



PORR 1H 2014 Update

Investor Presentation
September 2014

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Highlights



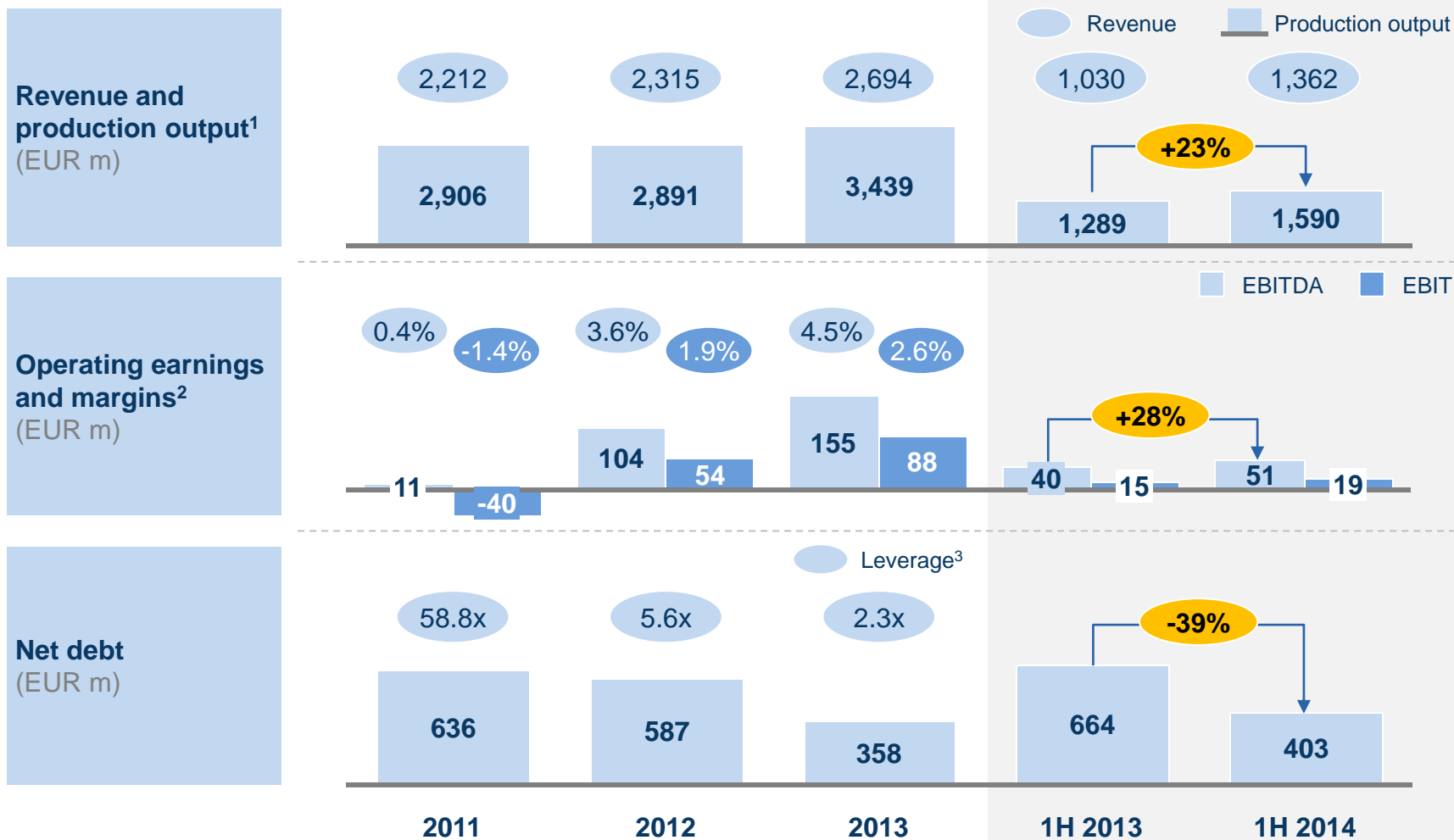
- ❑ **Strong output volume** through all business units, +23% increase in total
- ❑ **High level of order backlog** (EUR 4.7bn); **Order intake stabilized** on 2012 level after peak in 2013
- ❑ **Solid operational 1H 2014 results**
 - **EBITDA:** EUR 50.6 m (+28% yoy)
 - **EBT:** EUR 2.9 m (+>100% yoy)
 - **Net Debt:** EUR 402.6 m (-39% yoy)

- ❑ **Successful Re-IPO / capital increase** of EUR119m

- ❑ **Outlook:** Continuous growth in production output and earnings in 2014

- ❑ **Looking ahead:** New real estate strategy – value creation through **two pure-play entities**

Performance has improved significantly over the last years



1 Production Output is not an IFRS financial measure and is not designed to measure the Group's financial performance. Production Output is determined from the proportional construction output of all companies in which the Group has a direct or indirect interest, as well as from the proportional output of consortia involving any one of the Group companies, reconciled pursuant to commercial criteria

2 Margin calculation based on production output

3 Defined as net debt to EBITDA



Successful development across major BUs in 1H 2014

Organizational structure

Business units

1 DACH

Strong market leader in Austria, high potential in GER, selective growth in CH

Stuttgart Ulm, KAT 3, tunnel Götschka, Hospital Vienna Nord

Austria: Stable
GER, CH: Growth



2 CEE/SEE

Selective growth in civil engineering and building construction in the home markets Poland and Cz Rep

Project based activities in infrastructure in other CEE/SEE countries

PL & CZ: Growth



3 International

Premium infrastructure projects with our strong partners in Qatar and potentially in Saudi Arabia

Project pipeline as Metro Jeddah, tunneling works in Mekka, railway projects

QR: Selective Growth



4 Infrastructure

Systematic expansion, bundles all the civil engineering competence as tunneling, railway, foundation engineering as well as large scale projects

Underlays high volatility due to the large scale project business

Growth



5 Environmental Engineering

Penetrating the market in Austria

Expanding the value chain through the acquisition of PRAJO

New product innovation „A-GB-A“

Stable



6 Real estate

Cherry picking strategy, focused on Austria and German large cities (Berlin, Munich, Hamburg, Frankfurt)

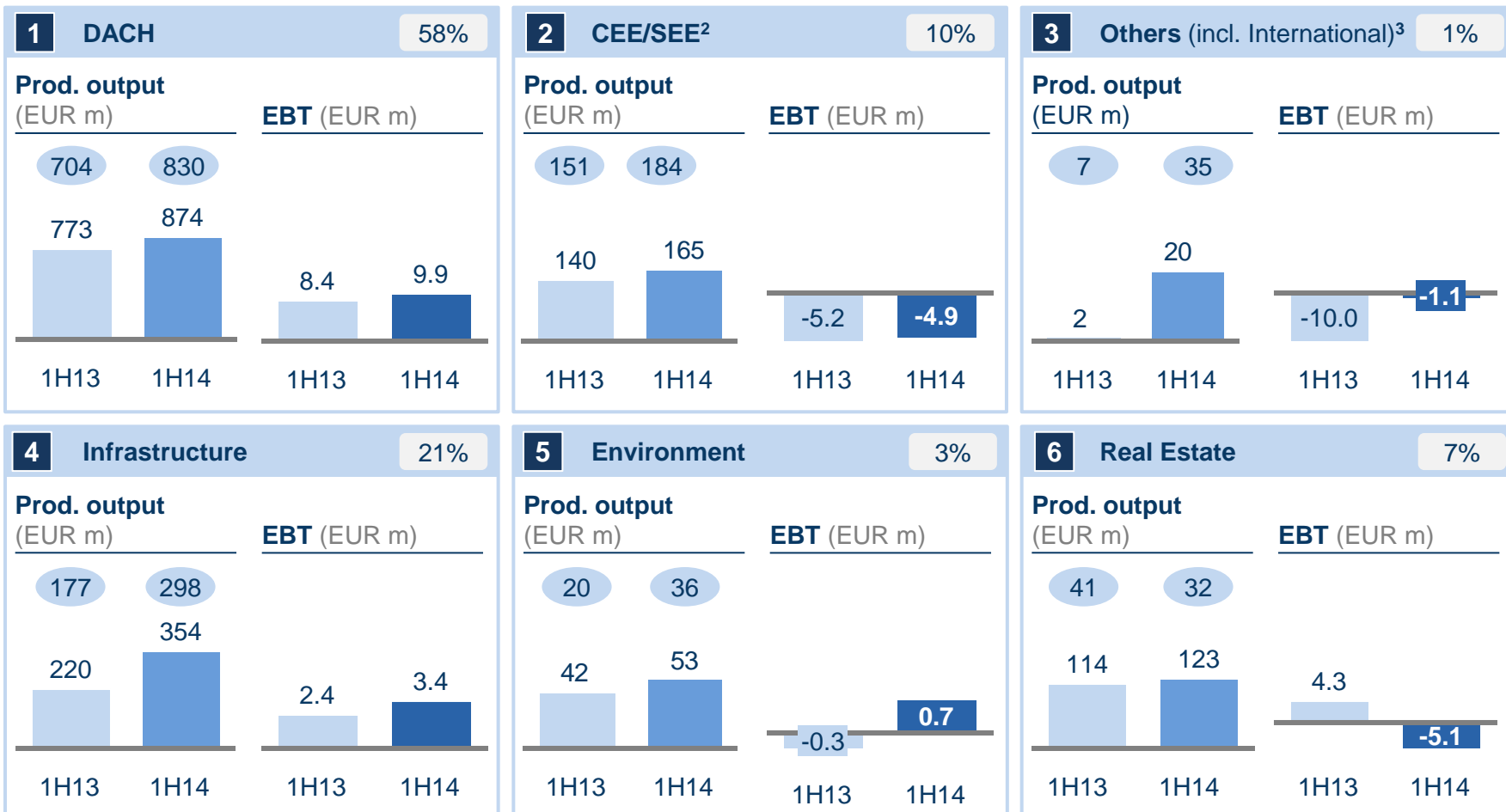
UBM-majority take over; significant value creation by spin off of all real estate activities

Growth



Successful 1H financials for major business units

... Revenue (EUR m)¹ ...% 1H 2014 share of production output



1 Includes capitalized own work, other operating income and does not include other/non-segment revenues;

2 Only projects where payment is secured by the EU or a supranational are targeted;

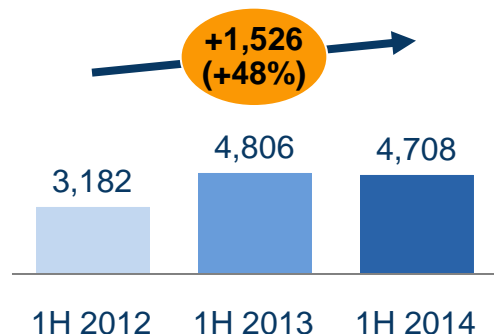
3 BU3 commenced operations in 2013, thus no historical data is available



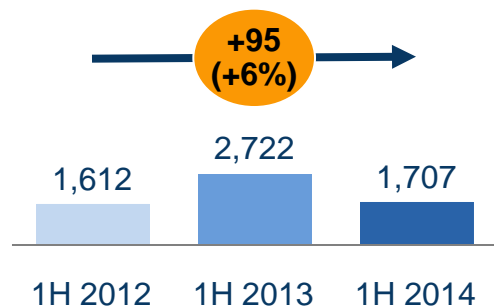
High order backlog and stable intake

Order backlog and intake at 1H 2014 (EUR m)

Backlog



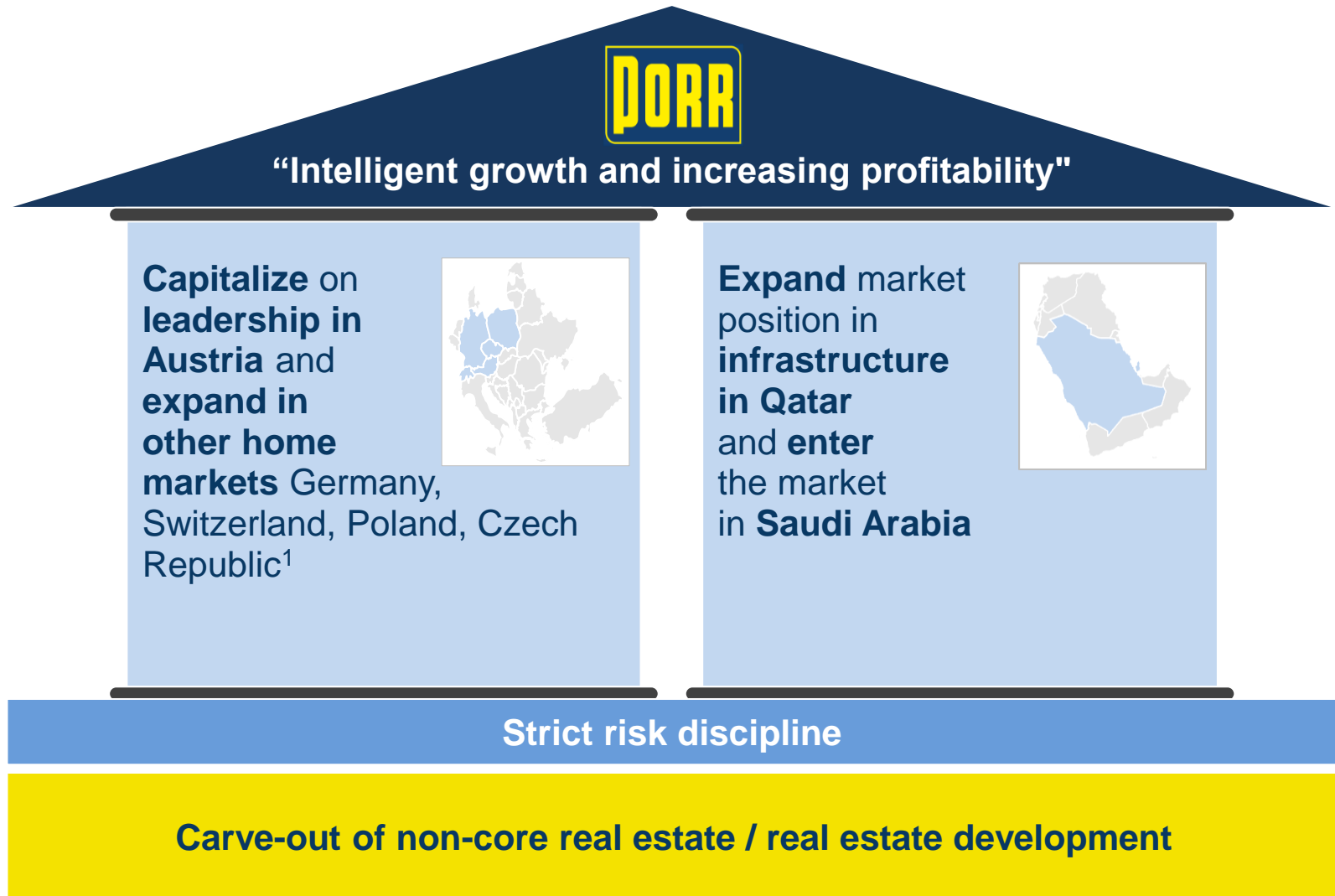
Intake



Selected projects	Country	EUR m ¹	Entry	Duration
Metro Doha "Green Line"	KT	943	Aug-13	Jun-18
KAT 3 Koralm tunnel	AT	297	Jun-13	Jun-20
"Stuttgart 21" Filder tunnel	DE	266	Jul-11	2019
Tunnel Alaufstieg	DE	234	Aug-13	Feb-19
Slab track Erfurt-Halle	DE	190	Oct-12	Dec-14
Emscher BA 40	DE	144	Dec-13	Jun-18
S10 Tunnel Götschka	AT	129	Oct-11	Jul-15
Slab track Coburg Ilmenau	DE	103	Nov-12	Dec-15
"Stuttgart 21" Lot 2a/3	DE	99	Jul-12	Mar-18
Hospital Vienna Nord	AT	98	May-12	Dec-16
Motorway Sebes-Turda	RO	96	Apr-14	Mar-16
Bypass Biel Ostast	CH	92	Apr-07	Jul-15
Main Station Vienna	AT	86	Oct-09	2019
S10 Bypass Freistadt	AT	84	Oct-11	Sept-14
Smart Campus	AT	79	Jun-14	Jun-16

¹ Stated values are project values attributable to PORR at time of contract awarding

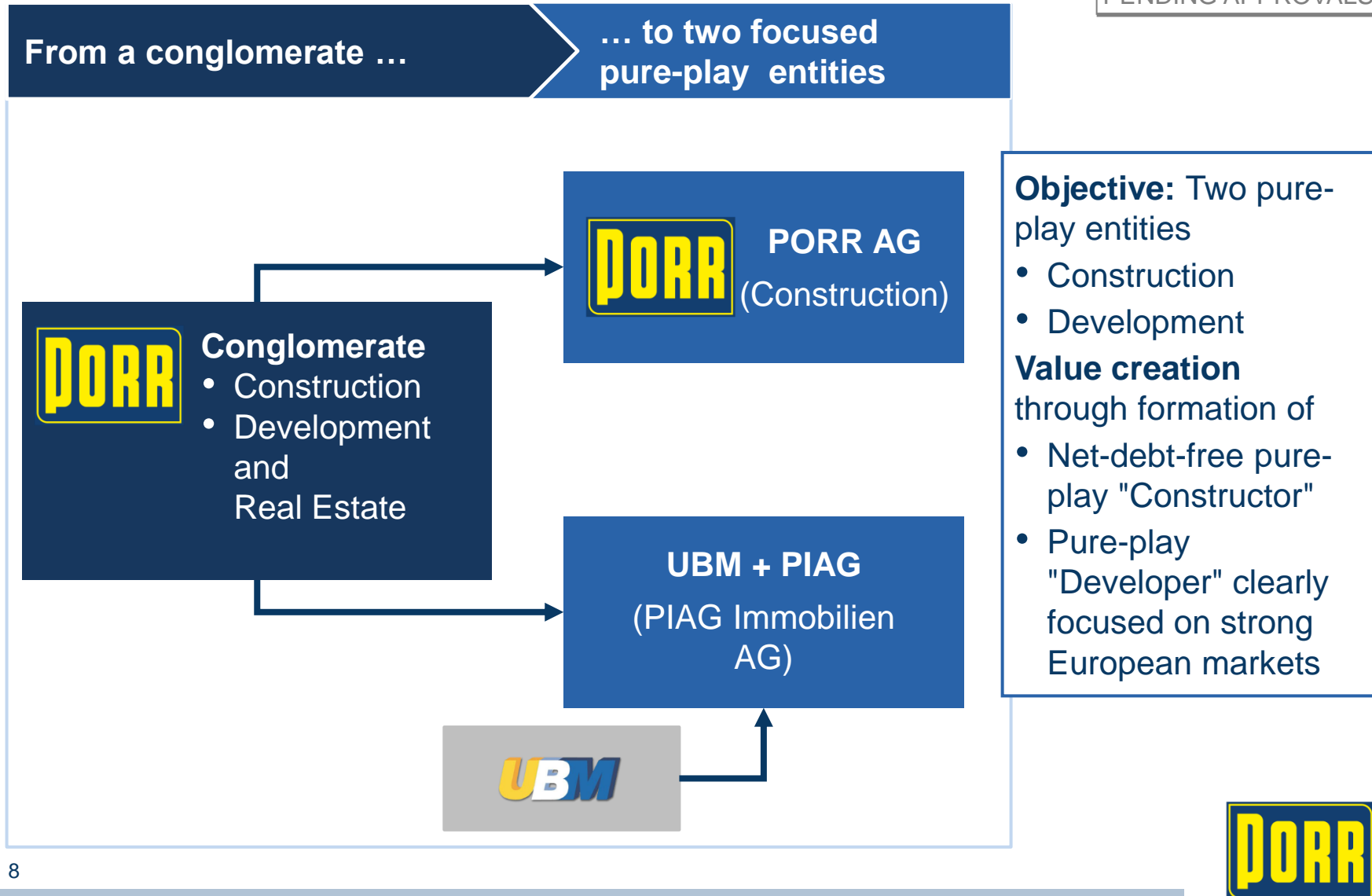
PORR strategy – What's new?



¹ selectively also in other CEE/SEE markets if co-financed by the EU or supranationals

Significant additional value by creating two pure-play entities out of a mixed conglomerate

INDICATIVE PLANS
PENDING APPROVALS



Objectives and approach of the real estate strategy

Objectives

- Execute **carve-out of real estate portfolio** in 2014
- Combination of UBM with Strauss & Partner to create **real estate developer with a strong European profile**
- Create **two publicly listed pure-play companies in construction and real estate development**



Basic principles of approach

- Bundling all non-core real estate of PORR incl. Strauss & Partner in one **legal entity ("PIAG")**
- Transferring PORR's shares in UBM to PIAG
- **Spinning off PIAG** as a pure-play developer – PORR shareholders will also be shareholders of PIAG and, indirectly, also of UBM
- In **Step 1, three publicly listed companies**, PORR AG (Construction), PIAG, and UBM are created
- In **Step 2**, a combination of both real estate entities could be pursued

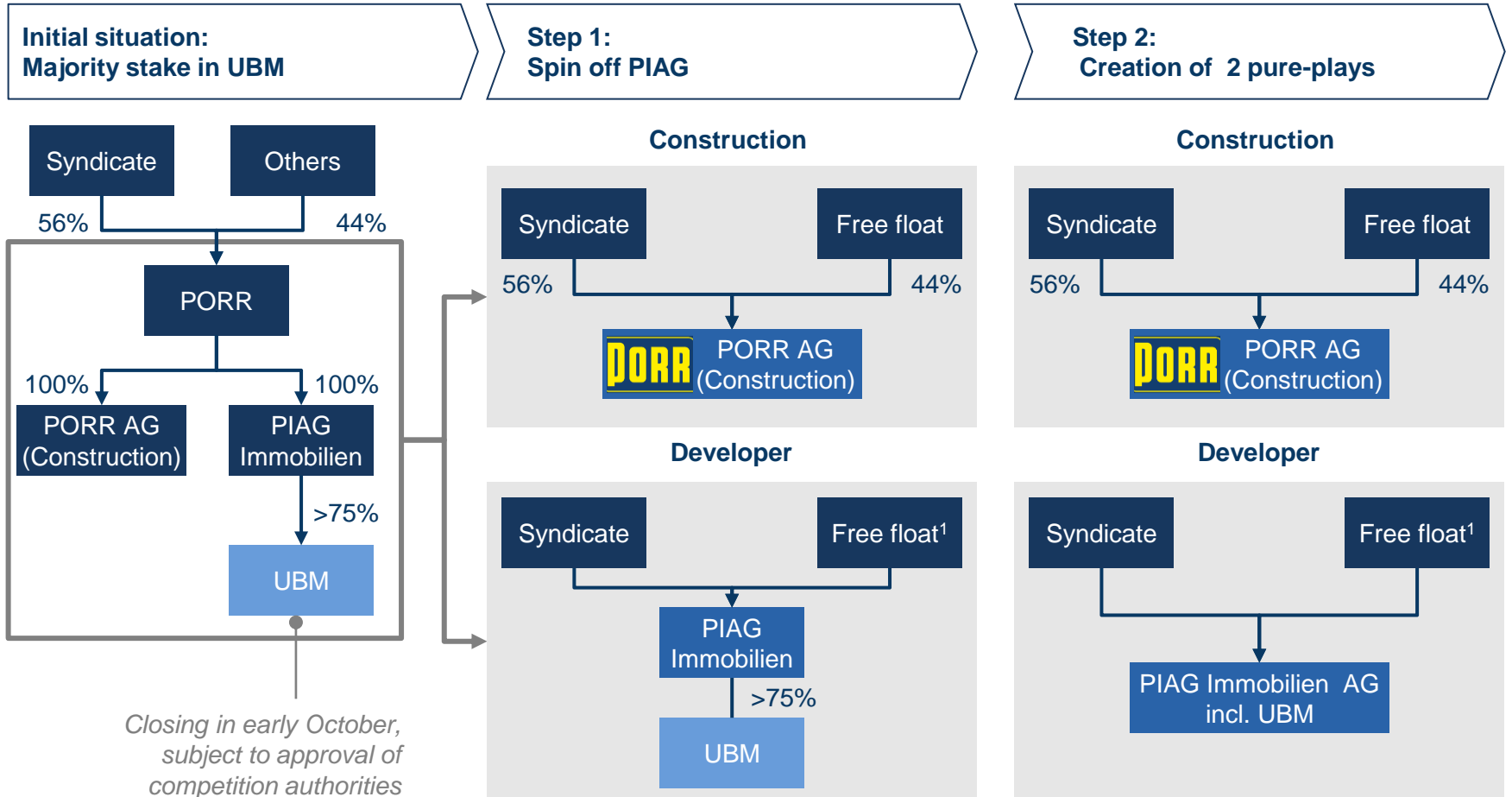
Details in next slides

Advantages



- Compared to the mixed conglomerate and a step-wise sale of assets
- Significant **reduction of net debt** of PORR AG in a short period of time
 - **Clear setup of core competencies**
 - Strong **pure-play real estate developer** with main focus on Austria, Germany, Poland and Czech
 - **Reduction** of operating **redundancies**
 - **Greater transparency** in capital markets

Acquiring a majority stake in UBM establishes initial situation for creating 2 pure-play entities



UBM and PIAG represent a perfect match – significant synergies to realize growth potentials can be created

INDICATIVE PLANS
PENDING APPROVALS



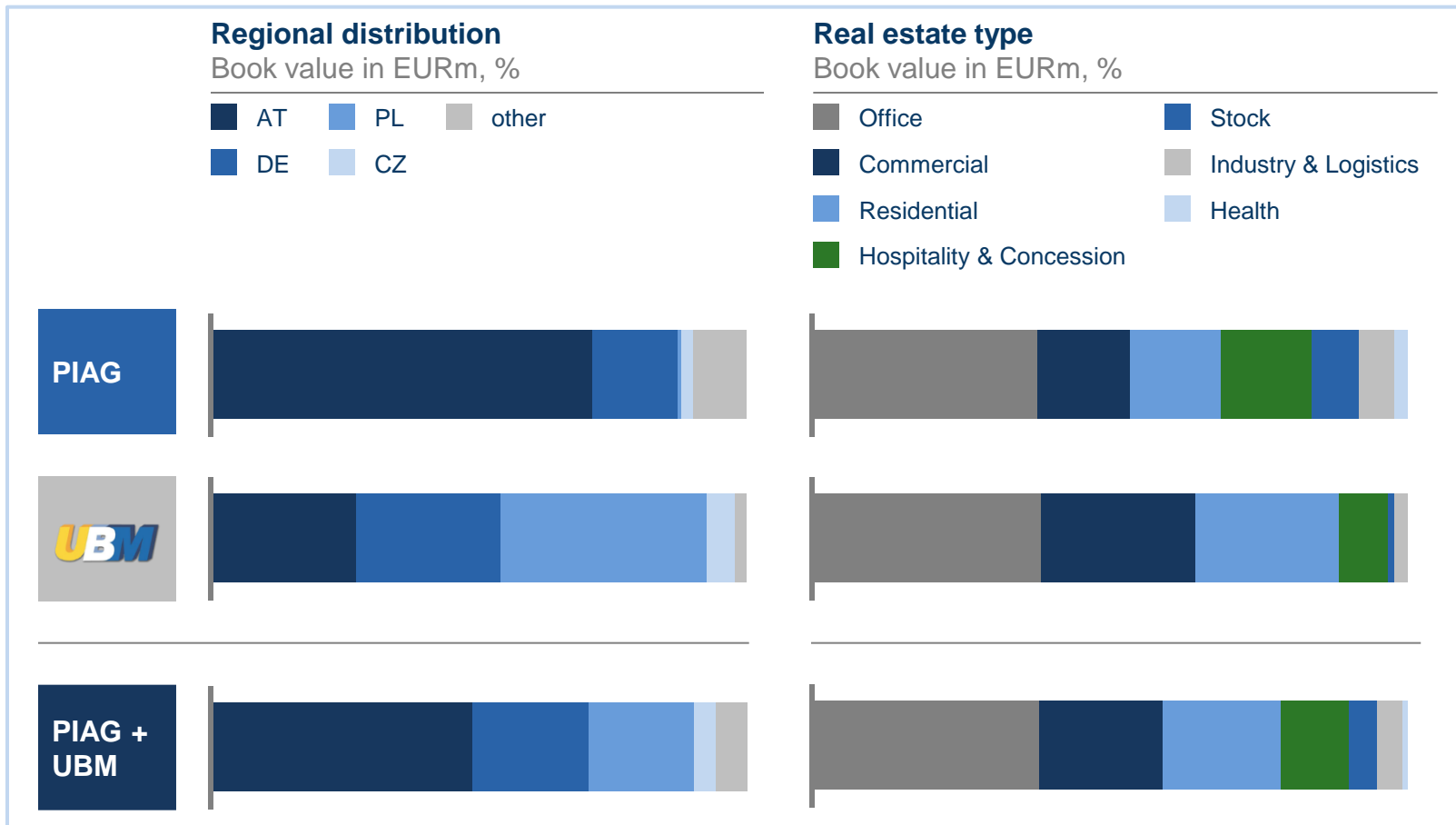
- **Real estate development market in PIAG's and UBM's core markets are highly attractive** and provide the perfect launchpad for stable growth
- UBM and PIAG show strong and **complementary profiles** to evolve as **real estate developer with strong European profile**
- Combined group has **significant synergies**, e.g., go-to-market approach to **realize growth potentials**
- **Optimized financial and cost structure** of the new pure-play developer
- **Pure-play developer profile** enables clear evaluation and high **capital markets stability**



PIAG and UBM's attractive real estate portfolio with a focus on Austria and Germany

INDICATIVE PLANNING FIGURES

Proforma view on book values; FY 2013



Outlook on financials for real estate developer with strong European profile

Key Financials

Asset value >EUR 800m

Equity ratio ~20%

Loan to value <70%

*Revenue > EUR 400m with an
EBITDA > 8%*



Financial Section



Oil and gas
52.7 %

Consumer products
and commerce
1.0 %

Production sector
0.8 %

Telecommunications
4.0 %

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Consolidated Income statement¹

EUR thd

	<u>2010²</u>	<u>2011³</u>	<u>2012</u>	<u>2013 FY</u>	<u>1H2013</u>	<u>1H 2014</u>
Production output	2,826,047	2,905,634	2,890,957	3,439,092	1,289,367	1,589,835
Revenues	2,217,451	2,212,490	2,314,828	2,694,153	1,030,316	1,362,107
Material costs	-1,460,425	-1,470,861	-1,455,484	-1,761,030	-658,672	-887,327
Staff costs	-554,807	-580,804	-625,309	-682,646	-293,353	-361,822
Other operating results	-118,501	-172,067	-154,609	-135,472	-49,281	-79,637
EBITDA	103,415	10,826	103,837	154,731	39,662	50,625
Depreciation	-53,696	-51,291	-50,028	-66,705	-25,116	-31,463
EBIT	49,720	-40,465	53,809	88,026	14,546	19,162
Financial result	-28,332	-42,604	-31,801	-27,533	-14,475	-16,292
EBT	21,387	-83,069	22,008	60,493	71	2,870
Taxes	-4,192	12,880	-4,015	-7,908	-50	2,220
Periodic result	17,195	-70,189	17,993	52,585	21	5,090

1 Capitalized own work and share of profit/loss of associates not shown;

2 Pro forma restatement made in line with

restatement of 2011 figures required by IFRS; actually reported values according to IFRS may deviate;

3 Restated

Consolidated Balance Sheet

EUR thd

		<u>31.12.2010¹</u>	<u>31.12.2011¹</u>	<u>31.12.2012</u>	<u>31.12.2013</u>	<u>1H2013</u>	<u>1H 2014</u>
Assets	Long-term assets	1,123,889	1,178,059	1,101,407	1,068,659	1,152,054	1,109,604
	Short-term assets	1,045,508	958,993	959,334	1,227,811	907,892	1,390,660
	Total assets	2,169,397	2,137,052	2,060,741	2,296,470	2,059,946	2,500,264
Liabilities & equity	Equity (incl. non-controlling interest)	477,292	303,243	322,553	347,662	319,639	448,613
	Long-term liabilities	702,015	811,706	595,591	668,692	698,149	687,597
	Short-term liabilities	990,090	1,022,103	1,142,597	1,280,116	1,042,158	1,364,054
	Total assets	2,169,397	2,137,052	2,060,741	2,296,470	2,059,946	2,500,264

1 Restated

Key ratios

		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 FY</u>	<u>1H2013</u>	<u>1H 2014</u>
Margins¹	EBITDA margin (%)	3.7	0.4	3.6	4.5	3.1	3.2
	EBIT margin (%)	1.8	-1.4	1.9	2.6	1.1	1.2
	EBT margin (%)	0.8	-2.9	0.8	1.8	0.01	0.2
Debt	Net debt ² (EUR m)	441.3	636.1	586.5	357.5	663,7	402.6
	Equity ratio (%) ³	22.9	15.5	17.4	16.5	16.5	19.3
Working capital	Working capital to sales ⁴ (%)	10.8	7.0	7.6	5.0	12.2	10.8
	Days payable outstanding ⁵	80	83	81	83	86	87
	Days receivable outstanding ⁶	107	99	96	88	115	108
	Days in inventory ⁷	12	9	13	13	16	18

1 Margin calculations based on production output;

2 Bonds plus financial liabilities less cash and cash equivalents;

3 Equity to total assets excluding cash-flow hedges;

4 Defined as inventory plus account receivables less account payables to sales;

5 Defined as accounts payable to sales;

6 Defined as accounts receivable to sales;

7 Inventory to sales



Your Questions



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