9,590	-9,974	-	-	-9,974
-	-	-	1,094	1,093	-	-1,390	-297
2,323	296	-35,632	145,120	389,678	43,360	1,103	434,141

Consolidated Cash Flow Statement

in EUR thousand	1-9/2014	1-9/2013
Profit/loss for the period	12,176	4,478
Depreciation, impairment and reversals of impairment on fixed assets	47,717	41,108
Income from associates	-9,383	-6,748
Profits from the disposal of fixed assets	-6,343	-11,473
Increase/decrease in long-term provisions	109	-329
Deferred income tax	-5,352	1,012
Operating cash flow	38,924	28,048
Increase/decrease in short-term provisions	43,399	-1,150
Increase/decrease in inventories	-45,996	720
Increase in receivables	-167,434	-137,612
Increase in payables (excluding banks)	44,198	72,220
Other non-cash transactions	2,188	1,950
Cash flow from operating activities	-84,721	-35,824
Proceeds from sale of property, plant and equipment and investment property	25,523	15,832
Proceeds from sale of financial assets	7,075	15,118
Proceeds from the disposal of assets held for sale	2,789	-
Investments in intangible assets	-1,702	-1,837
Investments in property, plant and equipment and investment property	-62,684	-41,675
Investments in financial assets	-5,116	-33,141
Proceeds from the sale of consolidated companies	-	3,381
Payments for the acquisition of subsidiaries less cash	-	-3,000
Cash flow from investing activities	-34,115	-45,322
Dividends	-12,090	-3,775
Dividends paid out to non-controlling interests	-6,699	-11,200
Obtaining/settling loans and other financing	-44,728	85,649
Buyback of capital share certificates	-9,974	-
Proceeds from the sale of treasury shares	2,487	-
Capital increase	112,690	9,114
Cash flow from financing activities	41,686	79,788
Cash flow from operating activities	-84,721	-35,824
Cash flow from investing activities	-34,115	-45,322
Cash flow from financing activities	41,686	79,788
Change in cash and cash equivalents	-77,150	-1,358
Cash and cash equivalents at Jan 1st	332,907	110,411
Currency differences	-49	-954
Changes to cash and cash equivalents resulting from changes to the consolidated group	1,998	136
Cash and cash equivalents at Sep 30th	257,706	108,235
Interest paid	25,579	25,320
Interest received	4,458	8,202
Tax paid	7,642	3,274

Notes to the Interim Consolidated Financial Statements as of September 30th 2014

1. General Information

The PORR Group consists of PORR AG and its subsidiaries. PORR AG is a public limited company according to Austrian law and has its registered head office at Absberggasse 47, 1100 Vienna. The company is registered with the commercial court of Vienna under reference number FN 34853f. The Group deals mainly with the planning and execution of all kinds of building and construction work, as well as the management and operations of buildings constructed for the Group's own account.

These interim consolidated financial statements were published according to IAS 34 Interim Financial Reporting, using the standards of the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRSs) adopted by the European Union, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

In accordance with IAS 34, the interim consolidated financial statements do not contain every comprehensive entry which is obligatory in the annual financial statements and therefore this interim report should be read in conjunction with the annual report of the PORR Group as at December 31st 2013. As per IAS 34, the consolidated results of the interim consolidated financial statements are not necessarily indicative of the annual results.

The reporting currency is the euro, which is also the functional currency of PORR AG and of the majority of the subsidiaries included in these interim consolidated financial statements.

2. Consolidated Group and Acquisitions

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

Because of new foundations and materiality	Date of initial consolidation
IAT Deutschland GmbH	1.1.2014
IAT Impermeabilizzazioni Srl.	1.1.2014
IAT UK Waterproofing Systems limited	21.1.2014
Porr Norge AS	12.2.2014
TEERAG-ASDAG Deutschland GmbH	13.2.2014
PIAG Immobilien AG	7.8.2014
STRAUSS & CO. Projektentwicklungs GmbH	25.9.2014
Sabimo Gerhard-Ellert-Platz GmbH	19.8.2014
Sabimo Immobilien GmbH	19.8.2014
Sabimo Liebenauer Hauptstraße GmbH	19.8.2014
Sabimo Monte Laa Bauplatz 2 GmbH	19.8.2014
Sabimo Söllheimer Straße GmbH	19.8.2014
Because of acquisitions and increases in shares held	
SONUS City GmbH & Co. KG	2.1.2014
PORR AUSTRIARAIL GmbH	16.1.2014

Fifteen companies were eliminated from the consolidated group, whereby ten were eliminated through inter-group transfers in the form of mergers, four were sold and one company was liquidated. The assets and liabilities over which control was lost were not significant.

A total of TEUR 150 was used to purchase a further 50% in PORR AUSTRIARAIL GmbH. The purchase price was provisionally allocated in line with IFRS 3.45 to the Group's liabilities and assets as follows:

in EUR thousand	9/2014
Non-current assets	
Property, plant and equipment	15,990
Deferred tax assets	688
Current assets	
Inventories	519
Trade receivables	2,421
Other current financial assets	327
Other current receivables and assets	336
Cash and cash equivalents	790
Non-current liabilities	
Provisions	-13
Non-current financial liabilities	-14,751
Current liabilities	
Financial liabilities	-2,017
Trade payables	-1,198
Other current financial liabilities	-2,493
Other current liabilities	-119
Tax payables	-180
Fair value of equity already held	-150
Purchase price	150

The purchase price allocated should be seen as provisional, particularly with regard to property, plant and equipment. The company included in the consolidated group for the first time contributed TEUR 825 to EBT and TEUR 6,183 to revenue in the reporting period.

3. Accounting and Valuation Methods

The accounting and valuation methods applied in the consolidated financial statements of December 31st 2013, which are presented in the notes to the consolidated annual financial statements, were used, unmodified, in the interim report, with the exception of the following standards and interpretations which have been adopted for the first time:

New standards

IFRS 10 – Consolidated Financial Statements

In IFRS 10 control is defined as the only basis for consolidation, regardless of the type and background of the investee. As a consequence, the risk and rewards approach of SIC-12 is eliminated. This standard is applicable to fiscal years beginning on or after January 1st 2013 and will be applied retrospectively; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group.

IFRS 11 – Joint Arrangements

The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The option of applying proportionate consolidation to joint ventures will be eliminated in the future. This standard is applicable to fiscal years beginning on or after January 1st 2013; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group.

The first-time application has had an impact on the classification of German and Austrian consortiums. In accordance with a statement by the German IDW, based on the German model contract, the typical construction consortium fulfils the requirements for classification as a joint venture. The Group thereby also classifies the Austrian construction consortiums as joint ventures. The first-time application has therefore led to changes in the income statement. The respective results continue to contribute to EBIT, however, they are no longer recognised in revenue and other operating expenses, but rather under share of profit/loss of associates. The previous year's figures have been adjusted. TEUR 8,238 was reclassified out of other operating expenses and TEUR 11,515 out of revenue and recognised under share of profit/loss of associates.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 brings together the disclosures for interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities into one comprehensive standard. Many of these disclosures have been taken from IAS 27, IAS 31 or IAS 28, while other disclosures have been newly incorporated. This standard is applicable to fiscal years beginning on or after January 1st 2013; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group.

Amendments to standards and interpretations

Amendments to IFRS 10, IFRS 12, IAS 27– Investment Entities

The amendments provide for an exception with regard to the consolidation of subsidiaries if the parent qualifies for classification as an investment entity. Certain subsidiaries would then be measured at fair value through profit or loss as per IFRS 9 and IAS 39. The amendments are applicable to fiscal years beginning on or after January 1st 2014 and must be applied retrospectively.

IFRS 10–12 Transition Guidance (IASB publication: June 28th 2012; EU-endorsement: not yet confirmed, but first adoption can be postponed in line with the underlying standard): The amendments clarify the transition guidance in IFRS 10 as well as additional simplification of all three standards. This applies in particular to the fact that for first-time adopters of IFRS the disclosure of adjusted comparative figures has been limited to the period immediately preceding.

Amendment to IAS 27 Separate Financial Statements

As a result of the publication of IFRS 10, IAS 27 now only contains regulations on separate financial statements. These amendments are applicable to fiscal years beginning on or after January 1st 2013; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group.

Amendment to IAS 28 Investments in Associates and Joint Ventures

IAS 28 has been amended as a result of the publication of IFRS 10 and IFRS 11. These amendment is applicable to fiscal years beginning on or after January 1st 2013; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group.

Amendments to IAS 32 Financial Instruments: Presentation and IFRS 7 Financial Instruments: Disclosures

The regulations governing offsetting financial instruments are basically unchanged by the published amendments. Instead the main changes in the application guidelines of IAS 32 Financial Instruments: Presentation relate to clarification of the terms “effective date” and “simultaneous realisation”. Furthermore, new requirements for financial instruments which are subject to global offsetting agreements or similar agreements were introduced under the amendments to IFRS 7 Financial Instruments: Disclosures. The amendments are effective for annual periods beginning on or after January 1st 2014.

Amendment to IAS 36 Impairment of Assets

The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment applies to fiscal years beginning on or after January 1st 2014.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement

The amendment allows derivatives to continue to be designated as hedges despite a novation. The precondition for this is that the derivative is novated to effect clearing with a central counterparty as a result of laws or regulation. The amendment applies to fiscal years beginning on or after January 1st 2014.

New interpretations

IFRIC 21 – Levies

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

With the exception of IFRS 11, the first-time application of the standards and interpretations has not had an impact on the interim consolidated financial statements.

The following standards and interpretations have been published since the consolidated financial statements at December 31st 2013 and the interim consolidated financial statements and do not yet need to be applied compulsorily or have not been adopted into EU law:

	Effective date acc.to IASB
IFRS 14	1.1.2016
IFRS 15	1.1.2017
Amendment to IAS 16 and IAS 38	1.1.2016
Amendment to IAS 16 and IAS 41	1.1.2016

The interim consolidated financial statements of September 30th 2014 use the same consolidation methods and basis for currency exchange as were used in the annual financial statements of December 31st 2013.

4. Estimates and Assumptions

Producing interim consolidated financial statements in accordance with IFRSs requires management to make estimates and assumptions which affect the amount and disclosure of assets and liabilities in the statement of financial position, income and expense, as well as entries regarding contingent liabilities in the interim report. Actual results may deviate from these estimates.

5. Seasonal Influence

In comparison to other industry sectors, the construction industry experiences seasonal variations with regard to revenue and profit due to seasonal factors. Revenue and profit are, as a rule, lower in the winter months than in the summer months. As a result of the fixed costs which exist, earnings are lower in the first two quarters than in the final two quarters. These seasonal fluctuations are less pronounced in building construction than in civil engineering and road construction.

6. Dividends

In the reporting period shareholders of PORR AG were paid dividends of EUR 1.00 per share and bearers of capital share certificates were paid a profit share of EUR 4.00 per capital share certificate, thereby totalling EUR 12,101,220.00 for the 2013 fiscal year (previous year: EUR 3,774,976.75).

7. Earnings per Share

in EUR thousand	1-9/2014	1-9/2013
Proportion of interim surplus relating to shareholders of parent	8,565	-1,024
Weighted average number of issued shares and capital share certificates	13,555,613	11,952,300
Earnings per share in EUR (basic EPS = diluted EPS)	0.63	-0.09

8. Share Capital

Share capital	No. 2014	EUR 2014	No. 2013	EUR 2013
Ordinary bearer shares	14,547,500	29,095,000	11,902,500	23,805,000
Total share capital	14,547,500	29,095,000	11,902,500	23,805,000
Capital share certificates (profit-participation rights pursuant to Art. 174 Stock Corporation Act)	1,711	13,688	49,800	398,400
Total share capital and capital from profit-participation rights	14,549,211	29,108,688	11,952,300	24,203,400

At the reporting date the number of treasury shares had decreased by 74,887 shares to 11,274 shares.

With resolutions by the Executive Board and Supervisory Board dated April 7th 2014, April 9th 2014 and April 29th 2014, partial use was made of the authorisation of the extraordinary meeting to increase the share capital of the company from EUR 23,805,000 by EUR 5,290,000 to EUR 29,095,000 by issuing a total of 2,645,000 new no-par value shares with voting rights with a pro rata share in the share capital of EUR 2.00 each and with profit-sharing rights as of the 2014 business year in the course of a capital increase.

The authorisation of the Executive Board on the basis of the resolution from the extraordinary meeting on July 11th 2013 was thereby reduced and is now as follows:

Within five years of entry into the Commercial Register of the authorisation given at the extraordinary meeting on July 11th 2013, the Executive Board is authorised to increase the share capital of the company with the approval of the Supervisory Board, in multiple tranches if so wished, to up to EUR 6,612,500.00 by issuing up to 3,306,250 no-par value shares in exchange for cash or contribution in kind (authorised capital), whereby the issue price, the conditions of issue, the subscription ratio, and other details are to be determined by the Executive Board with the approval of the Supervisory Board. The pre-emptive rights of shareholders to these new shares issued from the authorised capital are excluded when and if this authorisation (authorised capital) is exercised by issuing new shares in exchange for cash, up to a total of 10% of share capital, with overallotment options in the course of issuing new shares in the company. Furthermore, the Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' pre-emptive rights, when and if this authorisation (authorised capital) is exercised:

- i) through issuing shares in exchange for contribution in kind, or
- ii) through issuing shares to staff members, leading employees and members of the Executive Board of the Group or an associate up to a total level of 10% of share capital.

The Supervisory Board is authorised to rule on changes to the statutes which result from the Executive Board exercising this entitlement.

In July 2014 PORR AG made a public buyback offer for the 49,800 capital share certificates it had issued, at a price of EUR 207.80 per capital share certificate. The offer ran from July 24th 2014 to August 5th 2014. During the acceptance period 47,889 capital share certificates were taken up under the offer, equivalent to 96.16% of all capital share certificates. Together with 200 capital share certificates which were acquired separately, PORR now holds 48,089 capital share certificates, around 96.6% of all capital share certificates. In accordance with the general meeting resolution of October 29th 2014, once the spinoff takes effect the remaining capital share certificates will be settled at a price of EUR 207.80 and cancelled.

9. Financial Instruments

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

in EUR thousand		Measurement in acc. with IAS 39					
	Measurement category in accordance with IAS 39	Carrying amount at September 30th 2014	(continuing) Acquisition costs	Fair Value other comprehensive income	Fair Value affecting net income	Fair value hierarchy (IFRS 7.27A)	Fair value at September 30th 2014
Assets							
Loans	LaR	25,185	25,185				
Other financial assets ¹	AfS (at cost)	4,383	4,383				
Other financial assets	AfS	11,602		11,602			
Trade receivables	LaR	811,438	811,438				
Other financial assets	LaR	160,866	160,866				
Derivates (without hedges)	FAHfT	1,029			1,029		
Cash and cash equivalents		257,706	257,706				
Liabilities							
Bonds							
at fixed interest rates	FLAC	323,371	323,371			Level 1	335,658
Deposits from banks							
at fixed interest rates	FLAC	8,741	8,741			Level 3	8,706
at variable interest rates	FLAC	233,601	233,601				
Lease obligations ²		95,207	95,207				
Other financial liabilities							
at fixed interest rates	FLAC	30,447	30,447			Level 3	30,165
at variable interest rates	FLAC						
Trad payables	FLAC	696,871	696,871				
Other financial liabilities	FLAC	184,306	184,306				
Derivates (without hedges)	FLHfT	623			623		
by category:							
Loans and receivables	LaR	997,489	997,489				
Cash and cash equivalents		257,706	257,706				
Available-for-sale financial Assets ¹	AfS (at cost)	4,383	4,383				
Available-for-sale financial Assets	AfS	11,602		11,602			
Financial assets held for trading	FAHfT	1,029			1,029		
Financial liabilities held for trading	FLHfT	623			623		
Financial liabilities measured at amortised cost	FLAC	1,477,337	1,477,337				

in EUR thousand		Measurement in acc. with IAS 39					
	Measurement category in accordance with IAS 39	Carrying amount at December 31th 2013	(continuing) Acquisition costs	Fair Value other comprehensive income	Fair Value affecting net income	Fair value hierarchy (IFRS 7.27A)	Fair value at December 31th 2013
Assets							
Loans	LaR	27,683	27,683				
Other financial assets ¹	AfS (at cost)	5,405	5,405				
Other financial assets	AfS	11,496		11,496			
Trade receivables	LaR	650,987	650,987				
Other financial assets	LaR	162,828	162,828				
Derivates (without hedges)	FAHfT	1,601			1,601		
Cash and cash equivalents		332,907	332,907				
Liabilities							
Bonds							
at fixed interest rates	FLAC	322,793	322,793			Level 1	330,119
Deposits from banks							
at fixed interest rates	FLAC	9,450	9,450			Level 3	9,183
at variable interest rates	FLAC	217,811	217,811				
Lease obligations ²		80,090	80,090				
Other financial liabilities							
at fixed interest rates	FLAC	59,427	59,427			Level 3	59,460
at variable interest rates	FLAC						
Trad payables	FLAC	613,414	613,414				
Other financial liabilities	FLAC	140,939	140,939				
Derivates (without hedges)	FLHfT	794			794		
by category:							
Loans and receivables	LaR	841,498	841,498				
Cash and cash equivalents		332,907	332,907				
Available-for-sale financial Assets ¹	AfS (at cost)	5,405	5,405				
Available-for-sale financial Assets	AfS	11,496		11,496			
Financial assets held for trading	FAHfT	1,601			1,601		
Financial liabilities held for trading	FLHfT	794			794		
Financial liabilities measured at amortised cost	FLAC	1,363,834	1,363,834				

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

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

10. Related Party Disclosures

There have been no significant changes in relationships between related companies, or any resultant obligations or guarantees since December 31st 2013.

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

11. Audit Disclosure

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

12. Events after the End of the Reporting Period

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

The closing of the purchase of 1,500,008 shares in UBM Realitätenentwicklung Aktiengesellschaft from CA Immo International Holding GmbH by PIAG Immobilien AG took effect on October 10th 2014. On October 29th 2014, the general meeting of PORR AG passed a resolution for the proportional spinoff of 41.33% of the stake in UBM and 39.96% of the stake in STRAUSS & PARTNER to PIAG Immobilien AG, with the issue of new shares to the PORR AG shareholders. Further shares in UBM and 60% of the STRAUSS & PARTNER stake will be transferred from PORR to PIAG subject to the spinoff taking effect.

Once the spinoff takes effect, every PORR shareholder will receive one PIAG share and the construction group will divest a significant part of non-operational real estate, along with a significant part of the project and property development business, represented by the STRAUSS & PARTNER Group, as well as the stake in the UBM Group.

The transaction should come into effect in December 2014. The merger of PIAG and UBM is set to take place in the course of 2015.

As of the value date October 28th 2014, one bond with the following conditions was issued by PORR AG to replace the existing bonds issued in 2009 and 2010:

Nominal amount	EUR 52,012,000.00
Tenor	2014–2019
Denomination	EUR 500.00
Nominal interest rate	3.875% p.a.
Coupon	October 28th annually
Redemption	October 28th 2019 at 100%
ISIN	AT0000A19Y28

The conversion offer was only open to investors who were holders of the bonds issued in 2009 and 2010 and who submitted offers to convert these shares into the PORR senior bond 2014–2019.

As of the value date October 28th 2014, one hybrid bond with the following conditions was issued by PORR AG to replace the existing bonds issued in 2009 and 2010:

Nominal amount	EUR 17,054,500.00
Tenor	no maturity, first payback date October 28th 2021
Denomination	EUR 500.00
Nominal interest rate	6.75% p.a.
Coupon	October 28th annually
ISIN	AT0000A19Y36

The conversion offer was only open to investors who were holders of the bonds issued in 2009 and 2010 and who submitted offers to convert these shares into the PORR hybrid bond 2014/2.

November 27th 2014, Vienna

The Executive Board

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

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group over the first nine months of the fiscal year, together with a description of the principal risks and uncertainties associated with the expected development of the Group for the remaining three months of the fiscal year and with regard to related party disclosures.

November 27th 2014, Vienna



Karl-Heinz Strauss
Chief Executive Officer



Christian B. Maier
Executive Board Member



J. Johannes Wenkenbach
Executive Board Member

Acknowledgements

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The interim report on the third quarter can be obtained free of charge from the company at 1100 Vienna, Absberggasse 47, and may be downloaded from the website, www.porr-group.com/group-reports.

Disclaimer

This interim report also contains statements relating to the future which are based on estimates and assumptions which are made by managerial staff to the best of their current knowledge. Future-related statements may be identified as such by expressions such as “expected”, “target” or similar constructions.

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

Forecasts related to the future development of the Group take the form of estimates based on information available at the time of the interim report going to press. Actual results may differ from the forecast if they are shown to be based on inaccurate assumptions or are subject to unforeseen risks.

All dates expressed in digits conform to European conventions of dd.mm.yyyy.

Every care has been taken to ensure that all information contained in every part of this interim report is accurate and complete. We regret that we cannot rule out possible round-off, typesetting and printing errors. This report is a translation into English of the interim report issued in the German language and is provided solely for the convenience of English-speaking users. In the event of a discrepancy or translation error, the German-language version prevails.

