DISCOVER OUR HIDDEN SIDES.

STRABAG
SOCIETAS EUROPAEA

ANNUAL REPORT 2010

THE STRABAG GROUP

STRABAG SE is one of Europe's leading construction groups. With 73,600 employees, STRABAG generated a construction output volume of € 12.8 billion in the 2010 financial year. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe, in selected markets in Western Europe and increasingly on other continents. We offer our services under five main brands STRABAG, Dywidag, Heilit+Woerner, Möbius and Züblin. STRABAG's activities span the entire construction industry and cover the entire value chain in the field of construction.

BUILDING CONSTRUCTION & CIVIL ENGINEERING

	2010 € MLN.	CHANGE 2009–2010 %	2009 € MLN.	CHANGE 2008–2009 %	2008[1] € MLN.
Output volume	4,279	-3 %	4,427	-24 %	5,822
Revenue	3,976	-2 %	4,059	-23 %	5,244
Order backlog	5,660	1 %	5,602	-17 %	6,774
EBIT	154	24 %	124	44 %	86
EBIT margin % of revenue	3.9 %		3.1 %		1.6 %
Employees	18,253	-7 %	19,562	-32 %	28,802

TRANSPORTATION INFRASTRUCTURES

	2010 € MLN.	CHANGE 2009–2010 %	2009 € MLN.	CHANGE 2008–2009 %	2008[1] € MLN.
Output volume	5,810	2 %	5,709	-9 %	6,274
Revenue	5,692	2 %	5,606	3 %	5,464
Order backlog	4,735	6 %	4,463	13 %	3,957
EBIT	184	28 %	143	-1 %	145
EBIT margin % of revenue	3.2 %		2.6 %		2.7 %
Employees	30,059	0 %	29,920	-12 %	33,906

SPECIAL DIVISIONS & CONCESSIONS

	2010 € MLN.	CHANGE 2009–2010 %	2009 € MLN.	CHANGE 2008–2009 %	2008[1] € MLN.
Output volume	2,518	-7 %	2,716	92 %	1,417
Revenue	2,672	-6 %	2,850	92 %	1,483
Order backlog	4,318	11 %	3,880	56 %	2,480
EBIT	-16	-147 %	34	-42 %	59
EBIT margin % of revenue	-0.6 %		1.2 %		4.0 %
Employees	19,867	-4 %	20,678	300 %	5,174

1) Presentation in accordance with the Annual Report 2009. Changes in segment structure starting from 2010 are not considered.

KEY FIGURES 2006–2010

KEY FINANCIAL FIGURES

€ MLN.	2006	2007	2008	2009	2010
Output volume	10,385.11	10,746.22	13,742.50	13,021.01	12,777.00
Revenue	9,430.62	9,878.60	12,227.80	12,551.93	12,381.54
Order backlog	8,505.61	10,742.29	13,253.80	13,967.57	14,738.74
Employees	52,971	61,125	73,008	75,548	73,600

KEY EARNINGS FIGURES

€ MLN.	2006	2007	2008	2009	2010
EBITDA	502.40	595.90	647.73	684.25	734.69
EBITDA margin % of revenue	5.3 %	6.0 %	5.3 %	5.5 %	5.9 %
EBIT	272.73	312.43	269.87	282.85	298.95
EBIT margin % of revenue	2.9 %	3.2 %	2.2 %	2.3 %	2.4 %
Profit before taxes	216.58[1)]	276.26	229.26	262.96	279.27
Net income	160.44[2)]	207.61	166.36	184.61	188.38
Earnings per share	2.73	2.05	1.38	1.42	1.53
Dividend per share		0.55	0.55	0.50	0.55
Cash-flow from operating activities	446.35	493.99	689.86	1,115.10	690.42
ROCE in %	10.3 %[2)]	8.5 %	5.3 %	5.7 %	5.4 %
Investments in fixes assets	347.02	543.84	876.80	508.73	553.84

KEY BALANCE SHEET FIGURES

€ MLN.	2006	2007	2008	2009	2010
Equity	1,035.89	3,096.45	2,978.98	3,099.06	3,232.44
Equity Ratio %	18.6 %	40.0 %	30.5 %	32.2 %	31.1 %
Net Debt	675.42	-926.97	-109.66	-596.23	-669.04
Gearing Ratio %	65.2 %	-29.9 %	-3.7 %	-19.2 %	-20.7 %
Capital Employed	2,297.57	4,135.26	5,158.85	5,042.87	5,235.74
Total	5,575.83	7,740.81	9,765.21	9,613.59	10,382.16

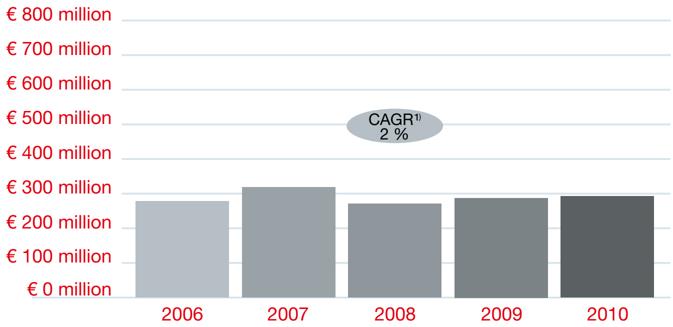
1) Adjusted for the one time result of the Deutag sale amounting to T€ 70,625
2) Adjusted for the one time result of the Deutag sale amounting to T€ 63,563

EBITDA = profit for the period before net interest income, income tax expense and depreciation and amortization
EBIT = profit for the period before net interest income and income tax expense
ROCE = net income + interest on debt-interest tax shield (25 %) / (average group equity + interest-bearing debt)
Net Debt = financial liabilities less non-recourse debts + provisions for severance and pension obligations – cash and cash equivalents
Gearing Ratio = Net Debt/Group Equity
Capital Employed = group equity + interest-bearing debt

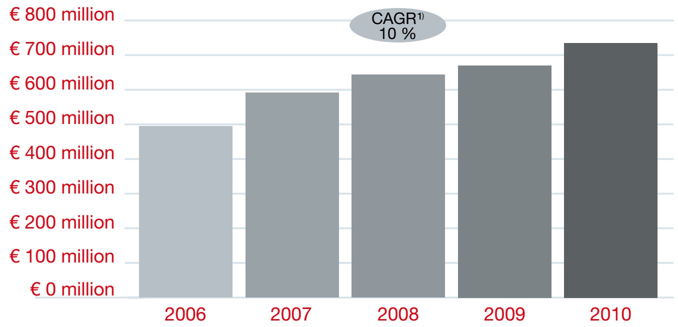
KEY FIGURES

DEVELOPMENT OF THE MOST IMPORTANT KEY FIGURES

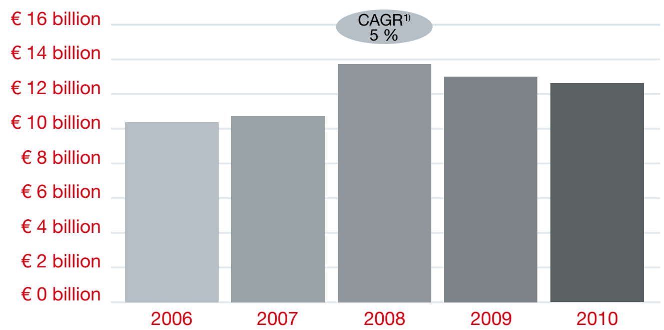
EBIT DEVELOPMENT 2006 – 2010



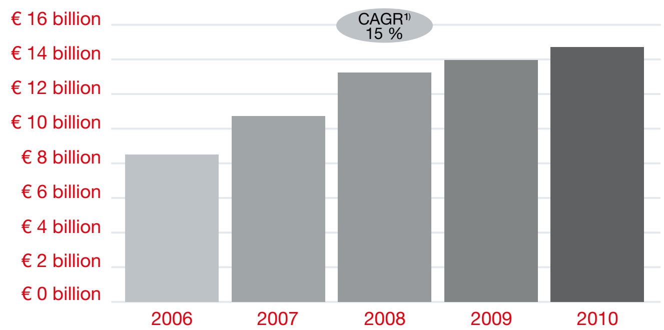
EBITDA DEVELOPMENT 2006 – 2010



OUTPUT VOLUME DEVELOPMENT 2006 – 2010



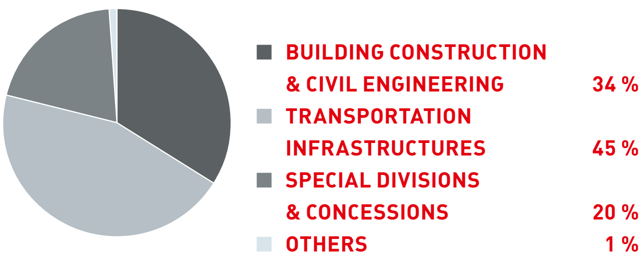
ORDER BACKLOG DEVELOPMENT 2006 – 2010



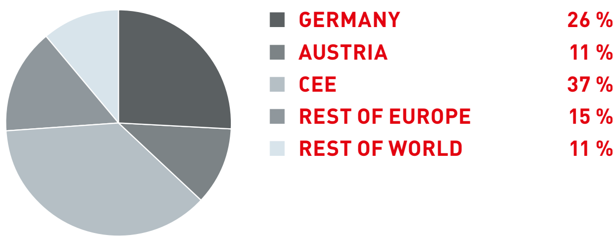
OUTPUT VOLUME BY REGION 2010

ORDER BACKLOG BY SEGMENT 2010

OUTPUT VOLUME BY SEGMENT 2010



ORDER BACKLOG BY REGION 2010



1) CAGR = Compound annual growth rate

CONTENT

1) These parts have been audited by KPMG.

CEO'S REVIEW

HANS PETER HASELSTEINER
CEO

DEAR FELLOW SHAREHOLDERS,

On balance, the 2010 financial year progressed as expected.

Our output volume fell by a modest 2 % to about € 12.8 billion, with growth in the boom country of Poland largely compensating for the consequences of the long winter in Europe. The order backlog, on the other hand, reached € 14.7 billion, which corresponds to a plus of 6 % on the year – another record high at year's end. The growth was carried by the expansion in northern European markets and the Middle East as well as by the acquisition of the largest construction order in Austria, the Koralm Tunnel, and the growing demand in Russia.

The consolidated group revenue for the 2010 financial year fell slightly by 1 % to € 12,381.54 million. In contrast, the earnings before interest, taxes depreciation and amortisation (EBITDA) grew by 7 % to € 734.69 million, as a result of which the EBITDA margin climbed from 5.5 % to 5.9 %. The earnings before interest and taxes (EBIT) grew by 6 % to € 298.95 million. This resulted in an EBIT margin of 2.4 %, after 2.3 % the previous year. However, a positive one-off effect was observed here: in short, an IFRS[1)] rule forces us to revalue an existing 50 % interest in a Czech railway construction company by slightly more than € 10 million because we purchased the remaining 50 %. Adjusting the EBIT by this amount reveals an operating plus of 2 % compared to the year before.

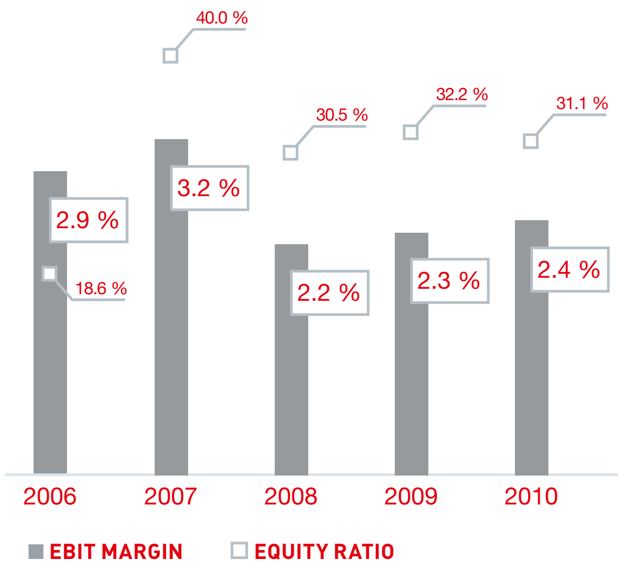
Thanks to a stable financial result and a lower proportion attributable to minority interests, the net income after minorities stood at € 174.86 million, 8 % higher than the level of the previous year. The number of outstanding shares remained unchanged at 114,000,000 shares, so that the earnings per share also grew by 8 % to € 1.53. Also positive is the equity ratio, which, at 31.1 % at the end of 2010, offers a comfortable cushion for our future activities.

Although – as already mentioned – this development was expected, it resulted form wholly unexpected causes:

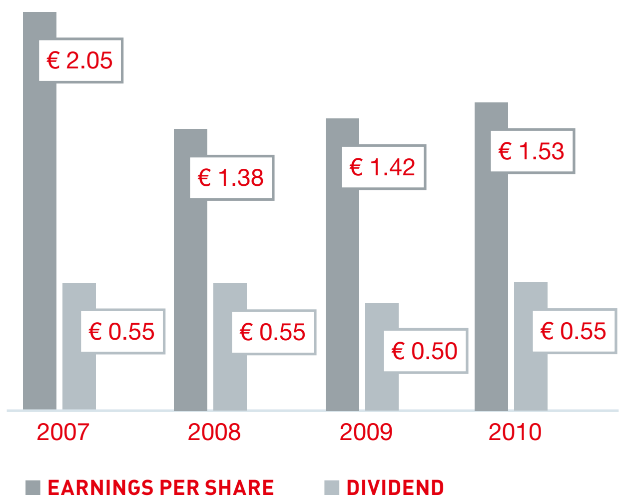
On the one hand, construction-related spending from the economic stimulus programmes was stopped earlier than expected or not passed at all, instead being replaced by austerity packages to help slow the national debt. On the other hand, unexpectedly strong demand for construction services from private clients and project developers was registered in the home market of Germany. This influenced the Transportation Infrastructures segment negatively, but had a positive effect on Building Construction & Civil Engineering. Once again, our "millipede principle" wonderfully confirmed the compensation of contrary effects.

1) IFRS = International Financial Reporting Standards

EBIT MARGIN AND EQUITY RATIO



EARNINGS PER SHARE AND DIVIDEND



OUR SHARE PRICE HAS BARELY MOVED

The development of the international stock markets in 2010 was characterised by extremely variable trends both on the individual stock markets as well as between the different sectors of industry. Against the backdrop of our forecast of unchanged results for 2010, the STRABAG SE share price also showed little movement over the twelve-month period. The closing price at year's end stood at € 20.50, compared to € 20.70 at the end of 2009. This corresponds to a market capitalisation of € 2.3 billion.

I said it in my CEO's Review in last year's annual report and I would like to repeat it today: our share price is not a measure for the value of the company, at least as long as it does not approach its carrying value – which on 31 December 2010 stood at about € 27 per share.

It is true that our outlook for the coming years is modest. We are not planning for more than single-digit percentage growth in output volume and earnings over the year. Rest assured, however, that we are erring on the side of caution and would rather have positive than negative surprises. Our dividend policy remains unchanged! "Stability instead of crisis" is the order of the day. For the 2010 financial year, my management board colleagues and I will therefore propose a dividend of € 0.55 per share – an increase of 5 cents – at the Annual General Meeting of 10 June 2011. Given the year-end closing price of the STRABAG SE stock, this corresponds to a dividend yield of 2.7 %.

THE MOST IMPORTANT FACTS FOR OUR SHAREHOLDERS

■ Share price of STRABAG SE at end of 2010:	€ 20.50
■ Dividend per share:	€ 0.55
■ Earnings per share:	€ 1.53
■ Dividend yield:	2.7 %
■ Ex-dividend day:	17 June 2011
■ Dividend payment date:	20 June 2011
■ Next Annual General Meeting:	10 June 2011

IN THE FUTURE: CONTINUE TO PURSUE THE OLD, NEW STRATEGY

The composition of our earnings again shows that our strategy of diversification in the construction industry is correct. It has allowed us to successfully master the challenges of the past years. However, we must now face new challenges – international crises, for example, which affect our involvement in Libya.

Libya was one of those selected markets in which we wanted to drive our non-European growth. In view of the unrest of early 2011 and the dangerous security situation for our employees, we were forced to close the construction sites and bring all personnel out of the country. We expect to be unable to work the Libyan market for a longer period of time. The income statement for the year under report includes losses from Libya in the amount of € 40 million – more is not to be expected. Luckily, the loss of Libya – and even a loss of the entire region – can be compensated for by the positive market development in selected countries in Central and Eastern Europe (e.g. Romania) and in Russia. Our growth forecast is based on this assumption.

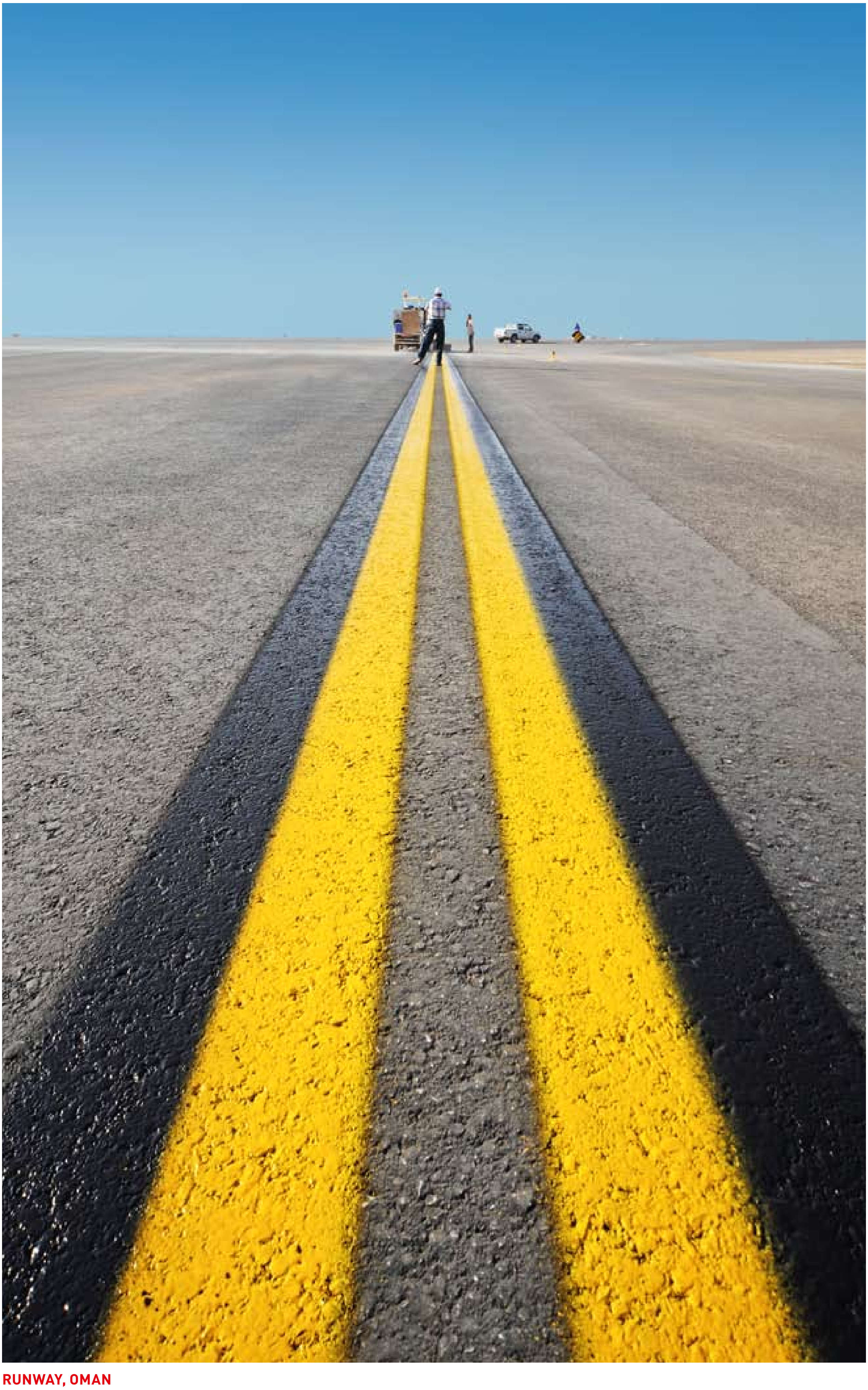
We achieved a success in our geographic expansion after the reporting date in the first quarter of 2011: With the acquisition of two Swiss construction SMEs, Brunner Erben and Astrada, we have positioned ourselves among the top 3 market players in the Swiss construction sector. As a result, Switzerland now ranks as one of STRABAG's core markets.

On the product side, we are continuing to focus on expanding our presence in segments such as railway construction, waterway construction and offshore wind activities, as well as extending the value chain in the direction of construction-related services. STRABAG is still seen by many as just a road or building construction company. That we perform much more than classic construction work, that our employees are sources of important know-how in specialty areas, and that we possess sophisticated and unique technologies in fields such as environmental technology – that is less known. I therefore invite you to use this annual report to go on a journey of discovery into STRABAG. Pick up the pencil and "discover our hidden sides".

At this point, I would like to thank our 73,600 employees – the average in 2010 – for their commitment to our (your) company. At the same time, I bid a thankful farewell to my long-time colleagues Roland Jurecka and Wolfgang Merkinger, who left the STRABAG Group last year.

Your

Hans Peter Haselsteiner
CEO of STRABAG SE
Vienna, 28 April 2011



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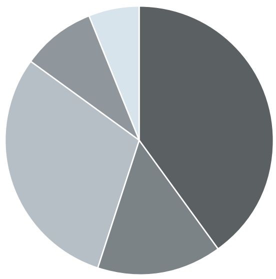
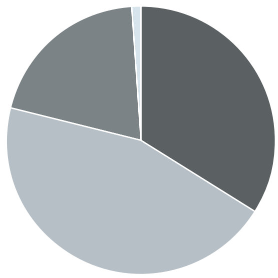
STRABAG AT A GLANCE

OUTPUT VOLUME BY REGION



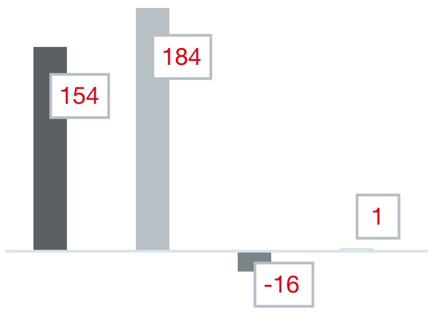
GERMANY	40 %
AUSTRIA	15 %
CEE[1]	30 %
REST OF EUROPE	9 %
REST OF WORLD	6 %

OUTPUT VOLUME BY SEGMENT



BUILDING CONSTRUCTION & CIVIL ENGINEERING	34 %
TRANSPORTATION INFRASTRUCTURES	45 %
SPECIAL DIVISIONS & CONCESSIONS	20 %
OTHER	1 %

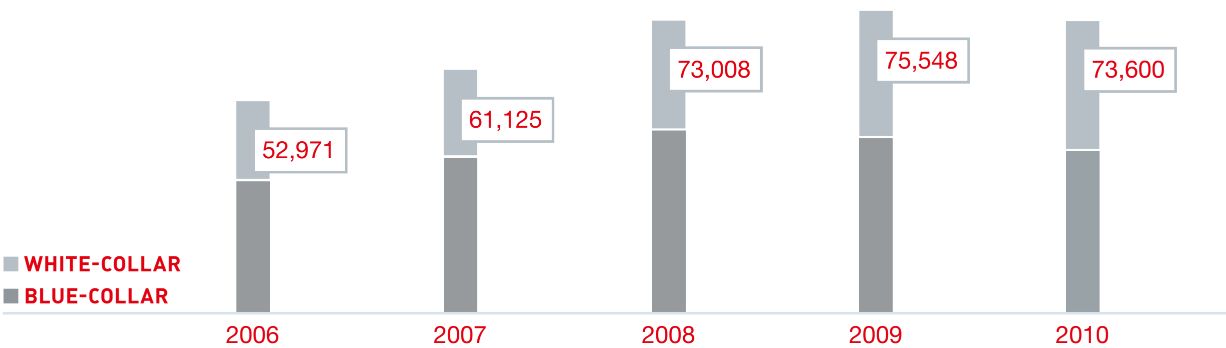
EBIT BY SEGMENT (€ MLN.)



- BUILDING CONSTRUCTION & CIVIL ENGINEERING
- TRANSPORTATION INFRASTRUCTURES
- SPECIAL DIVISIONS & CONCESSIONS
- OTHER

As one of Europe's leading construction groups, and with 73,600 employees, we generated an output volume of € 12.8 billion in the 2010 financial year. From our core markets of Austria and Germany, we are present via our numerous subsidiaries in all countries of Eastern and South-East Europe, in selected markets in Western Europe and increasingly on other continents. More than 70 % of our output volume is generated in markets in which we hold one of the top three positions, which includes Hungary, Slovakia, Poland and Romania. We offer our services under the five main brands STRABAG, Dywidag, Heilit+Woerner, Möbius and Züblin. These services span all areas of the construction industry and cover the entire value-added chain in the field of construction.

NUMBER OF EMPLOYEES 2006 – 2010



MARKET POSITIONS

- #1 in Austria, Germany, Poland, Slovakia and Hungary
- #2 in Romania

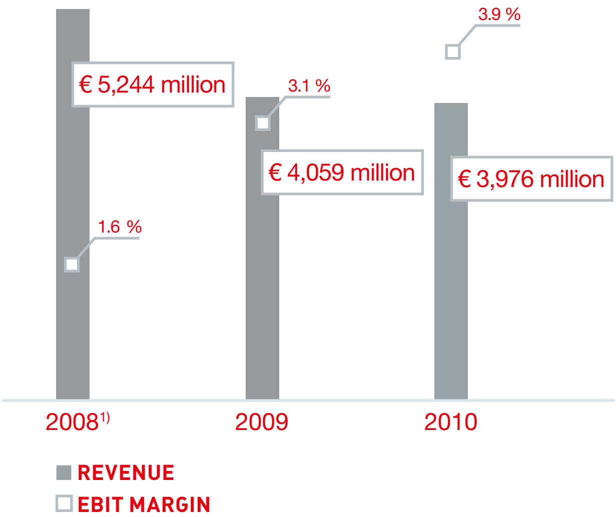
1) Central and Eastern Europe

We deliver our services in three segments:

BUILDING CONSTRUCTION & CIVIL ENGINEERING

Building construction comprises the construction of commercial and industrial properties, office and administration buildings, residential real estate and the production of prefabricated elements. Medium-sized and large-scale projects – predominantly from private clients – form the core of the business activities. In the field of civil engineering, STRABAG is engaged in the construction of complex infrastructure projects, in the strongly growing business field of power plant construction, in large-scale bridge building as well as in environmental technology.

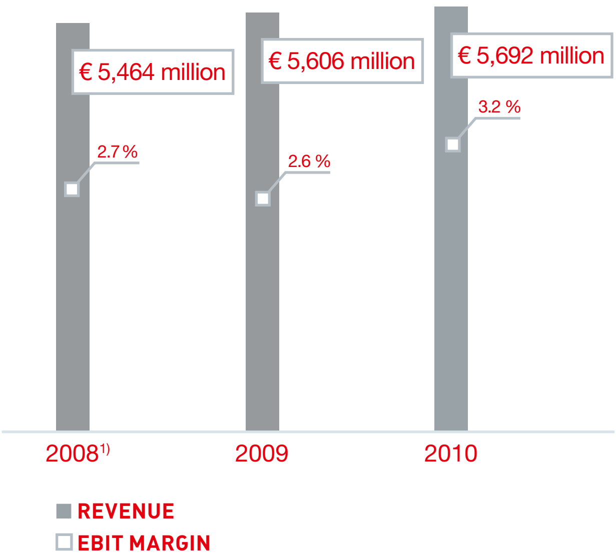
REVENUE 2010:	**€ 3,975.84 MIO.**
EBIT 2010:	**€ 153.77 MIO.**
EBIT MARGIN 2010:	**3.9 %**



TRANSPORTATION INFRASTRUCTURES

The Transportation Infrastructures segment covers asphalt and concrete road construction as well as any remaining construction activities associated with road construction, such as earth-moving, canalisation, railway construction, waterway construction, dyking, paving, the construction of sport and recreational facilities, safety and protective structures and small-scale bridge projects. In the last few years, railway construction and hydraulic engineering were added as important fields of expertise. The Transportation Infrastructures segment also includes the production of construction materials such as asphalt, concrete and aggregates to supply the group and external clients.

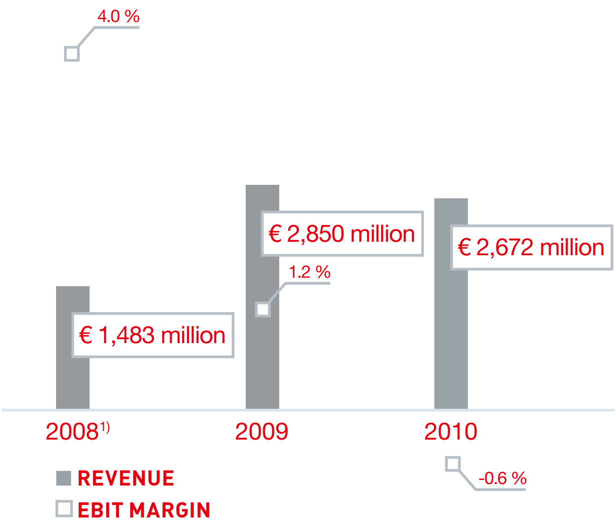
REVENUE 2010:	**€ 5,691.96 MIO.**
EBIT 2010:	**€ 183.58 MIO.**
EBIT MARGIN 2010:	**3.2 %**



SPECIAL DIVISIONS & CONCESSIONS

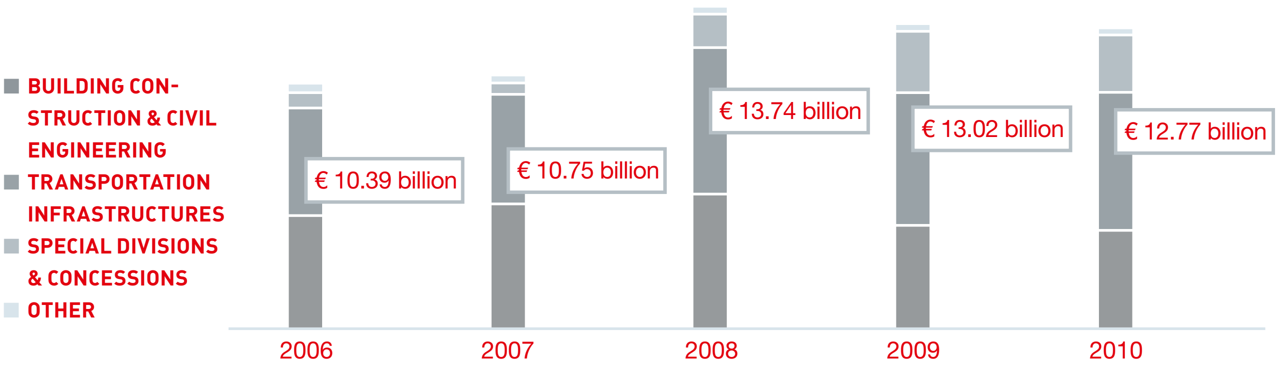
The Special Divisions & Concessions segment includes, on the one hand, the field of tunnelling/specialty foundation engineering, where we possess leading know-how that allows us to operate at some of the world's largest construction sites. The concessions business represents an important area of business, with global project development activities in Transportation Infrastructures in particular. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services of the segment and of the group. Additionally, most of our services in non-European markets are also bundled in the Special Divisions & Concessions segment.

REVENUE 2010:	**€ 2,671.85 MIO.**
EBIT 2010:	**€ -15.54 MIO.**
EBIT MARGIN 2010:	**-0.6 %**



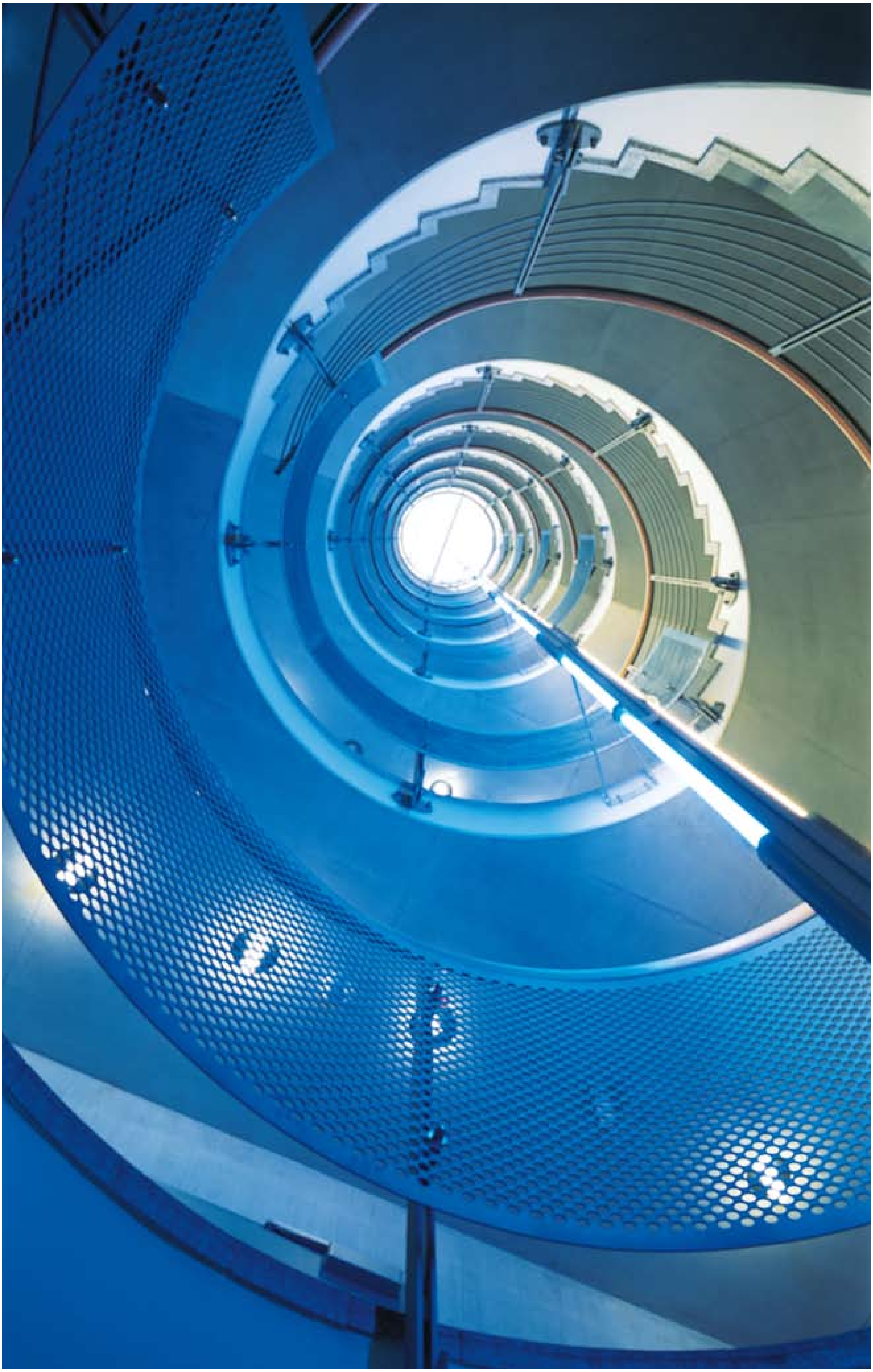
1) Presentation in accordance with the Annual Report 2009. Changes in segment structure starting from 2010 are not considered.

OUTPUT VOLUME 2006 – 2010

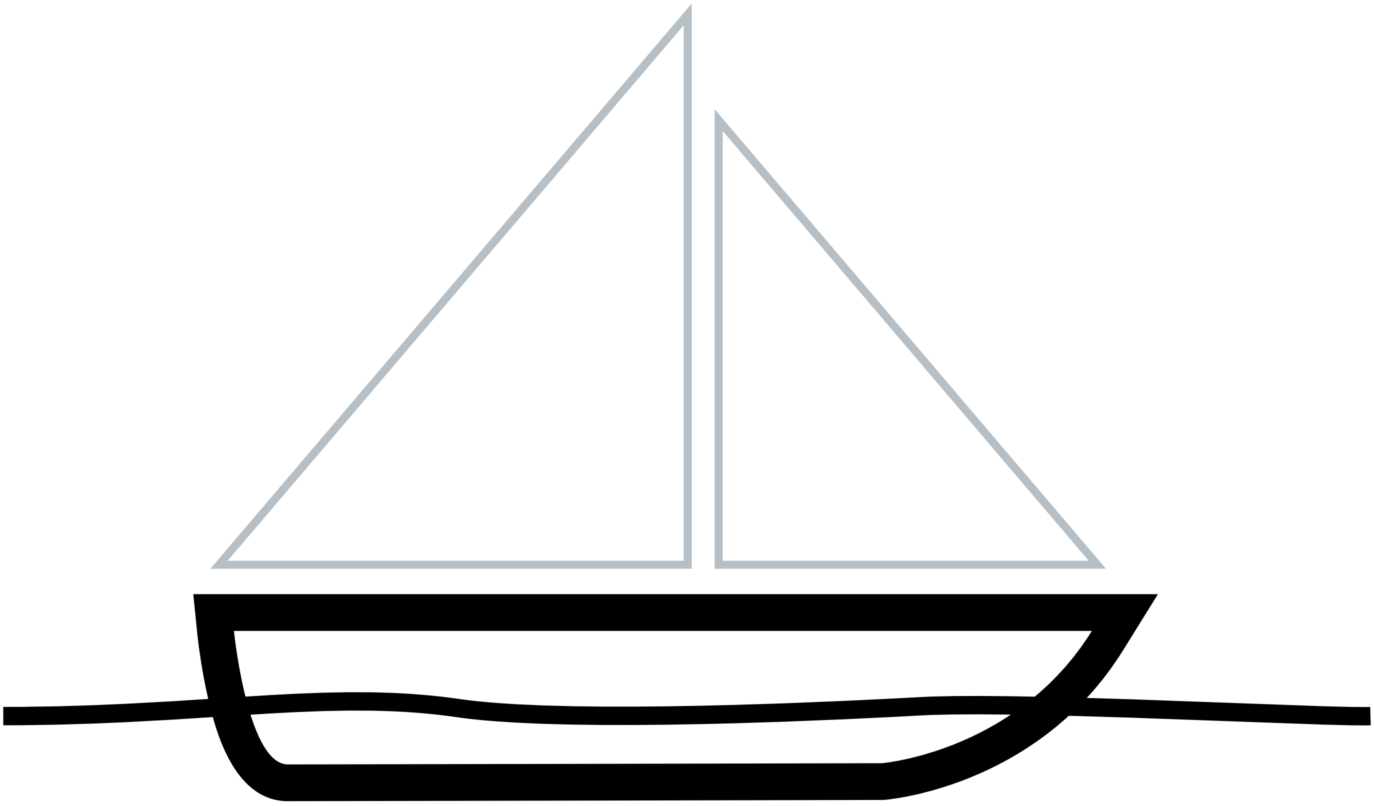


STRABAG SE grew strongly over a period of several years, ascending to the top league of European construction companies. This rapid growth slowed significantly during the financial and economic crisis that began at the end of 2008 and was replaced by largely stable business development. As a result, STRABAG SE generated an output volume of € 12.8 billion in the 2010 financial year. The output volume thus is slightly below (-2 %) the previous year's figure, as expected.

A number of factors influenced the business, resulting in development in opposing directions. The construction boom in Poland had a positive effect and, above all in the Transportation Infrastructures segment, made up for the disadvantageous weather conditions in Europe at the beginning of the year. In comparison, considerable declines in output volume were seen in the Transportation Infrastructures segment in Germany and Hungary. Due to the weather, the output volume in the Building Construction & Civil Engineering segment in Germany also was considerably below the level of the previous year. These burdens, in combination with the lack of projects in tunnelling, had a greater effect than did the boost received from new large-scale projects in northern Europe and internationally.



ADMINISTRATION BUILDING FOR DEUTSCHER HEROLD, BONN



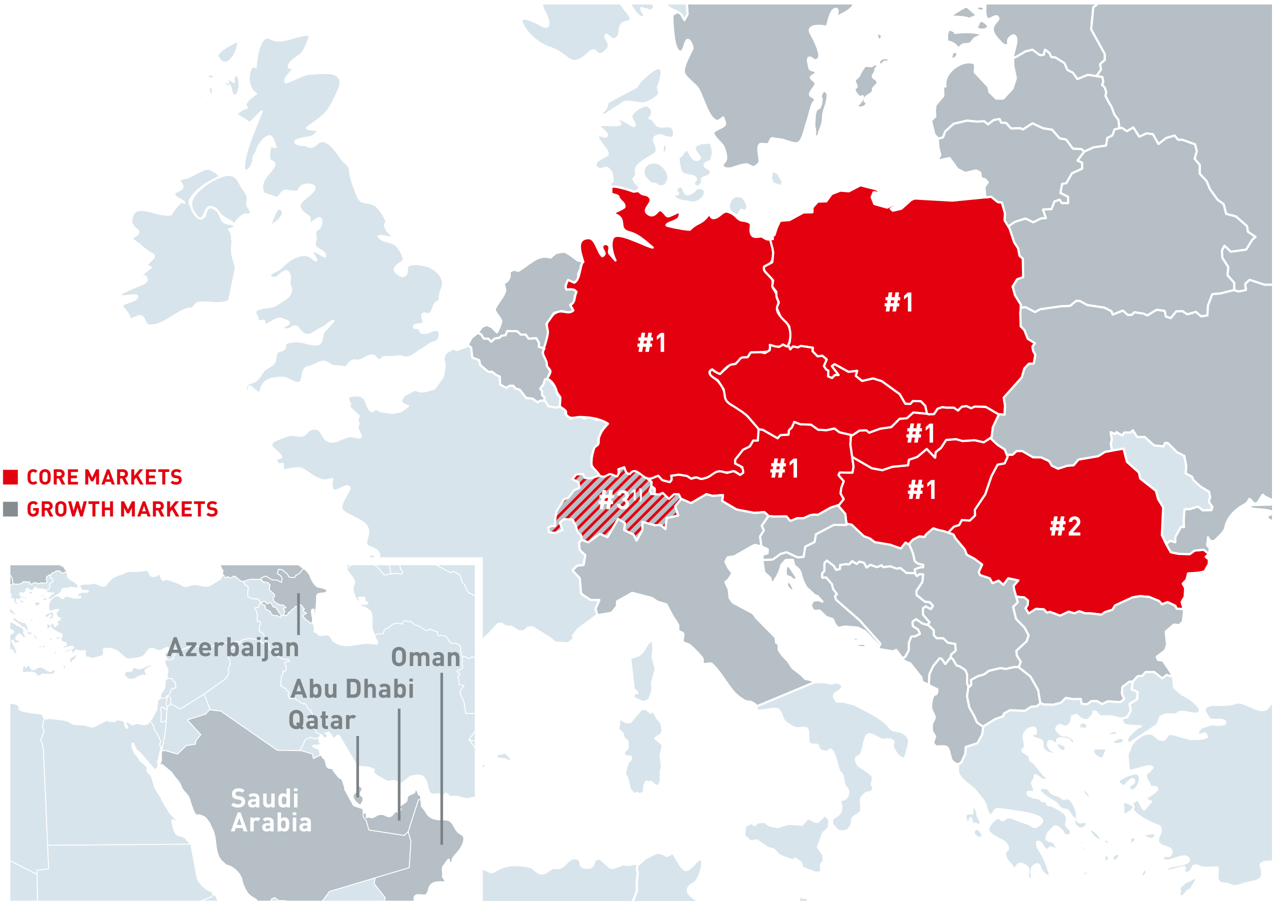
WHAT DOES ONE NEED TO KEEP GOING FULL SPEED AHEAD?

THE RIGHT IDEAS AND
THE RIGHT EQUIPMENT.

SUCCESS FACTORS

What is STRABAG's advantage over other construction companies? What is the basis of our past and future success? These are our success factors:

SUCCESS FACTOR: FAR-REACHING COUNTRY NETWORK



Despite our home markets of Austria and Germany – which account for 55 % of our output – we see ourselves as a European company. After all, we generate 30 % of our business in Eastern Europe and 9 % in other European countries. This gives us a unique position compared to the competition and assures us market leadership in the construction sector in Central and Eastern Europe.

We consider a leading market position in the majority of our markets to be a critical factor for success. Last year, we set ourselves the goal of maintaining or expanding these strong market positions. We are still number one in Austria, Germany, Hungary, Romania and Slovakia. While we achieved market leadership in Poland, we slipped from third to fourth place in the Czech Republic. In 2010, as a result, we generated only 74 % of our output volume in those countries in which we hold a market position among the top 3 construction firms – after 80 % the year before. The Czech Republic remains a core market, however, as we expect lasting business here, are present throughout the country, and would like to again boost our market position.

"MORE ON THE EXPANSION STRATEGY ON PAGE 24."

Why is it important for us to achieve a strong market position in many countries? Firstly, the broad geographical positioning allows us to spread the country risk. Secondly, construction companies need a critical mass and sufficient capital resources in the individual markets in order to successfully bid for and pre-finance large-scale projects. And finally, the existing country network helps us in our expansion: we can move large equipment and machinery to those markets where they are needed at any given time. We pass on know-how and existing technologies to the local management so that they are of use in different regions.

1) Through the acquisition of two Swiss construction SMEs in 2011, we achieved the number three market position in that country.

Our objective for 2011: we will continue to work towards increasing our market shares in our growth markets and maintaining market leadership in those countries in which we are number one. In the Czech Republic, we will attempt to capture a top 3 position, despite the fact that the lack of public-sector investments in infrastructure make this a highly competitive market and that we have already begun a substantial workforce reduction in the country. We will also increase our focus on the non-European markets. To measure our success, we review our market shares and our market position annually.

SUCCESS FACTOR: OPERATIONAL STRUCTURE WITH CENTRAL UNITS

STRABAG SOCIETAS EUROPAEA

CEO – Hans Peter Haselsteiner

Building Construction & Civil Engineering	Transportation Infrastructures	Special Divisions & Concessions
2 Board Members 9 Divisions	2 Board Members[1)] 10 Divisions	2 Board Members[1)] 5 Divisions

Divisions

Sub-divisions

STRABAG HEILIT+WOERNER MÖBIUS ZÜBLIN DYWIDAG

Central Divisions

BRVZ[2)] BMTI[3)] BPM[4)] TPA[5)] ZENTRALE TECHNIK

Central Staff Divisions

Legal Affairs | Contract Management | Internal Audit

1) One board member serves as commercial head for Transportation Infrastructures as well as for Special Divisions & Concessions.
2) BRVZ Bau- Rechen- und Verwaltungszentrum
3) BMTI Baumaschinentechnik International
4) BPM Bau Prozess Management
5) TPA Gesellschaft für Qualitätssicherung und Innovation
Last updated: 1.1.2011

Under the roof of the parent company STRABAG SE, a number of legally independent subsidiaries are active in their respective national markets. The top level of organisation is the segment, each of which is headed by two management board members, one with technical and another with commercial responsibilities. This "four-eyes" principle applies not only at the management board level, but at all management levels, and the dual management structure is an important aspect of internal control and risk management.

The management board of STRABAG SE exercises the coordinated management of the group, is responsible for maintaining its financial balance, and determines its strategic goals. During the execution of these tasks, the management board is supported by central staff divisions, central divisions (service companies) and the divisions.

The division managers coordinate and steer their subdivisions and report directly to the management board member responsible for their division. They manage their business independently and on their own responsibility within the framework of the group's business policy, i.e. it is their responsibility to reach the objectives laid out in the strategic and operative planning and to realise the specified measures.

The operating business is managed by the sub-divisions, which in turn are organised into individual business units. They are responsible for the greatest possible success in their regional markets and are, as a rule, managed, coordinated and controlled by the division manager.

"ECONOMIES OF SCALE THROUGH CENTRAL SERVICES"

The central divisions are one of the main ingredients for the group's success. They handle group-internal services in the areas of accounting, treasury, controlling, risk management, personnel development and administration, technical development, equipment management, quality management, process management and logistics. The central service companies support the operating units so that these can concentrate on the core business and deliver their services to the clients in an efficient manner. The uniformity of the organisation creates economies of scale and results in standardised controlling and reporting. The central staff divisions are responsible for legal matters, contract management as well as internal audit and report directly to the CEO.

In order to maintain an overview of the entire group, we have developed a management information system that helps us to ensure that the same standards apply in all regions where STRABAG is active. Clear criteria for the assessment of new projects, a standardised process for the submission of bids and control systems serve as filters to avoid loss-bringing projects.

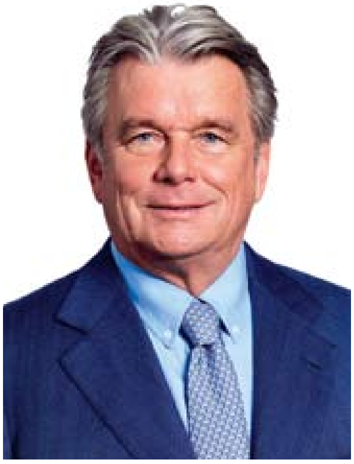
SUCCESS FACTOR: A STABLE SHAREHOLDER STRUCTURE

SHAREHOLDER STRUCTURE ON 31 DECEMBER 2010

HASELSTEINER GROUP	29.5 %
RAIFFEISEN GROUP	15.5 %
UNIQA GROUP	15.0 %
RASPERIA TRADING	17.0 %
FREE FLOAT	23.0 %

STRABAG is a publicly listed, but owner-managed company. Our CEO, Hans Peter Haselsteiner, and his family hold a 29.5 % interest. Raiffeisen Group and UNIQA Group have also been core shareholders since 1998. This stable shareholder structure combines the best of both worlds: the years-long cooperation of the management and the investors in the boards allows STRABAG to implement strategic decisions quickly. At the same time, the stock market listing assures the highest-possible level of transparency in the field of financial and corporate governance. (Details as to the shareholder structure can be found on page 80.)

SUCCESS FACTOR: A STRONG FINANCIAL BASIS



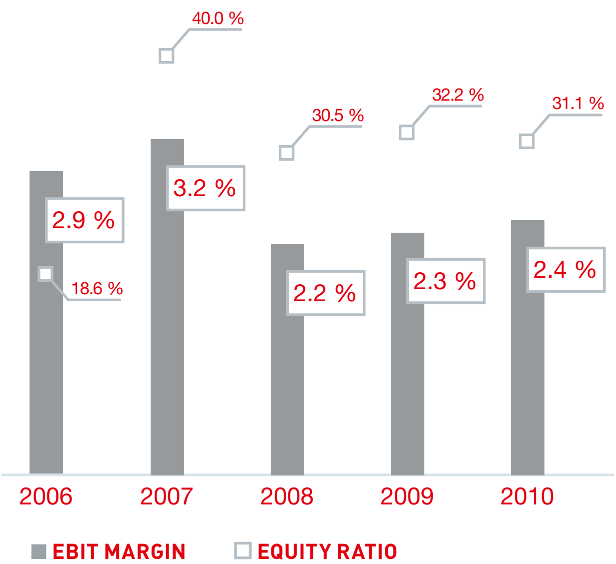
"An indispensable prerequisite for successful growth is sufficient capital and a solid balance sheet. Only then is it possible to be flexible and to react quickly to market opportunities. A healthy, sustainable structure is reflected not only in revenue, but also in results: growth without keeping an eye on returns would be a mistake."

Hans Peter Haselsteiner

Healthy capital resources are an obligation. This is the only way in which construction companies can participate in concession projects, as they must co-finance these with a part of their own equity. A ready-to-use budget also makes it possible to conduct meaningful acquisitions more easiliy and more quickly. We see the equity ratio as a suitable figure with which to measure STRABAG's financial stability and strength. In the medium term, we will be satisfied with an equity ratio (shareholder equity/total assets) between 20 % and 25 %. At the end of December 2010, the group's equity ratio stood at 31.1 %.

"EQUITY RATIO 31.1 %"

KEY PERFORMANCE INDICATOR: EBIT MARGIN AND EQUITY RATIO



The financial strength of our company is also evaluated independently: the ratings agency Standard & Poor's (S&P) gave STRABAG SE an investment-grade rating of BBB- with stable outlook. The latest analysis was published in December 2010.

In addition to our capital structure, we also keep an eye on the margins. For several years, it was our objective to increase our EBITDA and EBIT margins. We now consider stable EBIT margins to be realistic in the medium term. In 2010, it stood at 2.4 %; a plus which can be partially explained by a positive one-off effect.

We are continuing to focus on cost efficiency, disciplined employment of capital, and strict risk management. In the financial area, our risk management applies to several points:

LIQUIDITY MANAGEMENT

STRABAG's liquidity management is oriented towards short-, medium- and long-term objectives:

- In the short term, all daily payment obligations must be covered on time and in their entirety.
- In the medium term, liquidity levels must be sufficient to ensure that no transactions or projects become impossible due to a lack of sufficient financial means or payment guarantees or that they cannot be executed at the desired pace.
- In the long term, the insufficient availability of financial means would lead to potential impairment of the strategic development perspectives.

RECEIVABLES MANAGEMENT

We maintain constant contact with our key accounts to avoid payment default or the violation of settlement terms on the part of our clients. In certain markets, we insist on advances or only enter into so-called "cost-plus-fee" contracts in which the client pays a previously agreed margin on the costs of the project and settlement is made in short intervals.

CONTRACT MANAGEMENT

Contract design is handled by a separate department. Our contract management employees advise those with operating responsibilities on matters including cost escalation clauses or formulations of the contract text. Projects of a certain size must be declared as making economic sense by a number of different price committees.

SUCCESS FACTOR: DENSE RAW MATERIALS NETWORK

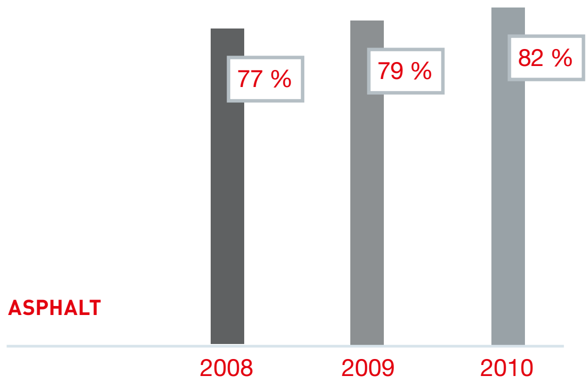
The access to resources offers us a significant competitive advantage, as the approval for new production facilities is granted only to a limited extent in those regions in which such facilities already exist. Our supply of resources from within the group also helps us to reduce our dependency on external suppliers, allowing us to better plan our raw materials access.

We possess an extensive resource network that is especially dense in our home markets and several of our growth markets. In the previous year, we had set ourselves the objective of further profiting from our own resource access and optimising our raw materials portfolio – and we were successful. The key performance indicator with which we measure this success is the "coverage of raw material needs using own resources". With 328[1] active asphalt mixing facilities (2009: 325), we covered 82 % of our group asphalt need, compared to 79 % the year before. With concrete, proprietary coverage, although the number of active concrete mixing facilities fell from 183 to 169. Group supply of stone and gravel from proprietary production was up from 17 % the previous year to 20 % in 2010. The number of active production sites in this area increased from 179 to 181.

■ KEY PERFORMANCE INDICATOR:
COVERAGE OF RAW MATERIAL NEEDS USING OWN RESOURCES

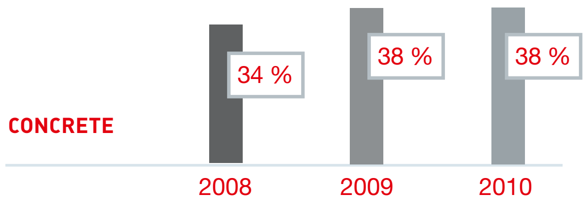
ASPHALT

We produced 16.0 million tonnes of asphalt in the past financial year, compared to 17.3 million tonnes in 2009. Most of the asphalt was produced in Germany, Austria, Poland and the Czech Republic. About 65 % (2009: 64 %) of the asphalt produced was sold within the group – almost entirely to the Transportation Infrastructures segment – at the usual market rate; the rest was sold to third parties.



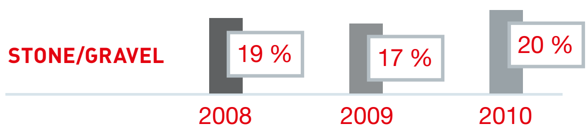
CONCRETE

The production of concrete in 2010 amounted to 4.1 million m^3, compared to 4.9 million m^3 in 2009. About half of our concrete production took place in Hungary, Germany and Austria. 44 % of the production was sold within the group (2009: 38 %).



STONE/GRAVEL

The STRABAG Group produced around 30.8 million tonnes of stone and gravel in 2010, less than in the previous financial year (33.8 million tonnes). 33 % of these resources were used by group companies (2009: 36 %)[2].



1) Includes facilities from joint ventures and associates
2) The relatively high percentage of third-party sales and purchases is explained by the fact that the desired resource type and quality were not available in the region where they were needed or that the projects at times lie outside of the supply radius of the production facilities. This highlights the importance of area-wide access to raw materials in a given geographic area.

CEMENT

In autumn 2007, construction began in Hungary on our first proprietary cement factory. Work is proceeding as planned and trial operations commenced at the end of 2010.

In May 2010, we reported on our desire to set up a joint cement company with construction materials manufacturer Lafarge for Central and Eastern Europe. Lafarge will bring its cement plants at Mannersdorf (A), Retznei (A), Cížkovice (CZ) and Trbovlje (SI) into the holding company, while STRABAG will contribute its plant in Hungary. Lafarge will hold a 70 % interest in the new company, while STRABAG will take 30 %. Lafarge Cement CE Holding GmbH will have a total annual production capacity of 4.8 million tonnes of cement. These construction materials will be sold in all countries under the Lafarge brand name. Approval for the transaction by the cartel authorities was awarded in February 2011.

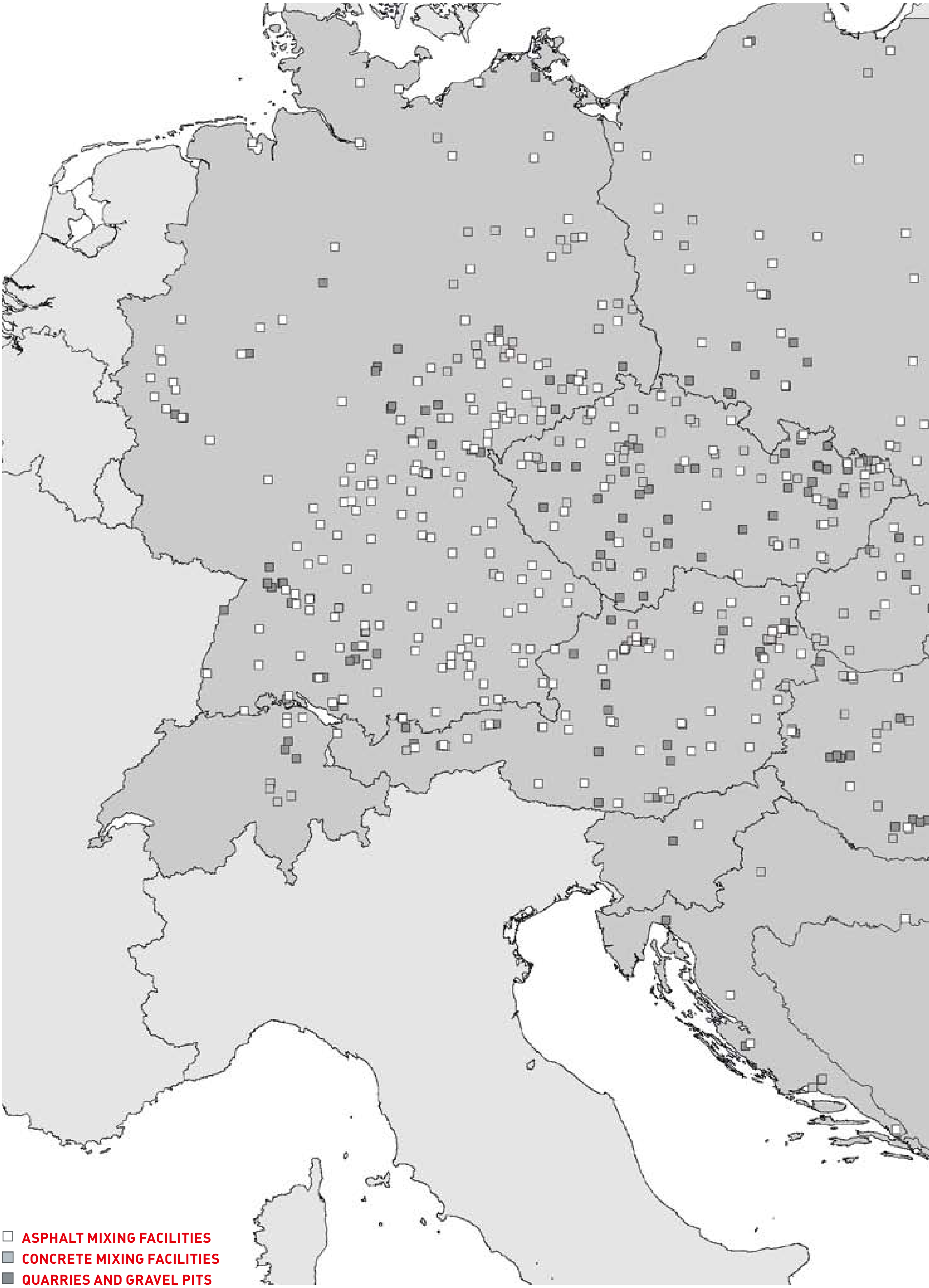
By joining their activities on the Austrian, Czech, Slovak, Slovenian and Hungarian markets, the two companies expect significant synergies in terms of investment and cost: “The deal helps us to secure exactly the amount of cement we need in a year, namely 1.5 million tonnes, in just those countries in which we need it. It also allows us to achieve economies of scale in procurement and administration and to profit from the know-how of the global cement market leader,” STRABAG CEO Hans Peter Haselsteiner said in explanation of the strategy.

OUR OBJECTIVES

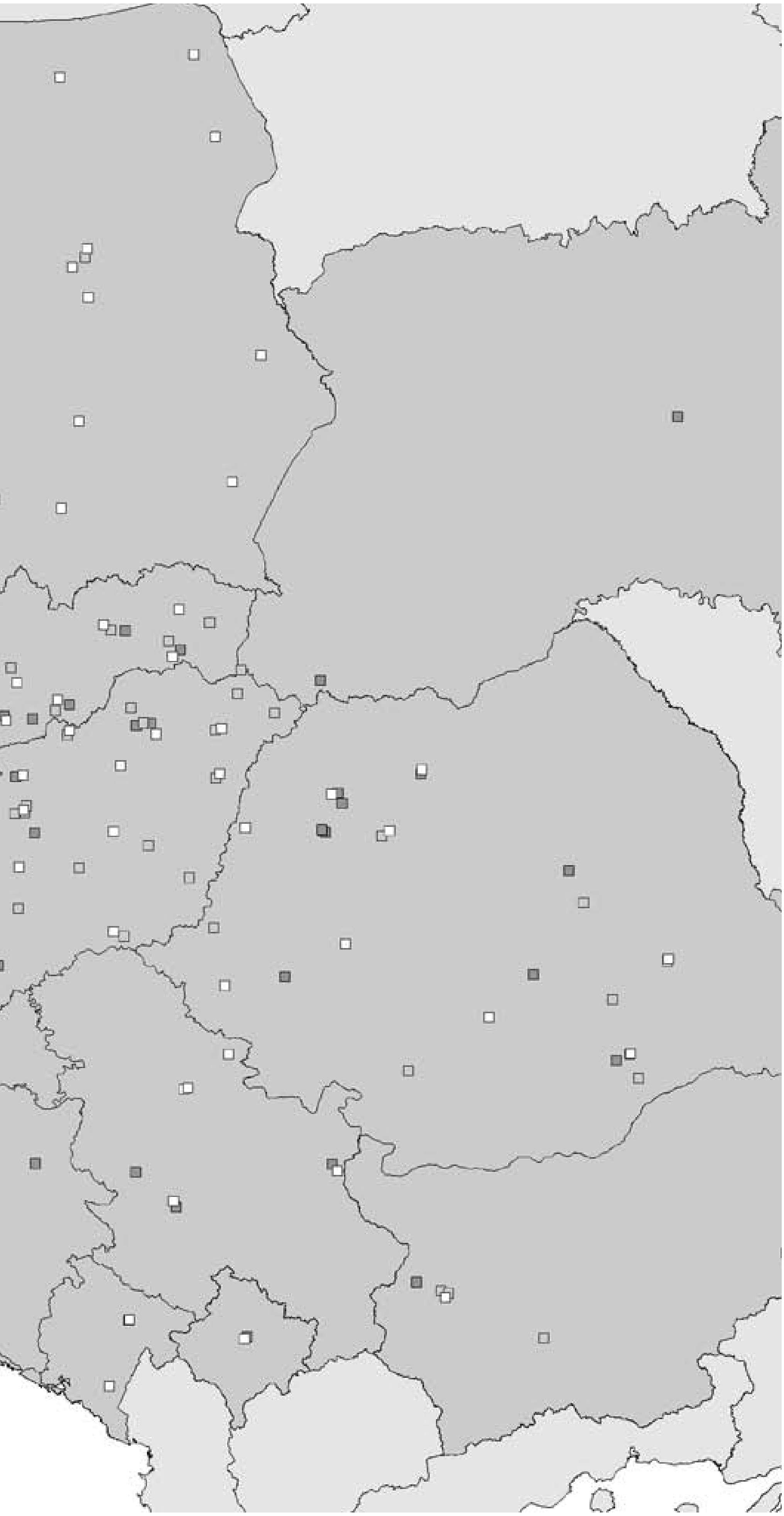
With the exception of asphalt, where our coverage is already quite high, our aim for 2011 is to cover more of our raw material needs with own resources.

For us, increasing our independence from raw materials suppliers is a priority. In comparison, raising the revenues from raw materials sales to third parties is not an objective per se. Revenues in this area reached about € 460 million in the past financial year.

PRODUCTION SITES (PROPRIETARY FACILITIES AND HOLDINGS)



□ ASPHALT MIXING FACILITIES
■ CONCRETE MIXING FACILITIES
■ QUARRIES AND GRAVEL PITS



AUSTRIA
43 Asphalt mixing facilities
21 Concrete mixing facilities
38 Quarries and gravel pits

GERMANY
154 Asphalt mixing facilities
33 Concrete mixing facilities
46 Quarries and gravel pits

BULGARIA
2 Asphalt mixing facilities
3 Concrete mixing facilities
1 Quarries and gravel pits

CROATIA
6 Asphalt mixing facilities
3 Concrete mixing facilities
3 Quarries and gravel pits

POLAND
41 Asphalt mixing facilities
5 Concrete mixing facilities
10 Quarries and gravel pits

ROMANIA
10 Asphalt mixing facilities
8 Concrete mixing facilities
10 Quarries and gravel pits

SWITZERLAND
3 Asphalt mixing facilities
4 Concrete mixing facilities
5 Quarries and gravel pits

SERBIA
5 Asphalt mixing facilities
3 Quarries and gravel pits

MONTENEGRO
2 Asphalt mixing facilities
2 Quarries and gravel pits

SLOVAKIA
15 Asphalt mixing facilities
11 Concrete mixing facilities
8 Quarries and gravel pits

SLOVENIA
1 Asphalt mixing facility
1 Quarry and gravel pity

CZECH REPUBLIC
29 Asphalt mixing facilities
51 Concrete mixing facilities
38 Quarries and gravel pits

HUNGARY
16 Asphalt mixing facilities
30 Concrete mixing facilities
14 Quarries and gravel pits

RUSSIA
1 Asphalt mixing facility

UKRAINE
2 Quarries and gravel pits

STRATEGY

- EXPANDING GEOGRAPHICALLY
- INVESTING IN PUBLIC PRIVATE PARTNERSHIPS
- INTENSIFYING THE ACTIVITIES IN NICHE MARKETS
- EXTENDING THE VALUE CHAIN

OUR STRATEGIC OBJECTIVE

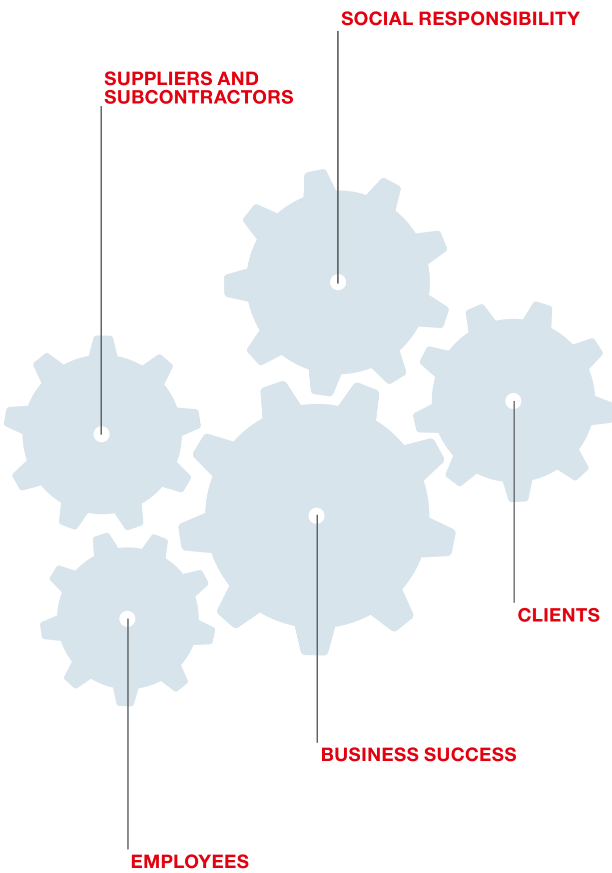
"To achieve and maintain market leadership in all defined markets and areas of business through cost leadership, employee quality, employee motivation and innovative strength."

GROUP PRINCIPLES

Our group principles provide the basis for our objectives, our strategy and our entrepreneurial activities.

EMPLOYEES

We promote the performance and skills of our employees through training and further education. We support the personal development of our employees and ensure that they receive adequate information and have suitable working conditions. Every one of our employees actively inform themselves. They bring their own objectives in line with those of the group and give priority to group interests. The safety and health of our employees and all other parties to our activities are among our main concerns.



BUSINESS SUCCESS

We have a responsibility toward our shareholders, clients, employees, suppliers and subcontractors as well as toward the company itself. For this reason, long-term business success is our prime business objective. We strive to identify opportunities and risks at an early stage in order to ensure the continuity of our company and to safeguard the interests of our shareholders.

CLIENTS

Our services are focused on the demands and expectations of our clients. We meet the needs of the market through close client contact, professionalism, a dedication to innovation, and reasonable prices.

SOCIAL RESPONSIBILITY

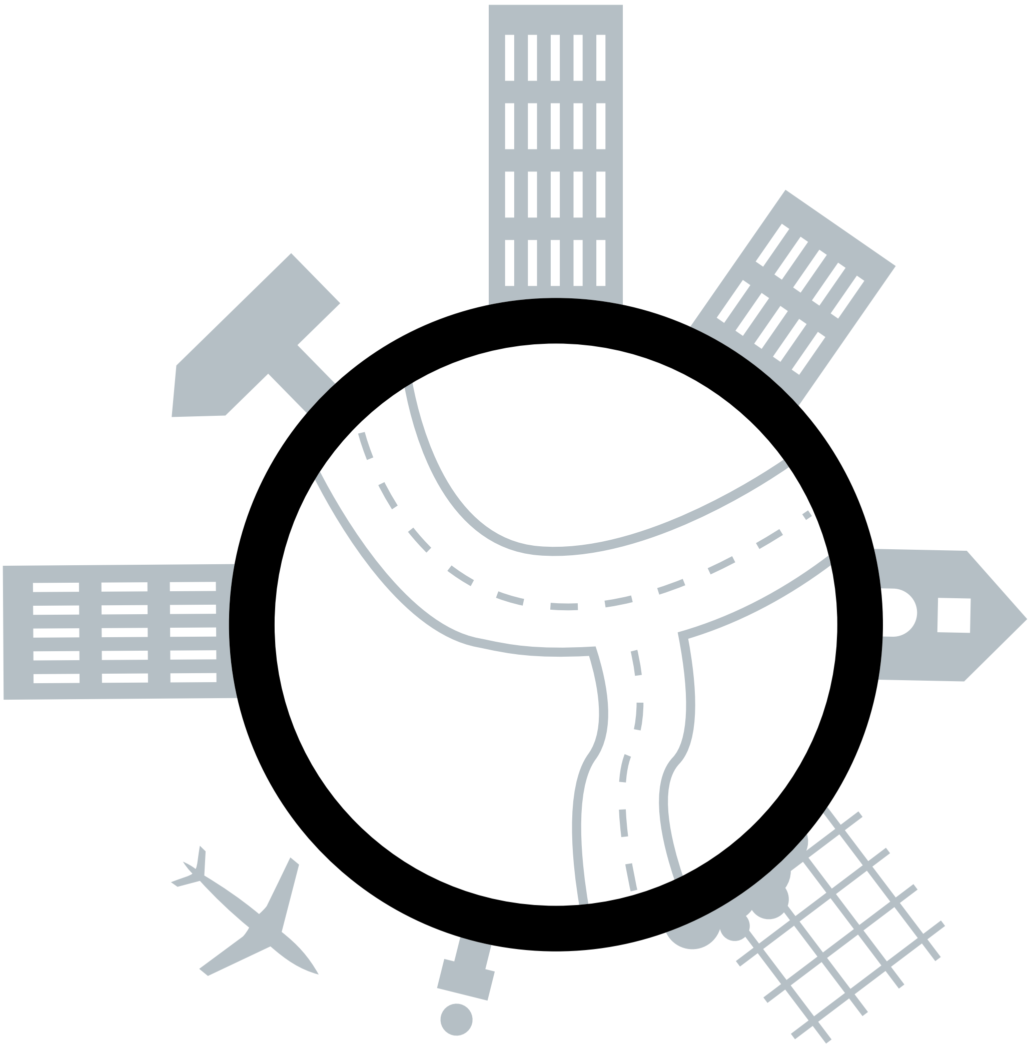
We respect human rights and promote the general good of society. We observe all existing laws and recognise the rules of fair competition. We are aware of our responsibility toward the environment. In delivering our products and providing our services, we strive to handle energy and resources in an economical manner and to reduce emissions and waste.

SUPPLIERS AND SUBCONTRACTORS

We make a targeted selection of our suppliers and subcontractors. In making these decisions, we let our experience and the capacities of our suppliers and subcontractors guide us.

DISCOVER THE HIDDEN SIDES OF STRABAG

In last year's annual report, we explained why flexibility played such a decisive and important role for us as a construction company. The strategic priorities which help us to stay flexible remain unchanged: we are continuing to expand our geographic presence in non-European countries in order to become less dependent on individual markets. The same is true for our business in niche segments, which helps us when demand dwindles in specific market segments. We are increasing our involvement with Public Private Partnership models and are extending the value chain to include property and facility management in order to help reduce the seasonal fluctuation of our financial results. All this makes STRABAG one of the few companies which offer services along the entire value chain in construction – from design and planning to construction, property and facility management, operation and demolition. This enables us to build while optimising costs and resources. These points are always in our mind when we plan for the future and distribute resources – such as financial or personnel resources – within the company. We are focusing on these points again this year to help you learn more about the "hidden sides" of STRABAG.



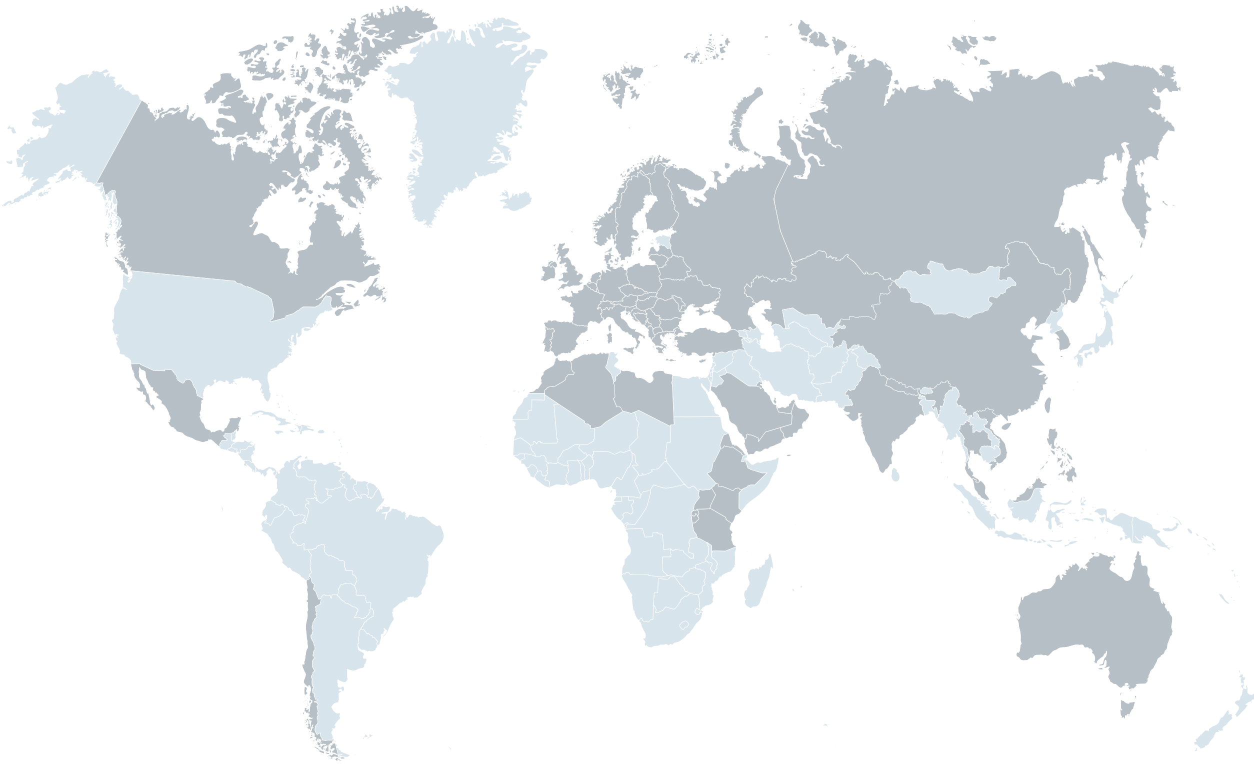
EXPANDING GEOGRAPHICALLY

THE WORLD IS FULL OF OPPORTUNITIES.

WE MAKE THEM GROW.

STRATEGY: EXPANDING GEOGRAPHICALLY

STRABAG – A GLOBALLY ACTIVE, YET EUROPEAN CONSTRUCTION COMPANY



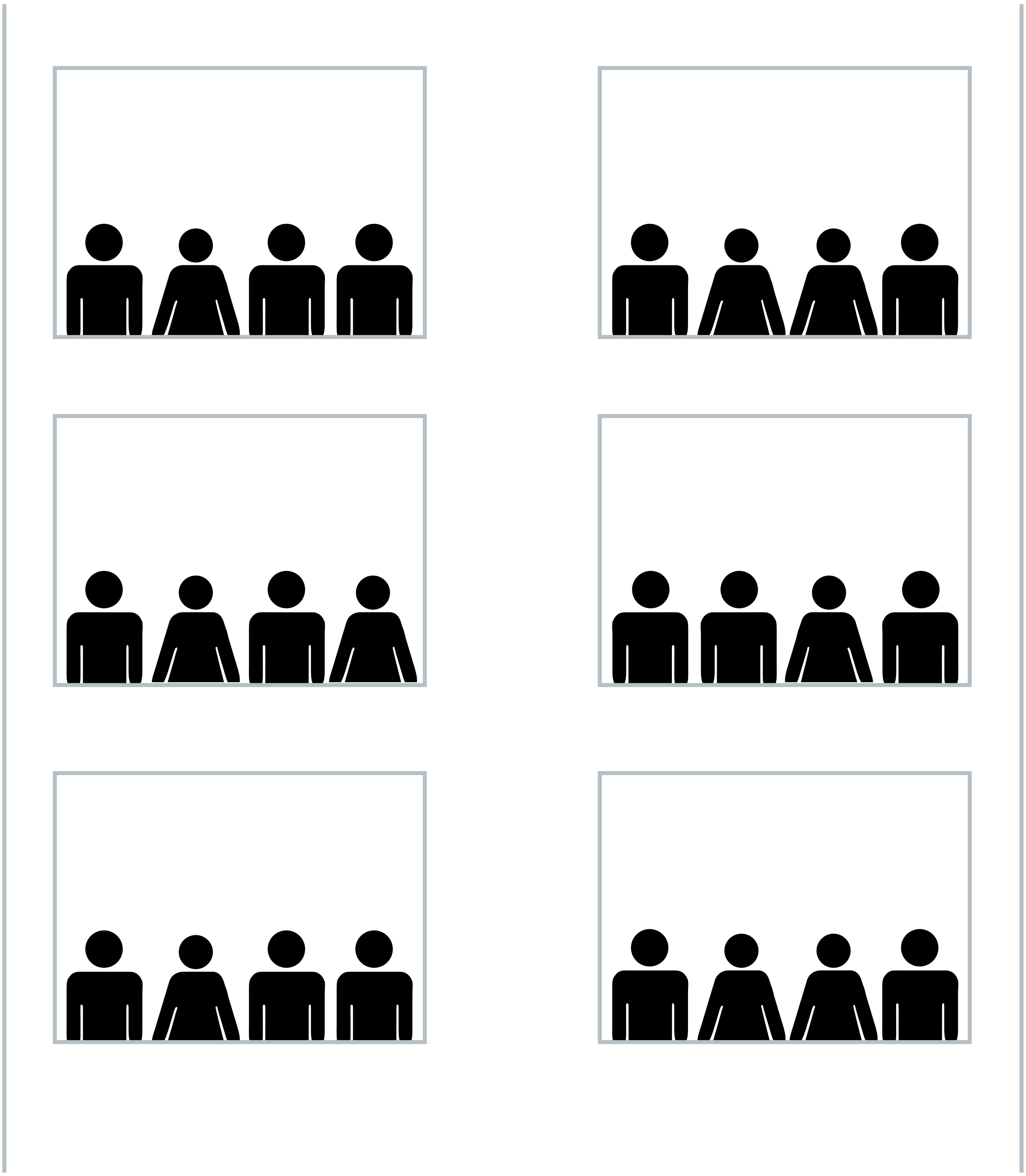
■ COUNTRIES IN WHICH THE STRABAG GROUP HAS A PRESENCE

Broad geographic positioning is very important to us. By not focusing our growth on just one country, we are able to seize opportunities in a variety of markets quickly and diversify our risk.

We began to focus on geographic diversification at an early stage – and this strategy has paid off. Germany, a market which had not been given a lot of hope in the past ten years, is now proving to be a stable earnings provider. And in Poland, demand in the Transportation Infrastructures segment remained consistently strong throughout 2010.

Especially in economically difficult times, it is important not to depend on just a few specific markets. For this reason, we are increasingly active in projects outside of Europe in which a high degree of technological know-how is required – in India, Canada and the Middle East, for example. Despite the international scope of our activities, we see ourselves as a European construction company. Europe is where we have our roots and where our core countries lie. We are only active on international, i.e. non-European, markets as part of the direct export business.

ADAC HEADQUARTERS, MUNICH



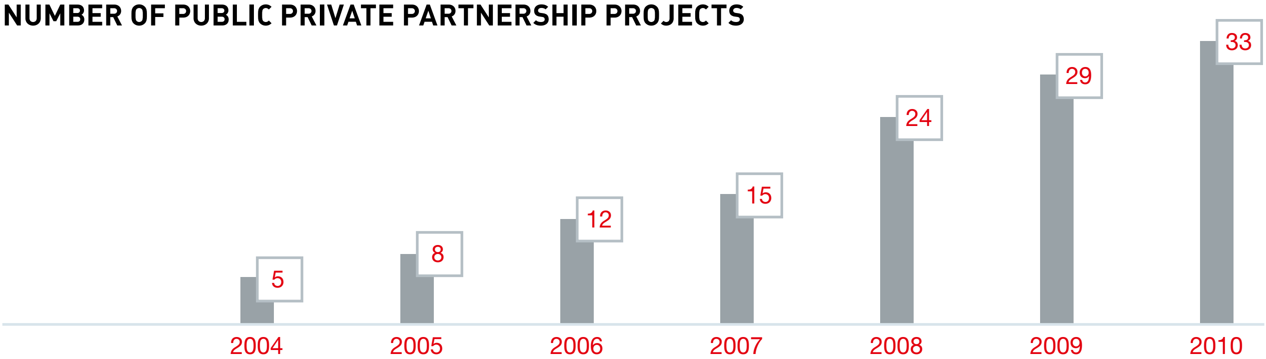
INVESTING IN PUBLIC PRIVATE PARTNERSHIPS

THE KEY TO OUR SUCCESSFUL PARTNERSHIPS:

WE CREATE THE RIGHT ENVIRONMENT FOR SUCCESS.

INVESTING IN PUBLIC PRIVATE PARTNERSHIPS

KEY PERFORMANCE INDICATOR: NUMBER OF PUBLIC PRIVATE PARTNERSHIP PROJECTS



We have worked successfully with operator models for two decades. In the areas of building construction and infrastructure, the portfolio comprises 33 projects with an adjusted total investment volume of almost € 8.94 billion (2009: € 7.97 billion). In the 2010 financial year, we were awarded four new projects with an investment volume of € 1.10 billion. Capital appropriations of € 17.06 million in the form of equity capital and shareholder loans were made available for these projects. In total, we invested a proportionate share of equity in the amount of € 375.08 million in concession projects at the end of 2010 and had committed a further € 43.82 million for a total of € 418.90 million.

INFRASTRUCTURE SECTOR

We are pleased to report that the two large-scale projects currently under construction, the 60 km section of the Malsch-Offenburg motorway (BAB A5) in Germany and the 105 km A2 Segment II motorway project in Poland from Nowy Tomyśl (west of Poznań) to Świecko (near the German border), are both developing as stipulated in the agreement, and we are confident that these projects will be completed and will be available for use on time. The Polish project presents a special scheduling challenge as the motorway must be in operation in time for the start of the European Football Championship in the summer of 2012.

In Denmark, the concession agreement for the M51 motorway section from Kliplev to Sønderborg, with an investment volume of € 148 million, was signed and financial close was achieved in February 2010. This project comprises the construction, maintenance and operation of 26 km of motorway with seven interchanges as well as the reallocation of 18 km of side roads. The project is being realised 100 % by our group, with the client assuming the financing upon completion. The construction is proceeding according to plan and nothing stands in the way of the motorway being opened for traffic on schedule in the spring of 2012 and being operated by us for the remaining 26 years.

We are also proud to have successfully developed the first environmental technology project in the biomass field. The project involves a sewage sludge incineration plant with heat recovery in the Austrian state of Styria in which we hold the majority of 50.1 % in addition to our partners Kalogeo and EW4E, a subsidiary of the Suez Group's Eurawasser Aufbereitungs- und Entsorgungs GmbH. The facility has an annual capacity of 24,000 tonnes with an option to expand to 30,000 tonnes. Despite the relatively low investment size of approx. € 10 million, we expect the high demand for sewage sludge treatment plants to result in a correspondingly high multiplier effect of our development efforts.

We are especially pleased to have reached the financial close in December 2010 for the € 884 million A15 project in Holland. We will hold 24 % of the equity of the concession company, which, together with shareholder loans, corresponds to a financial commitment of € 13 million. The same level of investment is held each by our Dutch partners Ballast Nedam and Strukton, while the remainder of the capital comes from British investor John Laing Investments. The project comprises the rehabilitation of 37.5 km of motorway with 36 on- and off-ramps between Maasvlakte and Vaanplein and the expansion from 2x2 lanes to 2x4 lanes. A technical highlight is the construction of a lift bridge over the Oude Maas in the port area of Rotterdam. Another unique feature of the project is that a certain level of traffic flow must be guaranteed for the operation of the motorway during the period of construction. We are realising the construction and operation together with Balast Nedam and Strukton in one-third equal parts. 50 % of the financing has been arranged through state subsidies, while the privately financed portion will be recovered through availability fees collected over a 20-year period of operation following a construction time of four years.

In the past financial year, we also participated in a number of tenders and negotiations for concession projects, the awarding of which, however, will occur over the course of 2011. Particularly worth mentioning in this regard is the € 3.6 billion 325 km Mafraq-Ghweifat motorway project in Abu Dhabi with awarding slated to take place at any time.

Our subsidiary A-Way GmbH, a specialist in the operation and maintenance of transportation infrastructures, bid for operation-only tenders in Scotland and Qatar. With its existing operating companies in Poland and Hungary, A-Way has a positive future ahead of it.

BUILDING CONSTRUCTION SECTOR

In Germany, the PPP projects “Ministry of Finance, Potsdam, Brandenburg”, “Vocational academy, Heidenheim” and “Schools, Ratzeburg/Lauenburg”, with a combined investment volume of € 78 million, were opened following their completion within the stated period. The PPP projects currently being completed, “SeeCampus educational centre” in Niederlausitz with an investment volume of € 24 million and the “Conrad-von-Ense School” with a volume of € 10 million. All above-mentioned projects include planning, construction and operation and were financed using the typical forfeiting model.

With the Proton Therapy Centre in Essen, the basic construction requirements for which STRABAG was responsible were met for the contractual handing-over. Completion of the proton therapy and medical facility is scheduled for mid-2011.

The PPP project “Government administration centre Heidelberg”, conceived as a lease model, will be completed in the first quarter of 2011. The property was sold to an investor in 2010 with effect from 2011.

In June 2010, the city of Mülheim, Germany, chose us for the redevelopment, partial new development and operation of three schools in Mülheim with an investment volume of a total of € 52 million.

In Austria, construction of the fourth rest stop project along the A13 Brenner Pass motorway directly at the Italian border is at an advanced stage. The opening is planned for June 2011 in time for the summer holidays. Construction on a fifth rest stop project on the A3 at Hornstein near Eisenstadt in the state of Burgenland began in November 2010. The opening is planned for November 2011 as scheduled. These two projects were financed by separate project companies specifically set up for the undertaking.

In the past financial year, we participated in a number of tenders and negotiations for PPP projects in the fields of administration and education, the awarding of which, however, will occur over the course of 2011.

MEASUREMENT PRINCIPLES

How the individual projects are recognised in the balance sheet depends on the legal definition. An intangible asset is recognised if the concession grants the company the right to charge users a usage fee. The accounts receivable approach is used if the company has an unconditional contractual right to receive a payment (see Receivables from Concession Arrangements, item 17 in the Notes).

A large part of the existing PPP projects within the STRABAG Group are carried out by associated group companies. These are incorporated into the consolidated financial statements using the equity method. The investment in the concession company is therefore recognised with the proportional equity.

We are pleased to say that our portfolio is developing in line with the financing models underlying the projects, which form the basis for measurement according to the DCF method. This underlines the careful and conservative method of our measurement.

OUR OBJECTIVES

For the 2010 financial year, we had planned to intensely work the European market. And with the awarding of four projects, we have succeeded in doing so. We want to continue to work the Benelux countries in 2011 and are confident of being able to further expand our market position there as part of our established market. Our hopes are boosted by the fact that many countries, in view of the austerity measures which have been announced, will take advantage of PPP models in public-sector infrastructure and building construction as a procurement alternative, further influencing this positive trend.

The following is a list of projects and countries in which we are already involved in different consortial groupings and for which we are largely prequalified:

- A11 and A24 motorways in Belgium
- A7 motorway (under "A-Modell" financing) and a PPP project for civil engineering structures in Frankfurt, as well as various educational and administrative projects in Germany
- the third Bosporus bridge in Turkey
- construction and expansion of N33 and A1/6/9 in Holland
- urban motorways and bypasses, respectively, in Kenya and on Mauritius
- airport projects on Cyprus and in Croatia

We intend to become involved on a selective and opportunistic basis in new markets – such as India, Egypt and in the Middle East – where many interesting projects are expected to be tendered and where our group has already been successfully active as an operating construction partner for many years. In this area, we expect to be awarded the tender for the Mafraq-Ghweifat motorway in Abu Dhabi soon.

In the energy sector, we are attempting to establish ourselves actively in the offshore wind segment in Germany, where we are intensely working on the acquisition of several fields and, jointly with our newly founded STRABAG Offshore Wind (SOW) division, are developing, erecting and planning to eventually operate turnkey wind power facilities.

N7 BYPASS, LIMERICK

PPP PORTFOLIO

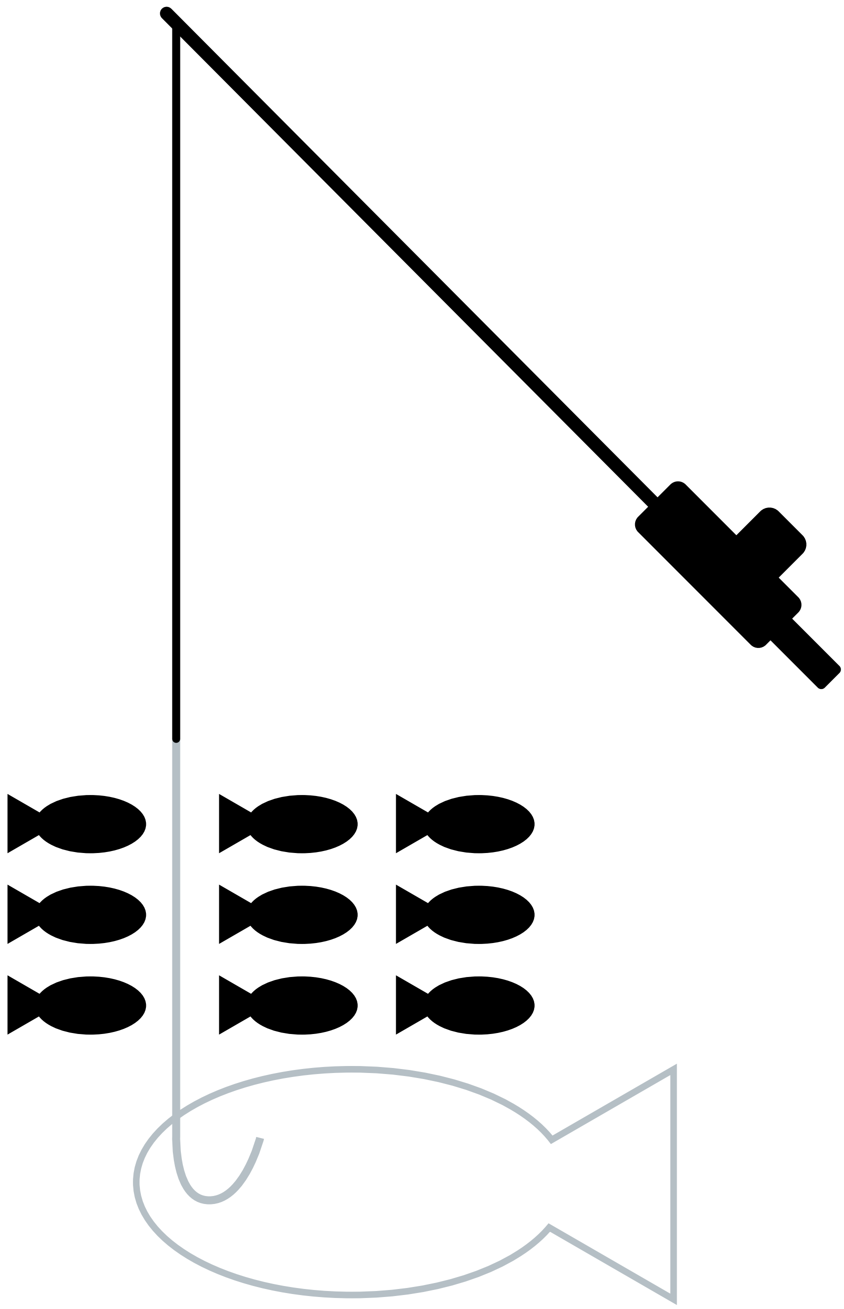
PROJECT	COUNTRY	TOTAL VOLUME IN € MLN.	PROPORTIONATE SHARE OF EQUITY IN € MLN. 12/10	PROPORTIONATE SHARE OF COMMITTED EQUITY	DEBT (LIMITED-RECOURSE) STRABAG'S SHARE	DEBT (RECOURSE) STRABAG'S SHARE
Infrastructure						
A2 section II	Poland	1,543.0	15.0	15.0	136.9	0.0
M5 motorway	Hungary	1,292.0	252.0	252.0	715.1	0.0
Birecik power plant	Turkey	981.0	11.9	11.9	4.9	0.0
M6 motorway	Hungary	966.0	22.2	22.2	264.6	0.0
A15 motorway	The Netherlands	883.8	0.0	13.0	283.2	0.0
A2 motorway	Poland	880.0	26.7	26.7	100.3	0.0
BAB A5 motorway	Germany	660.0	0.1	20.0	50.0	0.0
Limerick motorway	Ireland	437.0	8.3	8.3	42.9	0.0
Zagreb motorway	Croatia	371.0	15.7	15.7	178.2	0.0
Fermoy motorway	Ireland	215.0	2.6	2.6	11.7	0.0
M51 Kliplev-Sønderborg	Denmark	148.4	0.1	0.8	147.6	0.0
Nordkettenbahn aerial tramway	Austria	51.0	2.1	2.1	3.4	1.8
Biomass recycling, Großwilfersdorf	Austria	9.8	1.7	3.3	6.8	0.0
Marienfeld-Harsewinkel bypass road	Germany	5.7	0.0	0.0	0.0	0.0
Real Estate						
Proton therapy centre, Essen	Germany	136.0	0.0	2.0	64.6	0.0
Schools, Mülheim	Germany	52.0	0.0	0.0	0.0	52.0
Gov't admin. Centre, Heidelberg	Germany	44.0	0.0	0.0	30.0	14.0
Vocational academy, Heidenheim	Germany	32.2	0.0	0.0	0.0	0.0
Schools Ratzeburg/Lauenburg	Germany	30.0	0.0	0.0	0.0	0.0
Schools, Monheim am Rhein	Germany	25.0	0.0	0.0	0.0	0.0
SeeCampus educational centre	Germany	23.6	0.0	0.2	0.0	8.3
Rest stop Schwechat S1	Austria	20.0	1.0	1.0	16.2	0.0
Unterground car park "bowling green"	Germany	19.0	0.0	0.0	14.7	4.0
Schools, Kreis Düren	Germany	18.0	0.0	0.0	0.0	0.0
Ministry of Finance, Potsdam	Germany	16.0	0.0	0.0	0.0	0.0
Sport and adventure pool, Spittal/Drau	Austria	12.3	0.0	0.0	0.0	0.0
Heinrich Böll Foundation	Germany	12.0	0.0	0.0	0.0	0.0
Rest stop Potzneusiedl A6	Austria	12.0	1.1	1.1	10.2	0.0
Rest stop Brennerpass A13	Austria	11.0	4.8	6.4	0.0	0.0
Conrad-von-Ense School	Germany	9.9	0.0	0.0	0.0	7.7
Rest stop Wörthersee A2	Austria	9.2	9.2	9.2	0.0	0.0
Schools, Witten	Germany	9.0	0.0	0.0	0.0	0.0
Rest stop Hornstein A3	Austria	7.0	0.6	5.5	0.0	0.0
Total		**8,941.9**	**375.1**	**418.9**	**2,081.3**	**87.8**

Dark grey: New projects during the year under report

1) The fee is collected directly from the user.
2) A periodic lump-sum payment consisting of at least a fixed portion and a variable.
3) Service fee for operation
4) Not consolidated means that the result is accounted for in the net investment income.

STRABAG'S SHARE %	STATUS	CONCESSION	HARDTOLL[1]	AVAILABILITY FEE[2]	OTHER[3]	CONSOLIDATION METHOD[4]
10.0	in progress	2009–2037		x		not consolidated
100.0	in operation	until 2031		x		fully consolidated
8.4	in operation	until 2016			electricity sale	not consolidated
30.0	in operation	2007–2037		x		at equity
24.0	in progress	2010–2035		x		not consolidated
20.0	in operation	1997–2037	x[5]			not consolidated
12.5	in progress	2009–2039	x			not consolidated
20.0	in operation	2009–2041	x			not consolidated
51.0	in operation	2007–2032	x			at equity
12.5	in operation	2006–2034	x			not consolidated
100.0	in progress	2012–2038		x		fully consolidated
51.0	in operation	2008–2038	x		ticketing	fully consolidated
90.0	in progress	unlimited			x	not consolidated
100.0	in operation	2007–2037			x	not consolidated
50.0	in progress	2009–2025			service fee	not consolidated
100.0	in progress	2010–2035			x	fully consolidated
100.0	in progress until 8.2.2011	[6]			rental income	fully consolidated
100.0	in operation	[7]			x	fully consolidated
100.0	in operation	[7]			x	fully consolidated
100.0	in operation	2004–2028			x	not consolidated
100.0	in progress	2011–2041			x	not consolidated
100.0	in operation	2008–2038		x	partially through rental	fully consolidated
100.0	in operation	2006–2046			leasing model	not consolidated
100.0	in operation	2007–2032			x	not consolidated
100.0	in operation	[7]			x	fully consolidated
100.0	in operation	2008–2033			n.a.	n.a.
100.0	in operation	2008–2023			x	fully consolidated
100.0	in operation	2009–2037		x	partially through rental	fully consolidated
100.0	in planning	2010–2042		x	partially through rental	fully consolidated
100.0	in progress	2009–2034			x	not consolidated
100.0	in operation	2004–2032			service fee	fully consolidated
100.0	in operation	[7]			x	fully consolidated
100.0	in planning	2010–2040		x	partially through rental	not consolidated

5) Car=hard toll, truck=shadow toll (shadow toll: the fee is charged by the concessionaire)
6) No concession, but acquisition through the state.
7) No concession, but fixed payments by state or city.



INTENSIFYING THE ACTIVITIES IN NICHE MARKETS

WHERE CAN YOU LAND A REALLY BIG FISH?

WHERE NO ONE HAS FISHED BEFORE.

STRATEGY: INTENSIFYING THE ACTIVITIES IN NICHE MARKETS

Recent years have highlighted the importance not just of geographic, but also of product-oriented diversification in the building and construction trade. In Europe, the various economic stimulus programmes and the resulting state investments in infrastructure have allowed construction companies to optimally utilise their capacities. The effect was regionally quite different, however, affecting mostly companies which had specialised in civil engineering. Now we are seeing a reversal of the trend: the economic stimulus programmes are giving way to austerity packages; public-sector demand is waning, while private demand for building construction and civil engineering is growing again. In a best-case scenario, the fluctuations will balance themselves out. Nevertheless, the construction sector faces some very strong price pressure in some areas.

Construction companies are therefore well-advised to broadly position their range of services. For this reason, STRABAG is not only active in the fields of building construction, civil engineering, road construction and tunnelling, but is also intensifying its activities in niche sectors such as railway construction, environmental technology and waterway construction. We offer our clients not just planning, construction and the necessary technology; they also profit from the years of experience and know-how of our employees, from the use of state-of-the-art equipment and machinery, and from STRABAG's own technologies and patents. These special technologies make us more independent of the price pressure in the construction sector.

WATERWAY, GERMANY

WASTEWATER TREATMENT PLANT, STAVENHAGEN

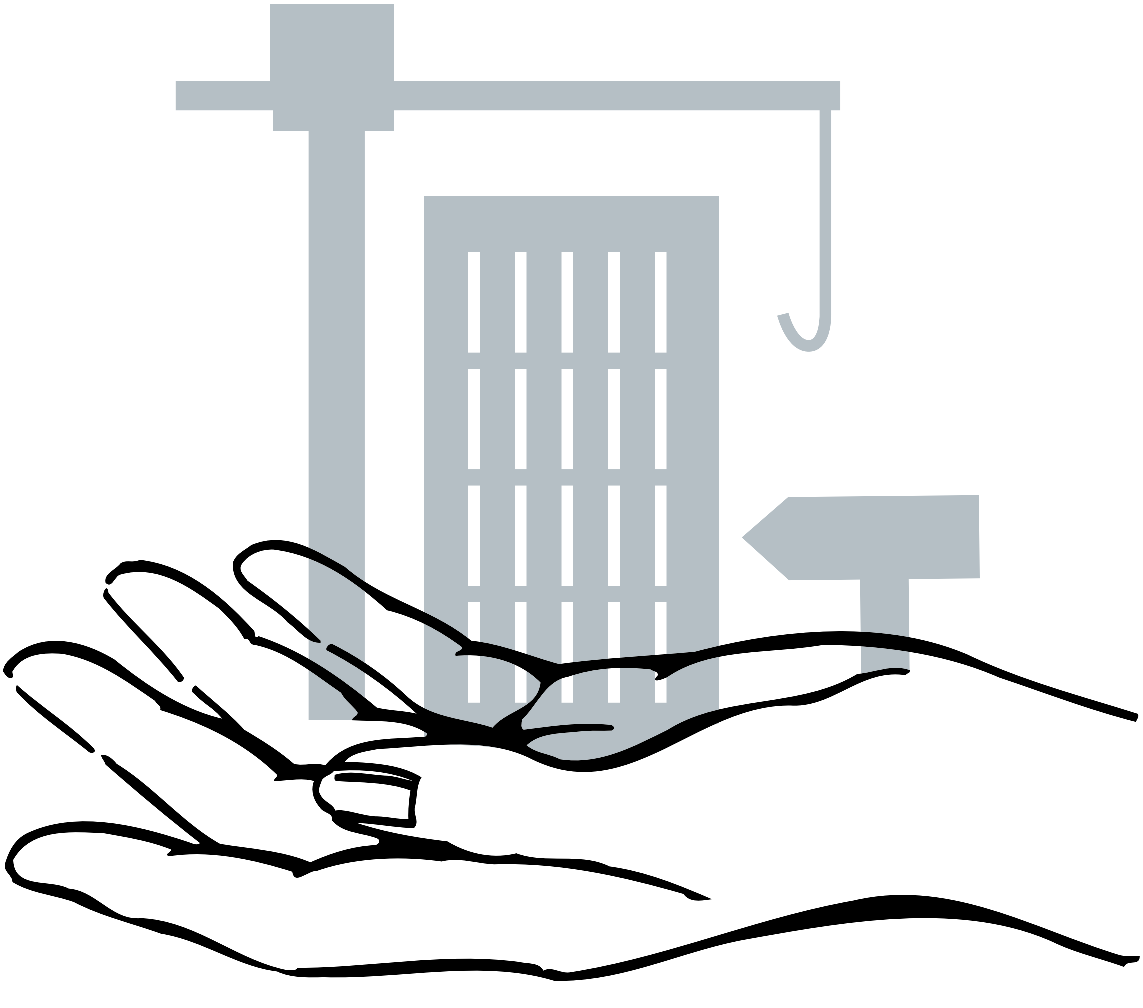
ICE 1555, GERMANY

OUR OBJECTIVES

We committed ourselves last year to expanding our services in niche markets. In 2010, we invested more than € 100 million in machinery and equipment for railway and waterway construction. In environmental technology, we increased our stake in h s energieanlagen Austria from 43 % to 100 %, which helped us to further expand our activities in fluidised bed technologies. The company was renamed as STRABAG Energietechnik GmbH & Co KG.

In the coming year, we will focus on turning these investments in equipment and enterprises into profits.

HAZARDOUS WASTE LANDFILL, KÖLLIKEN



WHEN DO CLIENTS INVEST MORE OF THEIR MONEY?

WHEN WE OFFER THEM MORE FOR IT.

STRATEGY: EXTENDING THE VALUE CHAIN

We see ourselves as a provider of the entire range of construction services. If everything from the planning to the construction to the operation of the building comes from a single source, this reduces redundancies and simplifies the process for our clients. With this in mind, we have extended our value chain in the past few years through the addition of two new business fields:

We have been gradually increasing the level of our investment in our subsidiary EFKON over the past few years so that we held a 75.6 % stake in the company at the end of 2010. EFKON is a global leader in the field of Intelligent Transportation Systems (ITS), Electronic Toll Collection (ETC), payment applications in combination with a multi-application-enabled central clearing house, and vehicle-to-vehicle and vehicle-to-roadside communication. EFKON possesses know-how in all current electronic tolling technologies (satellite, 5.8 GHz microwave, active bi-directional high-speed infrared communication) and is a global provider of turnkey transportation management systems (Traffic Telematic Solutions). From its headquarters in Raaba near Graz, Austria, EFKON operates worldwide in places such as Asia, Europe and South Africa. Subsidiaries and joint ventures are located in Germany, Ireland, Romania, Bulgaria, Malaysia, India, South Korea, South Africa and Pakistan.

In late 2008, we acquired Deutsche Telekom Immobilien und Service GmbH, which was later renamed STRABAG Property and Facility Services GmbH (STRABAG PFS). In 2010, these services already generated a substantial portion – € 951 million – of the output volume of the Special Divisions & Concessions segment.

OUR OBJECTIVES

A large portion of our property and facility management business is with our key account Deutsche Telekom AG. For this reason, our objective last year was to acquire further third-party clients in property and facility management. And we were successful. For the 2011 financial year, it remains our objective to continuously reduce the dependence on a few clients.

KEMPINSKI GRAND HOTEL, ST. MORITZ

SERVICE FROM A SINGLE SOURCE

An acquisition in the year 2008 helped to establish STRABAG as a leading service provider in the field of property and facility management. To help clients go about their core business, STRABAG Property and Facility Services handles the behind-the-scenes work – the secondary processes – in property management and administration.

DeTeImmobilien, a former subsidiary of Deutsche Telekom AG, has been a member of the STRABAG Group and has been doing business as STRABAG Property and Facility Services GmbH since 1 January 2008. The company, founded in 1996, was originally set up exclusively to manage the buildings and properties of the former parent company Deutsche Telekom. As early as 1997, however, the company acquired its first large external order for the facility management of the Dorint Hotel in Cologne, along with the construction planning, project development and project management. Further orders quickly followed. At the time of its takeover by STRABAG, the company managed some 30,000 properties with around 15.4 million m² of net floor space, figures which have grown to more than 51,000 properties and approx. 22 million m² today. For STRABAG, the acquisition brought it valuable know-how and a further pillar for the group strategy of expanding its expertise in the field of construction-related real estate services. The ultimate aim is to bundle all activities related to real estate management in the centre of excellence that is STRABAG Property and Facility Services.

The range of services offered by STRABAG Property and Facility Services includes not only the facility management of business parks, office buildings and retail real estate, as well as the provision of secure power supply for data centres, but also services in the field of real estate management. Contractual management and technical property management also form a part of the portfolio as much as consultation in business management matters and reporting. Flexibility, and an understanding of the customer's needs, help to further expand the services and to optimise them for the client, whether financial, industrial or service companies, institutional real estate investors or project developers.

The headquarters of STRABAG Property and Facility Services GmbH are located in Frankfurt am Main, Germany. In 2010, the company generated annual revenues of € 860 million in Germany alone. The STRABAG Group's overall revenue from property and facility management stood at € 951 million.

STRABAG Property and Facility Services is the market leader in Hungary and Slovakia and offers extensive property and facility management services in Croatia, Austria, Poland, Russia, Slovenia and the Czech Republic. The company is present in all the important Eastern European core markets. An international network allows the company to manage properties all over Europe with the same quality, service and reporting standards.

TOP EMPLOYER IN GERMANY 2010 AND DISTINCTION FOR BEST TRAINEE IN GERMANY

- The Corporate Research Foundation Institute (CRF Institute) awarded STRABAG Property and Facility Services the title of "Top Employer 2010" for its modern human resource management. This seal of approval, which has been awarded every year since 2003, certifies companies with top-notch human resource strategies that especially help to promote young talent. STRABAG Property and Facility Services stood out for its focus on human resource development and job security.
- From a total of more than 300,000 graduates of the Chamber of Commerce study programme, 213 were distinguished as the best of year. Among them was a trainee at STRABAG Property and Facility Services.

MILESTONES ACHIEVED

2010

TOP 5 IN CZECH REPUBLIC

With the acquisition of ECM Facility a.s. in September 2010, STRABAG Property and Facility Services entered the Czech market in a top five position. In 2009, this leading full-service facility maintenance provider employed 220 persons and generated revenues of about € 16 million. The company offers technical, commercial and infrastructure facility and property management nationwide in the Czech Republic for office buildings, health care facilities and industrial installations.

ADDITION OF INFRASTRUCTURE FACILITY MANAGEMENT TO SERVICE PORTFOLIO

In July 2010, STRABAG Property and Facility Services acquired a majority interest in Germany's Rimex Group, a specialist in cleaning services, winter services and the maintenance of landscaping and exteriors. With Rimex, the company can now also offer its own infrastructural facility management services.

2009

CONSOLIDATION OF NUMBER ONE POSITION IN HUNGARY

In 2009, Magyar Telekom Nyrt, one of the leading telecommunication companies in Hungary, extended by a further five years its service agreement with STRABAG PFS covering the administration and operation of its entire property portfolio. Experience remains the best reference, which is why STRABAG Property and Facility Services was entrusted with the full real estate administration of several thousand properties. With this agreement, Hungary's market leader in the field of property services further consolidated its number one position.

2008

FIRST LARGE ORDER FROM THIRD-PARTY CUSTOMER

In 2008, STRABAG Property and Facility Services was hired by HypoVereinsbank AG (UniCredit Group) to manage more than 900 properties in Germany, from bank branches to office buildings to data centres, and to take on some 200 employees from the client. The services include technical, commercial and infrastructure facility management as well as professional area management.

THE BIRTH OF STRABAG PFS

STRABAG SE acquires the property and facility management activities of Deutsche Telekom AG, marking the birth of STRABAG PFS.

FACTS & FIGURES

(Last updated: 2010)

- **Management:** Ludwig Steinbauer (Chairman); Jörg Rosdücher; Martin Schenk; Wilfried Schmahl
- **Owner:** STRABAG SE since October 2008
- Over 8,700 **employees**
- 22 million m² of managed **net floor space**
- About 51,000 **properties**
- Responsible for **740,000 technical facilities**, **28,500 mobile phone masts** and **135,000 rental agreements**
- **Countries:** Germany, Croatia, Austria, Poland, Russia, Slovenia, Slovakia, the Czech Republic and Hungary
- **Annual revenue in 2010:** about € 951 million
- **Business fields:**
  Complete service provider for property and real estate: real estate management (property management, area management, renting and letting), technical facility management (secure power supply and highest availability), building in existing structures, infrastructural facility management
- **Website:** www.strabag-pfs.com

AT 109 METRES, THE CITY TOWER IN PRAGUE IS THE HIGHEST OFFICE BUILDING IN THE CZECH REPUBLIC. THE BUILDING FEATURES NEARLY 50,000 M² OF USEABLE FLOOR SPACE.

INTERVIEW

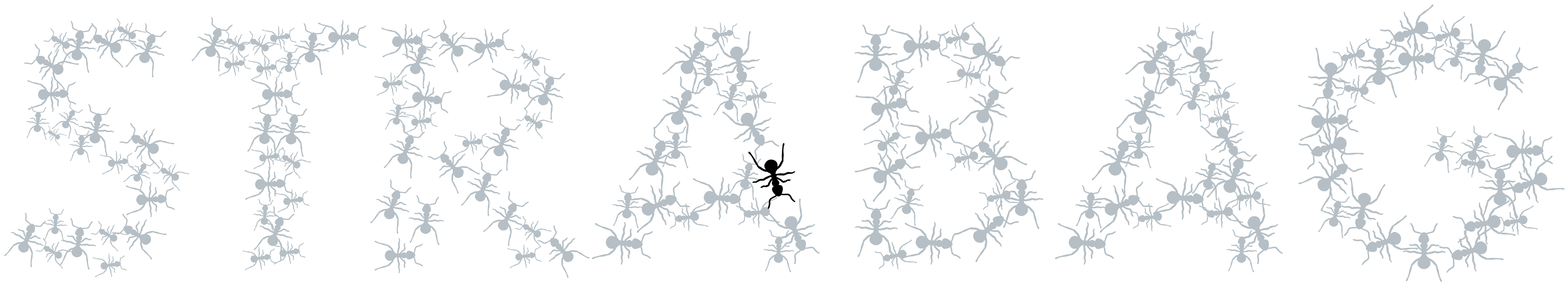
"NEW CORE BUSINESS"

LUDWIG STEINBAUER
Division Manager Services

What significance does services have within the group?
Real estate services belong to our core business. The range and scope of our services make us a leading provider of integrated real estate services in Europe. The typically long-term nature of orders in our business contributes to balancing out cyclical and seasonal fluctuations.

What are the special challenges for a service provider?
The service itself as well as the price must be right – that is a prerequisite. The quality of a service is also strongly linked to the work of the employee who services the client and who acts as the client's direct point of contact. The trust which the client places in each individual employee of STRABAG Property and Facility Services – that is our great competitive advantage.

What prospects does the services division have for the future?
Because of the long-term agreements, the property and facility management sector reacts with delay to market trends. The growth potential remains available, even if our potential clients are exhibiting restraint in the still difficult economic situation. It will be unimaginable to do without construction-related facility management and its integration into the planning phase in future project developments as it is the only way of lowering ancillary costs in the long-term and of achieving high green building standards.


STRABAG

EMPLOYEES

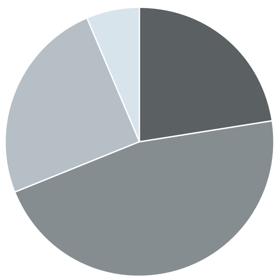
ALONE WE CAN DO VERY LITTLE.

TOGETHER WE GET THE JOB DONE.

EMPLOYEES

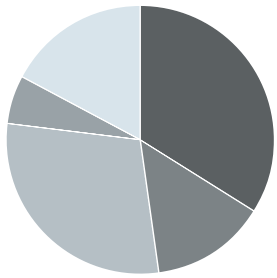
■ 73,600 EMPLOYEES AT OVER 500 LOCATIONS AROUND THE WORLD
■ OWN GROUP ACADEMY FOR THE FURTHER TRAINING AND EDUCATION OF EMPLOYEES
■ ANNUAL EMPLOYEE APPRAISAL INTERVIEW AS A CENTRAL MANAGEMENT INSTRUMENT

EMPLOYEES BY SEGMENT



BUILDING CONSTRUCTION & CIVIL ENGINEERING	25 %
TRANSPORTATION INFRASTRUCTURES	41 %
SPECIAL DIVISIONS & CONCESSIONS	27 %
OTHER	7 %

EMPLOYEES BY REGION



GERMANY	34 %
AUSTRIA	14 %
CEE[1]	29 %
REST OF EUROPE	6 %
REST OF WORLD	17 %

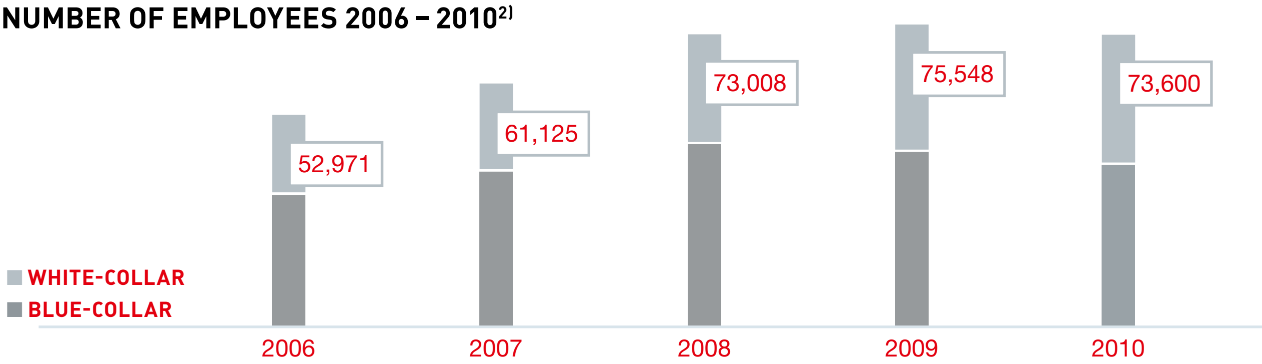
We rely on the performance and competence of our employees in order to achieve our corporate targets. Through regular and open communication, we promote their personal and professional development. The quality of the cooperation between supervisors, colleagues and all employees is of great importance for the company's success. Our interaction with each other is therefore characterised by respect and openness in order to avoid unfair actions and behaviour.

Our employee-employer relationship is based on the following basic principles:

- We respect and comply with ethical and legal standards.
- We create a working environment that is attractive for qualified employees, supports them and binds them to the company.
- We strive to have a working environment free from discrimination, harassment or reprisal.
- We practice an open-door policy which grants all employees access to the management.
- We maintain a performance-based culture with a competitive system of remuneration and periodic, objective, individual performance appraisals that take into account the individual contribution to the reaching of objectives and to the team effort.

The approximately 1,250 employees (2009: approx. 1,250) in the first four management levels within the group management receive a remuneration comprised of a fixed and a performance-based portion.

NUMBER OF EMPLOYEES 2006 – 2010[2]



1) Central and Eastern Europe
2) Year's average

The group is subject to seasonal fluctuations in employee numbers. For this reason, the number of employees – as is usual in the construction industry – can only be stated as an annual average. In 2010, the number of employees fell by about 3 % to an average of 73,600 (41,547 blue-collar and 32,053 white-collar). Of these, 1,079 persons (2009: 1,000) were blue-collar apprentices and 248 (2009: 213) were white-collar trainees.

"NUMBER OF EMPLOYEES UP 9 % A YEAR SINCE 2006"

Absenteeism due to illness – calculated as the ratio of sick leave days to working days – stood at 4.6 % in the group, with 5.9 % among blue-collar and 3.0 % among white-collar workers (2009: 4.7 % in the group, 5.9 % among blue-collar, 3.2 % among white-collar).

The accident rate – calculated as the ratio of accident days to working days – was 0.6 % in the group, with 0.9 % among blue-collar and 0.1 % among white-collar workers (2009: 0.5 % in the group, 0.8 % among blue-collar, 0.1 % among white-collar).

Traditionally, the construction industry overwhelmingly employs men. The percentage of women employed within the group was 13 % (2009: 13 %). Within group management, the percentage of women was 10 % in 2010 (2009: 10 %). At STRABAG, women have the same opportunities of achieving a management position as men.

HUMAN RESOURCE DEVELOPMENT

Due to the human-resource-intensive production processes in the industry, workers in the construction sector have a significant influence on business success. At the same time, they represent a critical bottleneck factor. For this reason, we place great value on strategic human resource planning and on the constant and continuous training and further education of our employees. Our human resource development processes are mapped and supported with the help of IT resources such as an applicant database to provide recruitment support and a training database containing the seminar offer for all employees.

Both the applicant database and the training database are successfully in use in Austria, Germany, Hungary, Croatia, Poland, the Czech Republic, Slovakia, Romania and Russia.

The development and introduction of an employee database is proceeding as planned. This database will contain information on the qualifications and know-how of group employees as well as personal and individual development analysis.

TRAINEE PROGRAMME FOR YOUNG TALENTS

In order to discover and support suitable young talents and more strongly tie these to the company, we have introduced a trainee programme for young skilled employees and executive staff in all countries in which we or one of our subsidiaries operate. The measures include an international trainee exchange programme to better accommodate the increasing internationalisation of the group, as well as increased cooperation with selected training schools in order to tap the next generation of qualified leaders early on. We regularly advertise in the relevant print and online media, take part in career fairs and hold presentations at training schools, organise company tours, offer internships and work placement, and sponsor diploma theses.

PERSONAL EMPLOYEE APPRAISAL INTERVIEW

Once a year, personal appraisal interviews take place between employees at all levels and their supervisors. This confidential one-on-one interview is our central management instrument to agree employee objectives which are targeted to the employee's specific field and career in line with their personal skills, qualifications and own ideas.

To assess the existing potential of our employees, we also use the behaviour profile analysis. Based on these personal appraisal interviews or – if necessary – additional talks, our employees receive extensive feedback from their supervisors to the behaviour profile analyses.

GROUP ACADEMY FOR FURTHER TRAINING AND EDUCATION

Internal and external experts develop training events for the group academy that meet the needs of the employees, support them in their job and allow them to gain additional expert and methodical know-how. The target-group-oriented training is divided into basic, expert and method training. It includes training in technology, law, business, IT, methodological and social competence, and intercultural issues. The content is conveyed in seminars at different locations in the specific countries in which the group operates, i.e. always as "close to the customer" as possible.

The agreement of promoting employees' personal development through training and further education takes place within the context of the annual appraisal interview. Employees in Austria, Germany, Hungary, Croatia, the Czech Republic, Slovakia, Poland, Romania and Russia have access via the STRABAG intranet to the "workshop list" of the group academy as part of the training database and can register online for the further training events decided upon with their supervisors.

APPRENTICESHIP DRIVE IN AUSTRIA

In 2010, the Transportation Infrastructures and Building Construction & Civil Engineering segments, together with the group's equipment division Baumaschinentechnik International GmbH (BMTI), launched an Austria-wide standardised apprenticeship programme to secure the right number of excellently trained specialists necessary to continue to provide quality work in demanding construction projects of all sizes for the near future. Starting with the already good level of 230 apprentices, the aim is to have around 300 apprenticeship positions available across Austria by the year 2013. The apprenticeship programme was designed primarily for the building trades of mason/bricklayer, groundworker and concrete formwork carpenter for training at one of the many sites in Austria. Further apprenticeship trades include pavement layer, construction mechanic and plasterer. The apprenticeship drive is focused on the trainers and their apprentices and involves accompanying public relations measures.

"WE MUST BEGIN TRAINING TOMORROW'S WORKERS TODAY IF WE WANT TO SECURE THE DEMAND FOR SPECIALISTS IN THE FUTURE."

The programme's first focus is on the trainers, mostly construction foremen within the company, who teach the apprentices the standards of the trade by passing on their years of practical experience to them. The quality of the training is assured through a series of seminars in which the trainers learn how to deal with young people and are shown the best way of passing on their knowledge and know-how to the apprentices.

Standardised selection tools, including entrance examinations and work placement days, help to test the aptitude of the young applicants. Then the apprenticeship begins, a period of usually three years in which the young people are trained to become skilled workers. We take advantage of the usual winter slowdowns in the construction business to convey expert knowledge, cover possible deficits and further improve skills through seminars and practical exercises. In this way, the apprentices develop into excellent skilled workers and, subsequently, into construction foremen. We are also working on modernising the image of construction through targeted public relations measures in order to create an increased interest for a job in construction among young people.

The image measures (brochures, a website and cooperation with places of training) are focused on improving the public image of the construction professions.

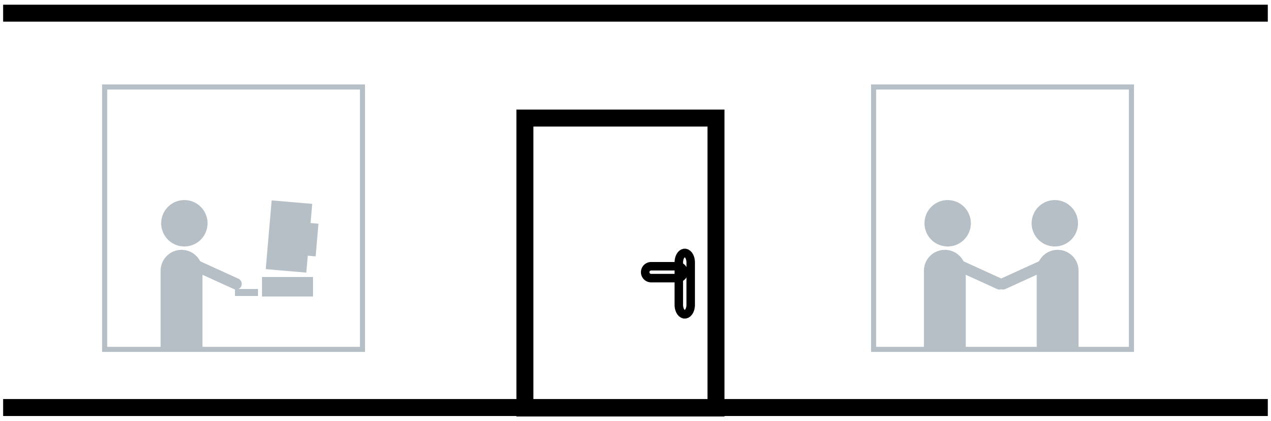
We must begin training tomorrow's workers today if we want to secure the demand for specialists in the future. The apprenticeship programme guarantees that our construction projects can continue to be carried out by outstanding, qualified employees.

INFORMATION CHANNELS FOR EMPLOYEES

Employees interested in changing their career can find all available group-wide job offers in the group intranet. The intranet also offers employees information as to important company decisions and press releases as well as information about the group and the individual divisions and sub-divisions. Another important source of information is the twice-yearly employee magazine "inform", which reports on and profiles new projects, organisational units and employees. Employees are informed of significant changes within the company promptly and without delay via the intranet platform "Stranet" or through employee memos.

NUMBER OF EMPLOYEES 2010

	GROUP	BUILDING CONSTRUCTION & CIVIL ENGINEERING	TRANSPORTATION INFRASTRUCTURES	SPECIAL DIVISIONS & CONCESSIONS	OTHER
Germany	25,220	4,771	11,679	6,725	2,045
Austria	10,194	4,337	3,710	1,170	977
Poland	6,581	790	4,970	157	664
Middle East	6,540	47	2	6,447	44
Czech Republic	4,630	456	3,653	166	355
Hungary	3,313	707	1,861	401	344
Africa	2,734	21	4	2,709	0
America	2,719	2,299	0	420	0
Slovakia	2,282	1,045	895	146	196
Russia	1,740	1,503	7	53	177
Switzerland	1,372	434	308	528	102
Romania	1,211	211	768	78	154
Rest of Europe	899	336	521	30	12
Benelux	889	754	19	77	39
Croatia	858	314	401	36	107
Scandinavia	707	54	506	147	0
Serbia	618	37	481	0	100
Asia	370	51	2	313	4
Italy	314	6	25	259	24
Bulgaria	234	39	132	1	62
Slovenia	175	41	115	4	15
Total	**73,600**	**18,253**	**30,059**	**19,867**	**5,421**



WHAT EXACTLY DOES THE MANAGEMENT BOARD DO?

COME SEE FOR YOURSELF.

CORPORATE GOVERNANCE

- COMMITTED TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE
- NOTES ON COMPOSITION AND WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD AND ITS COMMITTEES INCL. REMUNERATION REPORT
- RESULTS OF EXTERNAL EVALUATION

COMMITMENT TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE

The Austrian Code of Corporate Governance, in line with international standards, represents a body of rules for good corporate governance and supervision on the Austrian capital market. The Code, introduced in 2002, aims to establish a responsible system of management and supervision of companies that is geared toward creating sustainable, long-term value. The Code is designed to provide a high degree of transparency for all company stakeholders. For this reason, investors and issuers recognise the Code as an indispensable part of the Austrian system of corporate governance and of Austrian business life.

The version of the Code that is valid for the 2010 financial year is the January 2010 version – available at the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at) and the website of STRABAG SE (www.strabag.com -> Investor Relations -> Corporate Governance -> Code of Corporate Governance).

STRABAG SE is fully and without exception committed to the Austrian Code of Corporate Governance (as amended in January 2010) and its aims and sees compliance with all the rules contained within the Code (as amended in January 2010) as a top priority. This commitment by STRABAG SE is voluntary and aims to boost shareholder confidence and to constantly optimise the group's high internal legal, behavioural and ethical standards.

This commitment requires STRABAG SE to do more than merely comply with the prevailing laws and legislation. Voluntary self-imposed obligation means that STRABAG SE must explain non-compliance with the so-called C-rules ("comply or explain") which go beyond the legal requirements. In line with this part of the Austrian Code of Corporate Governance, STRABAG SE explains its non-compliance with C-Rules 2 and 57 of the Code (as amended January 2010):

C-Rule 2 of the Code (as amended January 2010): Among the shares of STRABAG SE are two special registered shares with an associated right to nominate one member of the supervisory board each; this is advantageous for STRABAG SE because it guarantees the know-how of important stakeholders on the supervisory board.

C-Rule 57 of the Code (as amended January 2010): Because of the international nature of the group's business, it can be advantageous for STRABAG SE to appoint members of the management board of listed companies as members of the supervisory board even if it means non-compliance with this rule. Compliance with all legal requirements is a matter of course.

STRABAG SE further endeavours to abide not only by the minimum requirements but also by all of the Code's R-rules (Recommendations).

NOTES ON THE COMPOSITION AND WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD AND ITS COMMITTEES

WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD

The management and supervisory boards of STRABAG SE are fully committed to the objectives of the Austrian Code of Corporate Governance as amended in January 2010 and see compliance with all the rules contained within the Code as a main obligation. This means that STRABAG SE is constantly working to maintain and optimise its high internal legal, behavioural and ethical standards.

In line with the rules of the Code, the management and supervisory boards of STRABAG SE work together on the basis of

- regular and extensive informing of the supervisory board by the management board as to all relevant matters concerning the development of the company's business, including the risk situation and risk management in the company and the important group entities;

- the regular exchange of information and opinions between the CEO and the chairman of the supervisory board concerning strategy, the development of the business, risk management and important business transactions, particularly acquisitions and disposals, and the immediate informing of the chairman of the supervisory board of any important information; as well as

- an open exchange of opinion and open dialogue among the members of the supervisory board as well as between the members of the supervisory board and the management board.

The management of STRABAG SE and the individual members of the management board conduct their business in accordance with the prevailing law and legislation, the articles of association, and the management board's rules of procedure as approved by the supervisory board. The rules of procedure govern the work of the individual members of the management board as well as the allocation of duties within the board. Coordination within the management board occurs during regular meetings, which are held approximately every two weeks, but also in the form of an informal exchange of information. Matters discussed at the management meetings include the current operations and the company strategy. Also discussed are any current or outstanding measures to be implemented by the relevant management board members under the "four-eyes principle". The rules of procedure require the management board or the individual management board members to provide extensive information and reporting to the supervisory board and define an extensive catalogue of measures and legal transactions which require approval by the supervisory board.

Information regarding the supervisory board and its committees, their decision-making rights as well as a report on their activity can be found on page 5.

THE COMPOSITION OF THE MANAGEMENT BOARD

MEMBERS OF THE MANAGEMENT BOARD IN THE 2010 FINANCIAL YEAR

DR. HANS PETER HASELSTEINER
CEO
Responsibilities for Central Staff Units, Central Division Central Technical Department and Central Division BRVZ, Technical Responsibilities for Building Construction & Civil Engineering (Group Divisions 3L RANC[1] and 3M RANC)

Hans Peter Haselsteiner was born on 1 February 1944. He received his doctorate degree from the Vienna University of Economics and Business in 1970 and began working for an auditing and tax consultancy firm in Vienna. Hans Peter Haselsteiner joined the group as supervisory board member of ILBAU AG in 1972 and has held the position of CEO of the respective group parent company since 1974. From 1994 to 1998, he served as a member of the Austrian parliament and vice chairperson of the Liberal Forum. Due to his parliamentary mandate, he was on leave from the group during this time. His term expires on 31 December 2015.

ING. FRITZ OBERLERCHNER
Deputy CEO
Technical Responsibilities for Transportation Infrastructures

Fritz Oberlerchner was born on 16 June 1948 and graduated from the HTL Villach polytechnic institute in 1968 as a certified engineer in building construction. He began his professional career as a construction engineer at a small building firm, joining the STRABAG Group (ASPHALTBAU Ges.m.b.H.) in 1971. In 1978, he was made authorised signatory (Prokurist) for Asphalt & Beton Bauges.m.b.H. and eleven years later became managing director of Magyar Aszfalt Kft, Budapest. Fritz Oberlerchner has been a member of the management board since 1994 and deputy CEO since 2003. From 1998 to 2002, he served as management board member of STRABAG AG, Cologne. His term ends on 31 December 2014.

DR. THOMAS BIRTEL
Commercial Responsibilities for Building Construction & Civil Engineering

Thomas Birtel was born on 3 June 1954. He graduated with a degree in economics from the Ruhr-University Bochum in 1978 and completed his doctorate four years later. Thomas Birtel began his career in 1983 at Klöckner & Co. The last position he held there before leaving in 1989 was division manager of the accounting department of Klöckner Industrie-Anlagen GmbH. From 1989 to 1996, he worked for Sweden's Frigoscandia Group as head of the Central European region. Thomas Birtel joined the STRABAG Group in 1996 as a member of the management board of STRABAG Hoch- & Ingenieurbau AG. In 2002, he was appointed member of the management board of STRABAG AG, Cologne, responsible for building construction, finance, accounting, controlling, risk management and procurement. Thomas Birtel has been a member of the group management board since 2006. His term ends on 31 December 2014.

DR. PETER KRAMMER
Technical Responsibilities for Building Construction & Civil Engineering (except Group Divisions 3L RANC and 3M RANC)

Peter Krammer was born on 18 January 1966. He studied civil engineering at the Technical University in Vienna, completing his studies in 1995 with a doctorate degree in engineering sciences. His professional experience has included positions at Porr Technobau AG, Swietelsky Bau GesmbH and STRABAG AG Austria. In 2005, Mr. Krammer joined the management board of STRABAG AG in charge of building construction and civil engineering in Eastern Europe and of environmental technology for the entire company. Peter Krammer has been a deputy member of the management board of STRABAG SE since 2010. His term ends on 31 December 2014.

1) RANC = Russia and Neighbouring Countries

MAG. HANNES TRUNTSCHNIG

Commercial Responsibilities for Special Divisions & Concessions as well as Responsibilities for Central Division BMTI, Central Division TPA, Central Division BLT

Hannes Truntschnig was born on 22 July 1956. He completed his qualifications in electromechanical engineering in 1978 and went on to study at the Karl Franzens University in Graz, graduating with a degree in business administration in 1981. Hannes Truntschnig joined the STRABAG Group (ILBAU AG) in 1981. Since 1985, he has held several management positions within the group, including positions as managing director of various group companies. In 1992, he was appointed authorised signatory for BAUHOLDING STRABAG AG. Hannes Truntschnig has been a member of the group management board since 1995. His term ends on 31 December 2014.

DI SIEGFRIED WANKER

Technical Responsibilities for Special Divisions & Concessions (since 1 January 2011)

Siegfried Wanker, born in 1968, studied civil engineering at Graz University of Technology before joining the STRABAG Group as a site manager in 1994. Between 2001 and 2004, he held various management-level positions at engineering service providers before rejoining the STRABAG Group in 2005. He served as technical division manager for Building Construction International, Corporate Development and Services, and finally for Infrastructure Project Development. Siegfried Wanker has been a member of the management board of STRABAG SE since 2011. His term ends on 31 December 2014.

DI ROLAND JURECKA

Technical Responsibilities for Special Divisions & Concessions (until 31 December 2010)

Roland Jurecka was born on 18 November 1944. He studied civil engineering at the Technical Universities in Aachen and Munich and graduated in 1969. He began his professional career in the technical department at STRABAG AG in Germany. At the same time, he studied law at the University of Cologne and graduated in 1974. From 1981 to 1991, Roland Jurecka was branch head and from 1991 to 1996 member of the management board of STRABAG AG, Austria. From 1996 to 1999, he was a member of the management board of STRABAG AG, Cologne. He then became a member of the management board of BAUHOLDING STRABAG AG and, from 2004 to 2005, member of the management board of A-WAY Holding und Finanz AG. Roland Jurecka was a member of the group management board from 1999. Effective 31 December 2010, he resigned his mandate as a member of the management board of STRABAG SE to retire.

MAG. WOLFGANG MERKINGER

Commercial Responsibilities for Transportation Infrastructures (until 31 August 2010)

Wolfgang Merkinger was born on 5 July 1952 and studied business administration at the Johannes Kepler University in Linz. He began working at a commercial law firm in 1976 and qualified as a tax accountant in 1979. In 1980, Wolfgang Merkinger joined the STRABAG Group as head of finance and accounting of STRABAG Bau-Gesellschaft m.b.H., Linz. In 1990, he was appointed group finance director. From 1996 to 1998, he was a member of the management board of STRABAG AG, Austria. Wolfgang Merkinger has been a member of the group management board since 5 November 1999 and resigned his mandate effective 31 August 2010 for health reasons.

MANDATES

In the 2010 financial year, the following management board members held supervisory board mandates or similar functions at companies not included in the consolidated financial statements in Austria and abroad:

NAME	NON-GROUP COMPANY	MANDATE
Dr. Hans Peter Haselsteiner	CONCORDIA Sozialprojekte P. Georg Sporschill Gemeinnützige Privatstiftung	Chairman of the Advisory Board
	Rail Holding AG	Vice Chairman of the Supervisory Board
	Tiroler Festspiele Erl Betriebs-ges.m.b.H	Chairman of the Supervisory Board
Ing. Fritz Oberlerchner	Andritz AG	Member of the Supervisory Board
	Chemson Polymer-Additive AG	Member of the Supervisory Board
Dr. Thomas Birtel	Deutsche Bank AG	Member of the Advisory Board
	HDI-Gerling Industrie Versicherung AG, Hannover	Member of the Advisory Board
	VHV Allgemeine Versicherung AG, Hannover	Member of the Supervisory Board
Mag. Hannes Truntschnig	Raiffeisen evolution project development GmbH	Vice Chairman of the Advisory Board
	Syrena Immobilien Holding AG	Vice Chairman of the Supervisory Board
DI Roland Jurecka	Autostrada Wielkopolska S. A.	Vice Chairman of the Supervisory Board
	Syrena Immobilien Holding AG	Member of the Supervisory Board (until 16 December 2010)

DIRECTORS' DEALINGS

Proprietary transactions with STRABAG SE shares by members of the company's boards and related persons or companies as well as by other management-level employees with group-wide responsibilities, the so-called Directors' Dealings, are reported as required by law and continually posted on the website of STRABAG SE (www.strabag.com -> Investor Relations -> Corporate Governance -> Directors' Dealings) as well as on the website of the Austrian Financial Market Authority (www.fma.gv.at -> Unternehmen -> Emittenten -> Directors' Dealings (German only)).

WORKING METHODS OF THE SUPERVISORY BOARD

In the 2010 financial year, the supervisory board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance as amended in January 2010, and the Rules of Procedure. A total of five regular meetings of the supervisory board, one meeting of the presidium, one meeting of the presidium and nominations committee, and two meetings of the audit committee took place in 2010.

The internal audit department informed the audit committee of the audit plan and of significant events in accordance with Rule C-18 of the Austrian Code of Corporate Governance as amended in January 2010. Furthermore, the audit committee monitored the accounting processes (including the preparation of the consolidated financial statements), the work of the auditor, the effectiveness of the system of internal control, the risk management system and the audit system. The independence of the auditor (group financial auditor) was reviewed and monitored in particular as regards the additional services given to the audited company.

The presidium and nomination committee mainly dealt with management matters, specifically with the resolution regarding the dissolution of the management contract with Mag. Wolfgang Merkinger effective 31 August 2010, the departure of DI Roland Jurecka from the management board effective 31 December 2010, the appointment of DI Siegfried Wanker to the management board and the re-appointment of management board members for the term from 1 January 2011 until 31 December 2015 (Dr. Hans Peter Haselsteiner) and 1 January 2011 until 31 December 2014 (the remaining management board members). The same matters were on the agenda of the meeting of the presidium.

All members of the supervisory board and its committees are independent according to the terms of the Austrian Code of Corporate Governance and were properly represented in the relevant meetings. Further information regarding the supervisory board, its committees and their decisionmaking rights can be found on the pages below.

COMPOSITION OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD IN THE 2010 FINANCIAL YEAR

DR. ALFRED GUSENBAUER

Chairman of the Supervisory Board (since 18 June 2010)

Alfred Gusenbauer was born on 8 February 1960 and studied law, philosophy, political science and economy at the University of Vienna, completing his doctorate in 1987. In 1991, he became a member of the Austrian senate, two years later a member of parliament. From 2000 to 2008, Alfred Gusenbauer was President of the Social Democratic Party of Austria, serving as Federal Chancellor of the Republic of Austria and member of the European Council from 2007 to 2008. In addition to his current activities at Brown University and Columbia University, Alfred Gusenbauer is President of the Dr. Karl Renner Institute, the Austrian Institute for International Affairs and the Austrian-Spanish Chamber of Commerce. Alfred Gusenbauer was first voted chairman of the supervisory board of STRABAG SE on 18 June 2010. His current term ends in 2014.

MAG. ERWIN HAMESEDER

Vice Chairman of the Supervisory Board

Erwin Hameseder was born on 28 May 1956. He received a master of law degree from the University of Vienna. From 1975 to 1987, Erwin Hameseder served as an officer in the Austrian army, where he achieved the rank of colonel in 2002 and of brigadier in 2006. In 1987, he joined the legal department of Raiffeisenlandesbank Niederösterreich-Wien reg. Gen.m.b.H. From 1988 to 1994, he was responsible for investment management, from 1991 as head of the department. He has been managing director of Raiffeisenlandesbank Niederösterreich-Wien reg. Gen.m.b.H. since 1994 and director-general of Raiffeisen-Holding Niederosterreich-Wien reg. Gen.m.b.H (a spin-off from Raiffeisenlandesbank Niederösterreich-Wien AG) since 2001. In July 2007, Erwin Hameseder assumed the position of chairman of the management board of Raiffeisenlandesbank Niederösterreich-Wien AG. He was nominated to the current supervisory board on 17 August 2007and has been a member of the supervisory board of STRABAG SE[1)] since 1998.

MAG. KERSTIN GELBMANN

Free Float Representative (since 18 June 2010)

Kerstin Gelbmann was born on 30 May 1974. After completing her studies in trade and commerce in Vienna, she began her career at Auditor Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH. Kerstin Gelbmann has been co-managing director of E.F. Grossnigg Finanzberatung und Treuhandelsgesellschaft m.b.H. since 2002 and of Grosso Holding Gesellschaft mbH since 2007. In January 2010, she assumed the additional position of co-managing director at Austro Holding GmbH. Kerstin Gelbmann was first voted into the supervisory board of STRABAG SE on 18 June 2010. Her current term ends in 2014.

ANDREI ELINSON

Andrei Elinson has been Deputy CEO of Russian conglomerate Basic Element since December 2009. Previously, he was Basic Element's director of corporate governance and internal control, responsible for the development and implementation of corporate governance standards. Before joining Basic Element, he was a partner at Deloitte & Touche CIS, where, starting in 1997, he was in charge of consulting and assurance projects for Russian and international companies. Later he was appointed partner-in-charge for Forensic and Dispute practice in the CIS. From 2004, Andrei Elinson managed the internal control and risk management consulting streams at Deloitte. He graduated from the Finance Academy of the Government of the Russian Federation with a degree in accountancy and audit. He is a certified public accountant and fraud examiner in the US, a licensed Russian auditor and holds a Certificate in Company Direction from the Institute of Directors (IoD) in the UK. Andrei Elinson was first appointed to the supervisory board of STRABAG SE on 21 April 2009.

DR. GOTTFRIED WANITSCHEK

Gottfried Wanitschek was born on 14 May 1955. He studied law at the University of Vienna and at the University of Salzburg. After receiving his doctorate degree in 1979, he performed his mandatory year of court training. From 1980 to 1984, he worked at the Austrian Association of Insurance Companies. From 1984 to 1990, Gottfried Wanitschek was secretary-general of Raiffeisen Versicherung AG and managing director of various group companies. From 1991 to 1993, he was a member of the management board of Leipnik-Lundenburger Invest Beteiligungs AG. From 1993 to 1997, Gottfried Wanitschek was managing director of the KURIER group and several

1 Formerly Bau Holding AG / Bau Holding Strabag AG / Bauholding Strabag AG / Bauholding Strabag SE.

subsidiaries of the group. In 1997, he joined BARC Versicherungs-Holding AG, where he was a member of the management board until 1999. Since 1999, Gottfried Wanitschek has been a member of the management board of UNIQA Versicherungen AG. Gottfried Wanitschek was last appointed to the current supervisory board of STRABAG SE on 18 June 2010. His term ends in 2014. He has been a member of the supervisory board of STRABAG SE[1] since 1998.

ING. SIEGFRIED WOLF

Siegfried Wolf was born on 31 October 1957. He started his career with Philips in Vienna, where he trained as a tool and die-maker and continued his professional training through the stages of master craftsman up to obtaining an engineering degree. From 1981 to 1983, he worked as quality manager and assistant director of quality control at VMW (Vereinigte Metallwerke Wien). Siegfried Wolf then joined Hirtenberger AG, where he advanced from director for quality control to plant director and authorised signatory. In 1994, he joined Magna Europa AG, becoming president of the company in 1995. In 1999, he became vice chairman of the supervisory board of Magna International Inc. He held this position until 2001, when he was appointed president and CEO of Magna Steyr. In February 2002, he was appointed executive vice chairman of Magna International Inc. He remained in this function until his appointment as co-CEO, a position he held from April 2005 until 2010. Siegfried Wolf has also been chairman of the supervisory board of GAZ Group since April 2010 and chairman of the supervisory board of Russian Machines JSC, Glavstroy Corporation LLC and Transstroy Engineering & Construction Company Ltd. since September 2010. Siegfried Wolf was first appointed to the supervisory board of STRABAG SE on 17 August 2007. His term was extended on 18 June 2010 and ends in 2014.

DI ANDREAS BATKE[2]

Andreas Batke was born on 4 May 1962 and joined STRABAG AG as a land surveyor on 1 April 1991. He has been a member of the works council since May 1998. Andreas Batke currently serves as chairman of the segment works council for Transportation Infrastructures, chairman of the group works council and vice-chairman of the supervisory board of STRABAG AG, Cologne. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council and has been a member of the STRABAG SE supervisory board since November 2009.

MIROSLAV CERVENY[2]

Miroslav Cerveny was born on 16 January 1959 and has worked for a Czech subsidiary of the STRABAG Group since 1988, holding positions in IT administration, accounting, and occupational health and safety. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council and has been a member of the supervisory board since November 2009.

MAGDOLNA P. GYULAINÉ[2]

Magdolna P. Gyulaine was born on 26 July 1962. She is chairwoman of the works council of STRABAG Hungary, having joined a predecessor company of STRABAG Hungary as bookkeeper in 1983. She was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council in November 2009.

WOLFGANG KREIS[2]

Wolfgang Kreis, an industrial clerk by training, was born on 18 March 1957. He joined Ed. Zublin AG as a commercial clerk in 1979 and today is in charge of occupational health and safety at the company. He has been vice-chairman of the supervisory board of Ed. Zublin AG since 2002. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council in November 2009.

GERHARD SPRINGER[2]

Gerhard Springer was born on 26 March 1952. He trained as construction foreman and attended the "social academy" of the Austrian Chamber of Labour before joining the STRABAG Group in 1977. From 1977 to 1983, he worked as construction foreman, deputy foreman and employee representative. He has been a full-time employee representative since April 1983. Gerhard Springer was appointed to the supervisory board of STRABAG SE as an employee representative and has been a member of the supervisory board of STRABAG SE[1] since 1995.

O. UNIV.-PROF. DDR. WALDEMAR JUD

Chairman of the Supervisory Board, Free Float Representative (until 18 June 2010)

Waldemar Jud was born on 26 November 1943. He studied law and political science at the University of Graz with study terms in the UK (University of Cambridge, Trinity College), Canada (Mc Gill University, Montreal) and France (Universite de Poitiers). He received his doctorate in law in 1966 and political science in 1969. In 1979, Waldemar Jud was appointed associate professor for commercial law at the University of Graz with a focus on corporate law and intellectual property rights. In 1984, he became a full professor for commercial and securities law at the University of Graz. Waldemar Jud was appointed to the supervisory board of STRABAG SE on 29 November 2006. His term ended on 18 June 2010.

DR. GERHARD GRIBKOWSKY

Member of the Supervisory Board (until 18 June 2010)

Gerhard Gribkowsky was born on 16 April 1958. From 1979 to 1981, he completed a traineeship with Siemens AG in Munich and Berlin. Subsequently, he studied law at the Albert-Ludwigs-University in Freiburg and graduated

1) Formerly Bau Holding AG / Bau Holding Strabag AG / Bauholding Strabag AG / Bauholding Strabag SE
2) Appointed by the works council

with a doctorate in 1988. Until 2002, Gerhard Gribkowsky worked at Deutsche Bank AG and Deutsche Bank Kreditbank AG. After completion of a trainee program, he worked as branch manager before being promoted to senior analyst in the credit department and head of risk management. From 1998 to 2001, he was member of the executive board for the southern region of Deutsche Bank AG. In 2002, he was senior credit executive responsible globally for consumer goods, trade and plant engineering and construction. From 2003 to 2008, Gerhard Gribkowsky was a member of the management board of Bayerische Landesbank, Munich. He was appointed to the current supervisory board of STRABAG SE on 29 November 2006. His term ended on 18 June 2010.

MANDATES

In the 2010 financial year, the following supervisory board members held supervisory board mandates or similar functions at publicly listed companies in Austria and abroad in addition to their supervisory board mandate at STRABAG SE:

NAME	PUBLICLY LISTED COMPANY	MANDATE
Dr. Alfred Gusenbauer	Gabriel Ressources Ltd., Canada	Member of the Supervisory Board
Mag. Erwin Hameseder	AGRANA Beteiligungs-AG	Vice Chairman of the Supervisory Board
	Raiffeisen Bank International AG	Vice Chairman of the Supervisory Board (since 10 October 2010)
	Südzucker AG, Mannheim/Ochsenfurt	Member of the Supervisory Board
	UNIQA Versicherungen AG	Member of the Supervisory Board
Andrei Elinson	GAZ Group, Russische Föderation	Member of the Supervisory Board
	Ingosstrakh, Russische Föderation	Member of the Supervisory Board
Ing. Siegfried Wolf	GAZ Group, Russische Föderation	Member of the Supervisory Board (until 15 April 2010); Chairman of the Supervisory Board (since 15 April 2010)
	VERBUND AG	Member of the Supervisory Board
DI Andreas Batke	STRABAG AG, Köln	Vice Chairman of the Supervisory Board
o. Univ.-Prof. DDr. Waldemar Jud	BKS Bank AG	Member of the Supervisory Board (since 19 May 2010)
	Do & CO Restaurants Catering AG	Chairman of the Supervisory Board
	Oberbank AG	Member of the Supervisory Board (since 10 May 2010)
	Ottakringer Getränke AG	Vice Chairman of the Supervisory Board

COMMITTEES

Presidium
Dr. Alfred Gusenbauer (Chairman since 18 June 2010)
Mag. Erwin Hameseder (Vice Chairman)
Andrei Elinson
o. Univ.-Prof. DDr. Waldemar Jud (Chairman until 18 June 2010)

The presidium deals with all matters affecting the relations between the company and the members of the management board, especially matters relating to the remuneration of management board members, but excluding decisions regarding the appointment or removal of a management board member or regarding the granting of stock options.

Presidium and Nomination Committee
Dr. Alfred Gusenbauer (Chairman since 18 June 2010)
Mag. Erwin Hameseder (Vice Chairman)
Andrei Elinson
Wolfgang Kreis
Gerhard Springer
o. Univ.-Prof. DDr. Waldemar Jud (Chairman until 18 June 2010)

The presidium and nomination committee presents the supervisory board with proposals regarding the filling of new management board mandates or positions which are opening up, deals with questions of succession planning and makes decisions on urgent matters.

Audit Committee
Dr. Alfred Gusenbauer (Chairman since 18 June 2010)
Mag. Erwin Hameseder
Andrei Elinson
Dr. Gottfried Wanitschek
DI Andreas Batke
Wolfgang Kreis
Gerhard Springer
o. Univ.-Prof. DDr. Waldemar Jud (Chairman until 18 June 2010)

The audit committee is responsible for the auditing and preparation for the approval of the annual financial report, the proposed distribution of profits and the management report, as well as the auditing of the consolidated financial statements and the corporate governance report. The committee also deals with the management letter written by the financial auditor as well as with the auditor's report as to the efficiency of the risk management. The audit committee makes a proposal for the selection of the auditor and presents the proposal of the supervisory board to the Annual General Meeting for voting.

INDEPENDENCE OF THE MEMBERS OF THE SUPERVISORY BOARD

All members of the supervisory board and its committees are independent in accordance with the conditions contained within the Austrian Code of Corporate Governance as amended in January 2010, (see also www.strabag.com -> Investor Relations -> Corporate Governance -> Supervisory Board -> Independence of the Supervisory Board) and have declared in writing explicitly to adhere to all conditions of the Austrian Code of Corporate Governance as amended in January 2010. The independence of the supervisory board members is defined by the following guidelines (excerpt from the Rules of Procedure for the Supervisory Board as amended on 23 April 2010):

<u>Guidelines for the Independence of Supervisory Board Members of STRABAG SE ("the company") in Accordance with Rule 53 of the Code</u>

A member of the supervisory board of the company shall be deemed independent if he or she has no business or personal relations with the company or its management board which would constitute a material conflict of interest and thus could influence the member's behaviour.

Moreover, the members of the supervisory board shall comply with the following guidelines adapted from the Code:

- The supervisory board member shall not have served as a member of the management board or as a manager of the company or one of its subsidiaries in the past five years.

- The supervisory board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the supervisory board member. This shall also apply to relationships with companies in which the supervisory board member has a considerable economic interest. The approval of individual transactions by the supervisory board according to Rule 48 does not automatically mean the person is qualified as not independent.

- The supervisory board member shall not have been auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.

- The supervisory board member shall not be a member of the management board of another company, in which a management board member of the company is a supervisory board member.

- The supervisory board member shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a management board member or of persons in one of the aforementioned positions.

It shall be the responsibility of each member of the supervisory board of the company elected by the Annual General Meeting or delegated by the shareholders to declare his or her independence according to the criteria defined.

According to Rule 54 of the Austrian Code of Corporate Governance, the supervisory board of the company shall include at least one independent member delegated by the shareholders who is not a shareholder with a share of more than 10 % or who represents such a shareholder's interests. The independence of supervisory board members shall be published in the Annual Report. The supervisory board shall judge whether it and its committees contain a sufficient number of independent members in accordance with Rules 39 and 53 of the Austrian Code of Corporate Governance.

DISCLOSURE OF INFORMATION REGARDING THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT AND THE SUPERVISORY BOARDS

REMUNERATION REPORT – MANAGEMENT BOARD

Total remuneration for the management board members in the 2010 financial year amounted to € 7.80 million (2009: € 8.67 million).

REMUNERATION 2009/2010

T€ (incl. non-monetary[1])

NAME	FIXED 2009	FIXED 2010	VARIABLE 2009	VARIABLE 2010	TOTAL 2009	TOTAL 2010
Haselsteiner	543	543	971	961	1,514	1,504
Haselsteiner – payment in kind	–	–	1,000	1,000	1,000	1.000
Oberlerchner	411	368	758	641	1,169	1,009
Birtel	366	366	574	566	940	932
Truntschnig	366	366	637	638	1,003	1,004
Krammer	–	276	–	230	–	506
Jurecka	366	369	649	615	1,015	984
Merkinger[2]	366	244	647	615	1,013	859
Farrokhnia[3]	366	–	649	–	1,015	–
Total	2,784	2,532	5,885	5,266	8,669	7,798

For 2007 and the following years, board member pay will be based on a system of remuneration which, in addition to a fixed base salary, foresees a variable portion dependent on the achievement of specific earnings and profit figures calculated according to principles of cost accounting. The profit-related bonus is basically calculated as a fixed percentage of the STRABAG Group profit according to cost accounting principles less a minimum profit. If this value surpasses the simple fixed amount, a sliding scale is applied with a maximum profit-related bonus of 200 % of the fixed salary possible. If a minimum profit is surpassed (profit according to cost accounting principles compared to construction output), a minimum profit-related bonus is granted; the chairman of the management board may also receive additional non-monetary remuneration, rounded to full €T 100, when pre-determined targets are met. From the 2011 financial year, 20 % of the bonuses of the members of the management board will be retained and deposited on a personal clearing account based on long-term, sustainable, multi-annual performance criteria. The payment from the personal clearing account will take place at the end of the term of the management agreement.

Furthermore, the members of the management board have the right to a company car. Accident insurance provides coverage in the event of death or disability, a private liability insurance policy covers the legal liability of the members of the management board which may arise from third-party personal injury, property damage or financial losses. The board members are also covered by legal expense insurance in the event of claims resulting from administrative or criminal violations. Insurance coverage exists for damage claims resulting from third-party or group financial losses as the result of neglect of duty during service for the company.

The members of the management board are subject to a competition clause for the period of their service. If a member of the management board is dismissed without cause, the fixed base salary is paid for the full term of the contract. In its meeting of 2 December 2010, the supervisory board of STRABAG SE approved the extension of the existing management contracts as well as the appointment of DI Wanker to the management board. With the decision, Dr. Haselsteiner's management contract expires on 31 December 2015, those of the remaining members of the management board on 31 December 2014.

Since 1 July 2009, all management board members perform their services on the basis of employment contracts and are subject to income tax regulations. One management board member is entitled to non-growing pension payments from subsidiaries of the company. No other pension agreements exist between the company and the members of the management board. One management board member has a right to legal and contractual severance pay in the event of the termination of service to the company, with the maximum amount set by the Austrian Employee Act (oAngG).

STRABAG SE has further decided against a stock option programme for management board members. No additional recompense is granted for internal group mandates or functions. No prior agreements or exception rules exist for the event of a public takeover offer.

Due to the system of remuneration of the management board members as presented and the evaluation conducted in March 2011 by the law firm Berger Saurer Ettel Rechtsanwälte, STRABAG SE explains the non-compliance with C-Rules 27 and 27a of the Code (as amended in January 2010) as follows:

1) Non-monetary after deductibles
2) Left the management board of STRABAG SE on 31 August 2010.
3) Left the management board of STRABAG SE on 31 December 2009.

C-Rule 27 of the Code (as amended in January 2010): It is a matter of concern for STRABAG SE that remuneration of the management board members be made according to measurable criteria in a way that is transparent and easily comprehensible. The remuneration of the management board is therefore based on the scope of the work, the responsibilities and the personal performance of the individual management board member as well as on the achievement of the corporate goal, the size and the economic situation of the company. Non-financial criteria are not applied for the remuneration as these do not guarantee a transparent and easily comprehensible remuneration within the business activities of STRABAG SE.

C-Rule 27a of the Code (as amended in January 2010): The previous clause in the management contracts regarding severance payments in the case of premature termination has proved its worth, so that STRABAG SE sees no reason for changes or amendments in this regard. In the case of premature termination of a management contract without material breach, the management board member's claim to the annual fixed portion remains – but not for the performance-based variable portion – for the remaining term of the contract. No severance payment is made in the case of premature termination of a management contract for a material reason for which a management board member is responsible.

REMUNERATION REPORT – SUPERVISORY BOARD

The Annual General Meeting decides on the annual remuneration of the members of the supervisory board nominated or elected by the shareholders as well as on any additional remuneration for special tasks performed, if applicable.

At the Annual General Meeting of 27 February 2007, the shareholders approved annual remuneration of € 15,000 for the regular members of the supervisory board, € 25,000 for the vice chairman and € 50,000 for the chairman. Members of the supervisory board who are elected to or leave the board during a financial year are remunerated in accordance with the actual period of their membership on the supervisory board pro rata temporis.

Additionally to their annual remuneration, the supervisory board members also receive cash compensation for expenses. The supervisory board has further approved a € 100,000 limit on remuneration for consultant activities for its former chairman o. Univ.-Prof. DDr. Jud outside of his board function. Furthermore, the members of the supervisory board are, in accordance with the Articles of Association, covered by D&O (directors and officers) liability insurance up to a certain maximum amount. The insurance covers the personal liability of the supervisory board members in the event of careless neglect of duty during their service for the company.

In 2010, no other remuneration was paid to the members of the supervisory board. There were no other transactions with members of the supervisory board.

MEASURES FOR THE ADVANCEMENT OF WOMEN

In accordance with Section 243b of the Austrian Business Enterprise Code (UGB) and L-Rule 60 of the Austrian Code of Corporate Governance (2010), the corporate governance report must indicate the measures taken to promote women to the management board, the supervisory board and to leading positions in the company.

STRABAG SE declares that it basically promotes women and men equally. There are no salary differences between men and women who perform the same work and have the same level of education.

Traditionally, mainly men are employed in the construction sector. It is noteworthy, therefore, that two women sit on the supervisory board of the company: Kerstin Gelbmann and Magdolna P. Gyulainé[1]. The supervisory board thus has a female percentage of around 18 % and a percentage of female members appointed the works council of 20 %.

Additionally, 125 women (= 10 % of the corporate management) hold a leading position as defined by Section 80 of the Austrian Stock Corporation Act (AktG).

The company has also set up kindergartens at its offices in Vienna, Donau-City-Straße 9, and in Bratislava, offering employees affordable, all-day childcare. The childcare centres are designed to help employees reintegrate into professional life after their parental leave.

1) Magdolna P. Gyulainé was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council.

INTERNAL AUDIT REPORT

The STRABAG Group's internal audit department is a neutral and independent authority which again conducted more than 200 internal audits in the 2010 financial year. It is as a central part of the group's risk management.

In accordance with the rules of the Austrian Code of Corporate Governance, the internal audit department is set up as a staff unit of the management board of STRABAG SE, giving it the greatest possible amount of independence. The internal audit department plans and conducts process-independent and neutral audits of all of the group's divisions in Austria and abroad. The audit planning is constantly updated to meet the current needs.

In 2010, the internal audit department again conducted more than 200 audits in all divisions worldwide, including individual objects as well as entire organisational units. The audits covered all of the group's divisions and subdivisions as well as the most important contracts and orders of the year. The routine and special audits served to recognise and avoid risks, to reveal opportunities and to monitor proper conduct and compliance with the code of ethics

Given its technical and commercial competence, the internal audit department forms an important part of the group's risk management and internal control. With its comprehensive approach, the use of uniform auditing standards and the neutral reporting, the internal audit department also contributes to the standardisation of processes and structures in the entire group.

The internal audit department reports regularly to the CEO and to the supervisory board's audit committee regarding the audit plan and significant events of its work. The audit reports are sent to the audited units and divisions, to the unit and division managers, and to the management board, and are made available to the financial auditors.

REPORT ON THE EXTERNAL EVALUATION

In accordance with Rule 62 of the Austrian Code of Corporate Governance, STRABAG SE has since the 2008 financial year commissioned an external evaluation of compliance with the rules of the Code. For the 2010 financial year, the evaluation was conducted by the legal firm Berger Saurer Ettel Rechtsanwälte. The results of the evaluation from March 2011 are available at the STRABAG SE website at www.strabag.com -> Investor Relations -> Corporate Governance -> Formal Obligation and Evaluation and can be summarised as follows (excerpt from the 2010 Corporate Governance Evaluation Report for STRABAG SE, March 2011):

"Following evaluation, we can confirm that STRABAG SE complied with the rules of the Code (2010) during the 2010 financial year, in so far as these were included in STRABAG SE's declaration of commitment to compliance, with two exceptions. The exceptions involve two parts of the 2010 Code which were newly introduced on the basis of the EU remuneration recommendations. These parts, specifically part 4 of Rule 27 and part 1 of Rule 27a, concern, respectively, the assumption of variable remuneration components for the remuneration of management board members (Rule 27) and severance payments in the case of the premature termination of management board members (Rule 27a). Several rules were not applicable to STRABAG SE during the period of evaluation."

Villach 13 April 2011

Management Board

Dr. Hans Peter Haselsteiner

Ing. Fritz Oberlerchner

Dr. Thomas Birtel

Dr. Peter Krammer

Mag. Hannes Truntschnig

DI Siegfried Wanker

SUPERVISORY BOARD REPORT

DR. ALFRED GUSENBAUER
Chairman of the Supervisory Board of STRABAG SE

Dear shareholders,
associates and friends of STRABAG SE,

In 2010, infrastructure investments made under the national economic stimulus programmes softened the negative impact which the financial and economic crisis had on the construction industry. As a result, the 2010 financial year was a very stable one for STRABAG SE. The output volume stood at about the previous year's level and the order backlog could again be raised to a record high. As the economic stimulus programmes are now being replaced by austerity packages, private sector demand will be of greater importance once again. The new framework conditions had to be evaluated as a result and the corporate strategy was consequently adapted to the new environment – management tasks in which the supervisory board assumes a monitoring and examining role.

In the 2010 financial year, the supervisory board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (OCGK) as amended in January 2010 and the Rules of Procedure. A total of five regular meetings of the supervisory board, one meeting of the presidium, one meeting of the presidium and nomination committee, and two meetings of the audit committee took place in 2010. All members of the supervisory board and its committees are independent and were represented in the relevant meetings in accordance with the conditions contained within the Austrian Code of Corporate Governance.

The management board engaged in an exchange of information and opinion as well as in open discussion with the supervisory board in order to regularly inform of the market situation, the course of the business, and the situation of the company. At all meetings, the management board informed the supervisory board of STRABAG SE's strategic direction, of its cash-flows and financial performance, the personnel situation and of any plans regarding investments or disposals, large projects and obtained its approval regarding important business transactions (e.g. enterprise acquisitions or large projects). The supervisory board studied the corporate planning and the appropriate analyses of divergence constantly and in great depth. Specifically, the following agenda items of the supervisory board meetings should be emphasised:

The agenda of the first supervisory board meeting of the 2010 financial year on 26 March 2010 included the management board's report on the market situation and the situation of the company, as well as and the budgeting for the 2010 financial year. A new allocation of duties was decided for the International division. The supervisory board also declared its commitment to compliance with the Austrian Code of Corporate Governance as amended in January 2010. The annual report by the compliance officer also was on the agenda of this supervisory board meeting.

The agenda of the second supervisory board meeting of the 2010 financial year on 23 April 2010 included the financial statements, the management report, the corporate governance report, the consolidated financial statements, the group management report and the management board's proposal for the appropriation of net income. The supervisory board also dealt with the preparations for the sixth Annual General Meeting and approved the changes to the Rules of Procedure of the Supervisory Board. The re-appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor, financial auditor and group financial auditor, the management board's first quarter report and the report on the evaluation of compliance with the Code of Corporate Governance also were on the agenda of this meeting of the supervisory board.

During the third supervisory board meeting of the 2010 financial year on 18 June 2010, the supervisory board dealt with management board's report on the market situation and the situation of the company as well as with the management board's quarterly report.

During the fourth supervisory board meeting of the 2010 financial year on 23 July 2010, the chairman of the supervisory board reported on the sixth Annual General Meeting of 18 June 2010 and on the planned self-evaluation of the supervisory board. Other topics of this meeting included the management board's half-year report.

The fifth supervisory board meeting of the 2010 financial year on 2 December 2010 dealt with the departure of Mag. Wolfgang Merkinger and DI Roland Jurecka from the management board and the proposal by the presidium and nomination committee to appoint DI Siegfried Wanker as member of the management board.

The changes in the management board also resulted in a changed allocation of duties. Other topics of the meeting included the extension of the management board's contracts, the report on the self-evaluation of the supervisory board and the management board's quarterly report.

During its meeting on 2 December 2010, the presidium and nomination committee largely dealt with management board matters, specifically with the resolution regarding the dissolution of the management contract with Mag. Wolfgang Merkinger effective 31 August 2010, the departure of DI Roland Jurecka from the management board effective 31 December 2010, the appointment of DI Siegfried Wanker to the management board and the re-appointment of management board members for the term from 1 January 2011 until 31 December 2015 (Dr. Hans Peter Haselsteiner) and 1 January 2011 until 31 December 2014 (the remaining management board members). The same matters were on the agenda of the meeting of the presidium on 2 December 2010.

The internal audit department informed the audit committee of the audit plan and of significant outcomes in accordance with Rule C-18 of the Austrian Code of Corporate Governance as amended in January 2010. Furthermore, the audit committee monitored the accounting processes (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements) as well as the effectiveness of the system of internal control, the risk management system and the audit system. The independence of the auditor (group financial auditor) was reviewed and monitored in particular as regards the additional services given to the audited company.

The financial statements and management report of STRABAG SE for the 2010 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz. Pursuant to the final result of the audit, the auditors had no cause for complaint and awarded their unqualified opinion.

The consolidated financial statements and the group management report drawn up by the management board for the 2010 financial year under application of Section 245a of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable on the reporting date were reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and awarded their unqualified opinion.

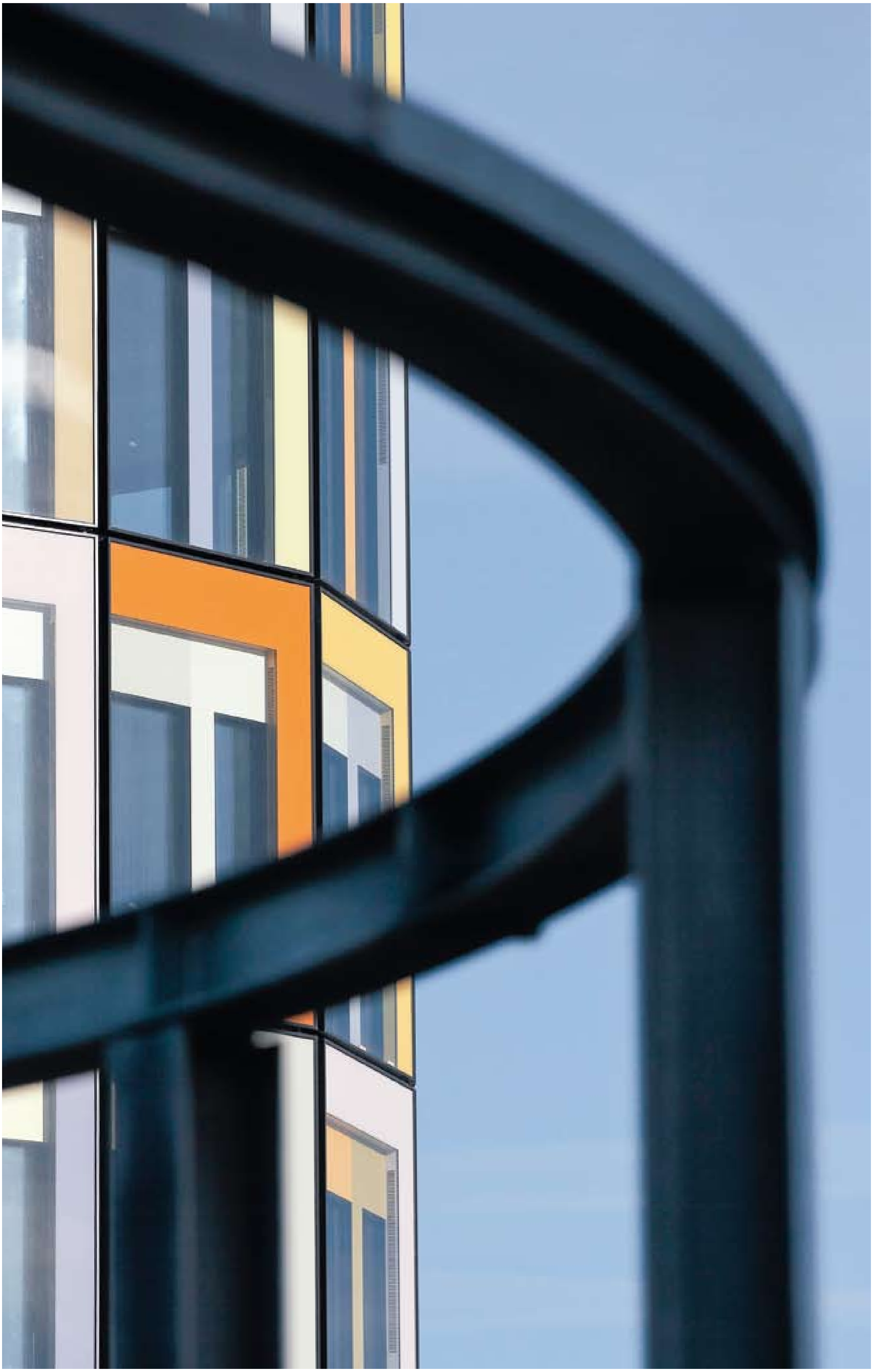
The auditor's reports and the group financial auditor's reports were submitted to the supervisory board. The audit committee reviewed the 2010 financial report and the management report including the proposed distribution of net income and the corporate governance evaluation report, and the 2010 consolidated financial statements and group management report, and prepared the approval of the annual financial report by the supervisory board.

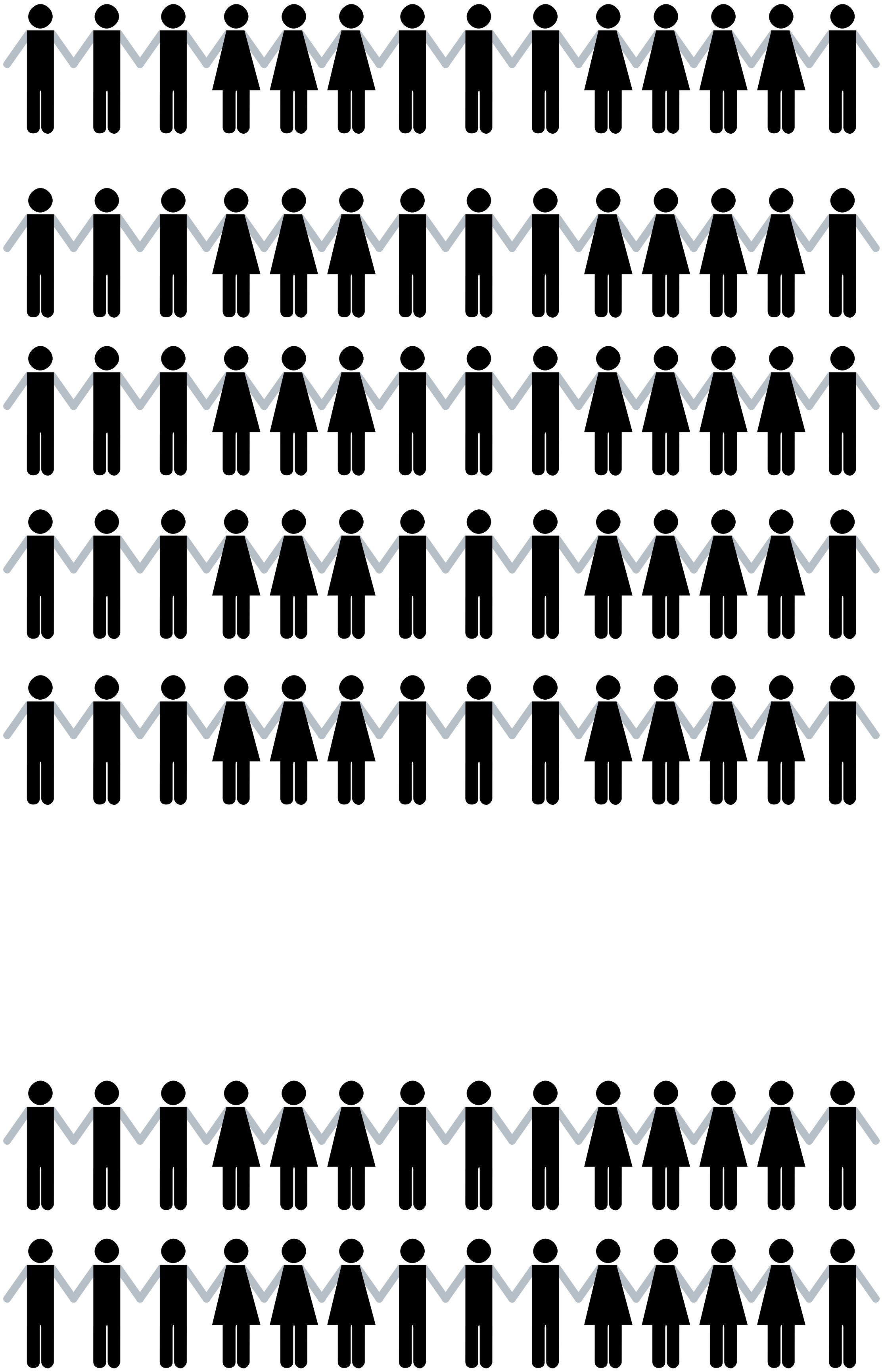
The supervisory board reviewed all documents as well as the report by the audit committee. In the meeting of 27 April 2011, the supervisory board stated its agreement with the financial report and the 2010 consolidated financial statements and officially approved the 2010 financial report, thus acknowledging its completion. The supervisory board supports the management board in its proposal for the appropriation of net income. The supervisory board proposes appointing KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditors and financial auditors for the 2011 financial year, in accordance with the proposal of the audit committee.

Furthermore, the legal firm Berger Saurer Ettel Rechtsanwälte conducted an evaluation of compliance of the corporate governance report in accordance with Section 243b of the Austrian Business Enterprise Code (UGB). The final result of the evaluation did not give rise to a significant cause for complaint.

By way of closing, the supervisory board would like to thank and express its recognition to the management board – above all to the departed management board members Mag. Wolfgang Merkinger and DI Roland Jurecka – and to all employees for their valuable contribution in the past financial year. Thanks are also due to o. Univ.-Prof. DDr. Waldemar Jud for his valuable contributions as chairman of the supervisory board.

Dr. Alfred Gusenbauer
Vienna, 27 April 2011


ADAC HEADQUARTERS, MUNICH



CORPORATE SOCIAL RESPONSIBILITY

WHAT GIVES US STRENGTH?

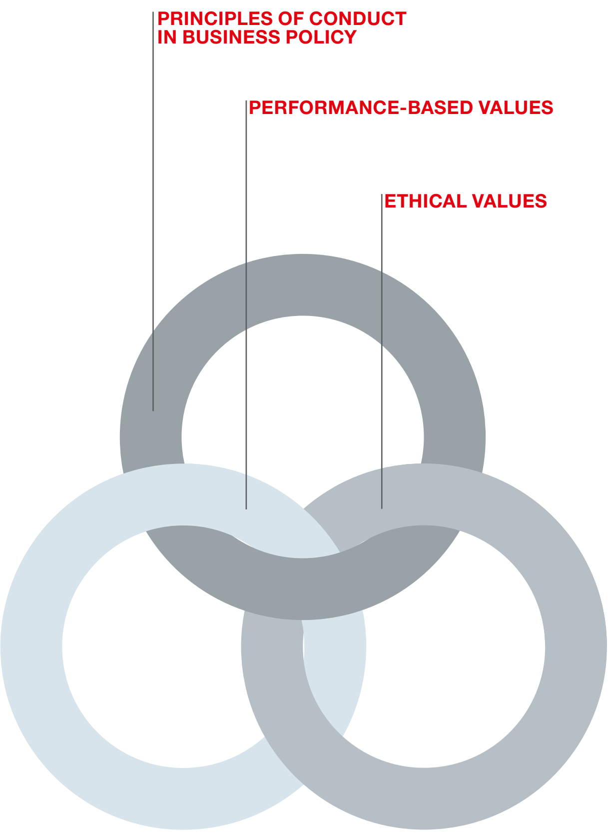
WORKING TOGETHER.

CORPORATE SOCIAL RESPONSIBILITY

- **CONSTANT SOCIAL ENGAGEMENT**
- **SECOND SUSTAINABILITY REPORT PUBLISHED IN 2010**
- **HEIGHTENED AWARENESS OF SUSTAINABILITY WITHIN THE GROUP**

CSR-STRATEGY

At STRABAG, we define sustainability as the balance between reaching business objectives while respecting social and environmental aspects. Corporate Social Responsibility (CSR) is important for us because business growth is not an end in itself but can rather be a means to ensure the sustainable, long-term stability of the company. We feel an obligation to provide secure employment to our employees, quality services to our clients and a fair return to all our shareholders. We conduct our activities on the basis of the following three values and principles:



"WE CANNOT AFFORD UNETHICAL BEHAVIOUR."

Our ethical values require our employees to show integrity, a sense of responsibility, and fairness. We further recognise the importance of and endeavour to comply with all relevant laws and legislation as well as internal and external rules and guidelines. Our performance-based values are based on an understanding of engagement, teamwork and risk culture while ensuring the company's profitability and commercial success at the same time. The principles of conduct for essential areas of business policy define, among other things, proper accounting and invoicing as well as dealing with donations and sponsoring.

Our ethical understanding is anchored in our own code of Ethics. Employee compliance with these business conduct guidelines is important not only to let STRABAG be regarded as a good corporate citizen. As a publicly listed company, STRABAG simply cannot "afford" to allow unethical behaviour to occur and risk the loss of reputation associated with it.

SUSTAINABILITY REPORT

In 2010, we published our second Sustainability Report. As in the first report, the new report again presents numerous activities and projects related to the subject of sustainability. The three major themes comprise economic sustainability, environmental sustainability, and social and societal responsibility.

Information about our economic sustainability can be found on pages 20–43.

SOCIAL AND SOCIETAL ENGAGEMENT

In our social and societal engagement, we are pursuing an unchanged strategy that includes the support of youth projects, charity associations and the arts.

CONCORDIA

Father Georg Sporschill has been caring for abandoned children and orphans in Romania since 1991, when he opened his first children's home in Bucharest. Over the years, he has expanded his range of services and has extended his activities to Moldova and Bulgaria. In addition to the social centres and children's homes, Concordia offers learning workshops and assisted living communities for older orphans. STRABAG actively supported Concordia in building its "children's cities" in Ploiesti and continuously supports its activities. In 2007, we supported Concordia in the opening of social centres and soup kitchens for older people in need. Today, around 1,000 children live in Concordia's homes and living communities in Romania, Moldova and Bulgaria. For older people, there are 40 soup kitchens and ten social centres providing food to some 4,000 hungry people.

VINZIRAST-CORTIHAUS

STRABAG has supported the VinziRast-CortiHaus homeless shelter in Vienna from the beginning. VinziRast was opened in 2004 by the Vinzenzgemeinschaft St. Stephan and its chairwoman Cecily Corti. The goal was and is to offer homeless people emergency accommodation or a place in the halfway house. STRABAG helped to renovate the shelter in 2008 and has been one of the main sponsors ever since. The VinziRast-CortiHaus offers emergency accommodation for 60 people, including bed, dinner and breakfast, plus 16 apartments where up to 30 people can find a home, make a new start or grow old in dignity.

FESTSPIELE ERL

In 1998, conductor and musician Gustav Kuhn founded the Tiroler Festspiele Erl with the goal of promoting young musicians. Since then, the festival has become an established event with international appeal. Today, the Tiroler Festspiele Erl is famed above all for its fantastic Wagner operas. STRABAG has financially supported the festival from the beginning. Gustav Kuhn, who directs and conducts the festival, offers his audience a varied programme of opera, concerts, musical evenings and children's theatre.

KOMÖDIENSPIELE PORCIA

In 1960, a visit to Spittal an der Drau by Herbert Wochinz, Thomas Bernhard and Annemarie Siller led to the idea of hosting a theatre in the not yet renovated renaissance court of Porcia Castle. Just one year later, the first works were performed by the ensemble of Vienna's Theater am Fleischmarkt. Since then, the small theatrical circle has become a famous cultural event and has enjoyed STRABAG's energetic support. Every summer, the theatre idealists tirelessly and consistently put on comedies from world literature as well as their own children's theatre.

"ANOTHER ART PROJECT SUPPORTED BY STRABAG"

STRABAG KUNSTFORUM

The STRABAG Kunstforum opens up the world of contemporary art to employees and visitors at a number of locations in Austria and abroad, making STRABAG a forward-looking patron of the arts today. The activities of the STRABAG Kunstforum comprise several elements:

- Artaward – the art endowment award for artists under the age of 40 in the areas of painting and drawing, plus related acquisitions and exhibitions. STRABAG has presented the Artaward International since June 2009. The winner and four runners-up were selected from 650 entrants from four countries. Jan Vasilko of Slovakia won the first Artaward in 2009, followed in 2010 by Aurelia Gratzer of Austria.

- Artcollection – a constantly growing, versatile and travelling collection, and – with over 1,900 works by contemporary national and international painters and designers – one of the largest in Austria.

- Artlounge – the spectacular two-storey exhibition space on the top floor of the STRABAG Haus in Vienna.

- Artstudio – the studio at the STRABAG Haus, with 700 m² of living quarters and working space for several artists from Austria and abroad.

- Gironcoli-Kristall – a multifunctional space for arts and events affiliated to the STRABAG Haus in Vienna, featuring a permanent exhibition of nine monumental sculptures by Carinthian artist Bruno Gironcoli, who died in February 2010; three additional bronze and aluminium sculptures can be seen in front of the premises.

ECOLOGICAL RESPONSIBILITY

Our commitment to environmental responsibility begins with the planning of buildings and structures. Whether required by law or desired by the customer, we work together with the client to develop project criteria which, in addition to implementation details, contain environmental criteria focused on sustainable building and operation.

SUSTAINABILITY IN PLANNING AND BUILDING

The planning phase can yield ways of improving the energy balance through the use of new technologies and materials. These include heat pump systems, architecturally challenging façade designs that allow light to enter the building, and well thought-out sun shading and ventilation systems to regulate building heat.

During the construction phase, we pay special attention to the use of environmentally friendly construction materials. This helps to substantially reduce interior air contamination while minimising the effect on the user and on the environment. Sustainable materials come in part from research conducted by the group's Central Technical Department, responsible for research and development at STRABAG. The choice of materials involves a focus on reducing the use of solvents, which are found in adhesives, paints and lacquers. The reduced use of solvents helps to lower the emission of CO_2 equivalents.

Building certification is another way in which we build sustainably. With the help of the German Sustainable Building Council (DGNB) and the Austrian Society for a Sustainable Real Estate Industry (ÖGNI), we are training employees to become auditors to assess buildings. Specific objectives are set based on six qualities to be assessed. The auditors monitor the construction measures and assess the degree to which the objectives are met. The quality criteria which are assessed include lifecycle costs, the functionality of the building, and economic criteria.

We have built several buildings in this manner over the past few years, both for our clients and for our own use – one example is the STRABAG headquarters in Molzbichl, Austria, and the Ed. Züblin building Z-zwo in Stuttgart, Germany.

RESPECT FOR RESOURCES AND PROTECTED AREAS

Our focus on sustainable planning and building affects not only buildings, but also applies to other structures such as roads and motorways. Examples include two motorway projects, the M51, a Public Private Partnership (PPP) motorway between Kliplev and Sønderborg in Denmark, and Segment II of the A2 PPP motorway in Poland (to find out more, please read the feature on page 74).

M51 PPP MOTORWAY IN DENMARK

When tendering the M51 motorway, the client asked for the presentation of a sustainability concept for the project. STRABAG proposed a sophisticated environmental and social action plan that places the focus on sustainability. The action plan contains transport concepts to ensure the transport of construction materials and resources by rail and ship, if possible, and their delivery using the group's own fleet of trucks, as well as the use of biodegradable hydraulic oils for all construction machinery, and the strict monitoring of resource and energy use. Other measures conducted as part of the sustainability concept include educating and informing the local residents about the project.

LOGISTICS AND TRANSPORT BECOMES BUILDING PROCESS MANAGEMENT (BPM)

The beginning of 2011 saw the creation of the new Building Process Management (BPM) central division through the merger of the existing teams of BLT (Baulogistik und Transport) and SPM (STRABAG Prozess Management). Within BPM, the tasks will be divided among the sub-divisions of Lean Logistics and Lean Construction. The job of the new team will be the introduction and long-term establishment of a lean culture within the company.

The lean culture will form the basis for the optimisation of the planning, management and production processes. "Lean" describes the entirety of the philosophies, methods and processes used to more efficiently shape the entire value chain.

The aim is to best coordinate the activities, information and materials necessary for the creation of value and to eliminate wastefulness. To achieve this goal, the existing system will be analysed and optimised in accordance with the client's needs (quality, cost, construction time).

The Lean Logistics sub-division offers services related to the provision to facilities and construction sites of all necessary information and resources (material and storage). The optimal use of the right modes of transportation, transhipment technologies, software solutions and the necessary know-how can achieve significant cost reductions as well as improvements which benefit the environment.

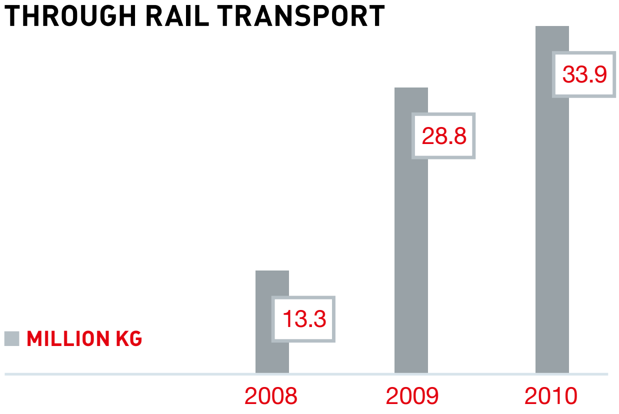
The Lean Construction sub-division is in charge of introducing and developing lean methods in the company, starting in the Transportation Infrastructures segment. Processes are optimised and wastefulness is reduced along the entire value chain through the application of proven principles and processes that were specially developed for our company.

We are also remaining true to the concept of shifting transport onto rail. In 2010, BLT organised the transport of some 2.6 million tonnes (2009: 1.7 million tonnes) of material and equipment by rail in Germany and Poland (shifted from road to rail). This corresponds to growth of 53 % on the year and 190 % over 2008 for a transport output of 720 million tonne-kilometres (2009: 608 million tonne-kilometres). In this way, we reduced CO_2 emissions by about 33,900 tonnes (2009: 28,000 tonnes) when compared with road transport.

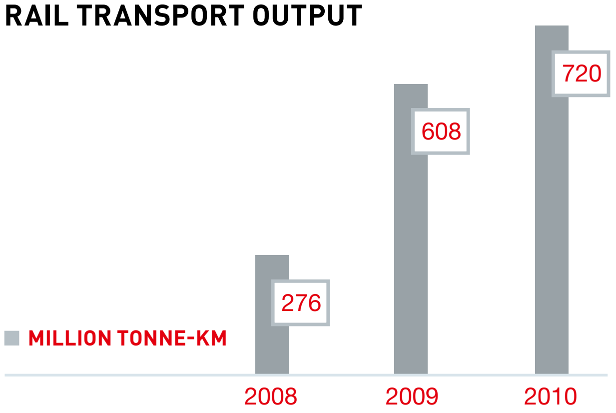
LIFE CYCLE ASSESSMENT OF STRABAG SE

In the summer of 2010, STRABAG took the first step towards a group-wide life cycle assessment. The project team consisting of employees from various departments drew up a road map for the group's life cycle assessment. The first step is to determine how much fuel and electricity is used and subsequently how much waste and waste water is produced across the group. This information is to be used to measure the resulting CO_2 pollution.

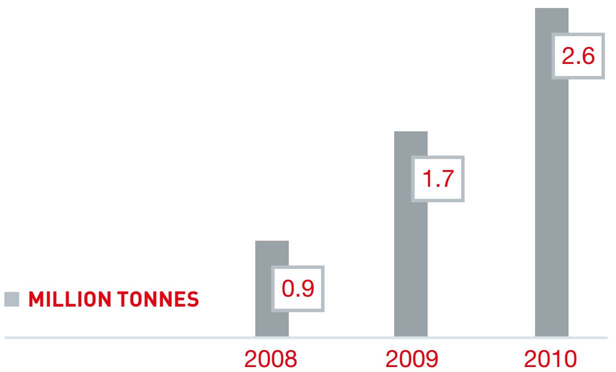
CO2 EMISSIONS AVOIDED THROUGH RAIL TRANSPORT



RAIL TRANSPORT OUTPUT



GOODS TRANSPORTED BY RAIL



MATERIAL USE	2010	2009	CHANGE %
Fuel total	€ 178.19 million	€ 145.44 million	23 %
Natural and liquid gas	€ 24.89 million	€ 24.82 million	0 %
Heating oil	€ 14.80 million	€ 15.69 million	-6 %
Electricity	€ 47.72 million	€ 48.12 million	-1 %
Stone/Gravel	61.53 million tonnes	65.72 million tonnes	-6 %
Asphalt	13.25 million tonnes	15.13 million tonnes	-12 %
Concrete	5.12 million m³	5.24 million m³	-3 %

Should you have any questions or comments on the subject of sustainability, please do not hesitate to contact us at csr@strabag.com.

WE BUILD. EVEN FOR TOADS.

It is in the nature of our business that emissions are produced during our construction activity. Construction sites cause dust and noise and alter the landscape. We intrude in nature and leave our mark. To reduce the impact of our activities on nature to a minimum, we use sustainable materials and invest in technologies that allow us to use energy and raw materials in a resource-friendly manner and we heat our headquarters in Vienna with geothermal energy.

But we see Corporate Social Responsibility as being even more. It is closely related with our operating business. Our work on Segment II of the A2 PPP-motorway in Poland – our largest project in company history – illustrates exactly what this means.

In the middle of 2009, we began construction on a 105 km segment of the A2 motorway between Nowy Tomyśl in western Poland and Świecko on the German border. STRABAG's share of the contract amounts to over € 1 billion. We are spending a not insignificant part of the costs on measures to protect the environment.

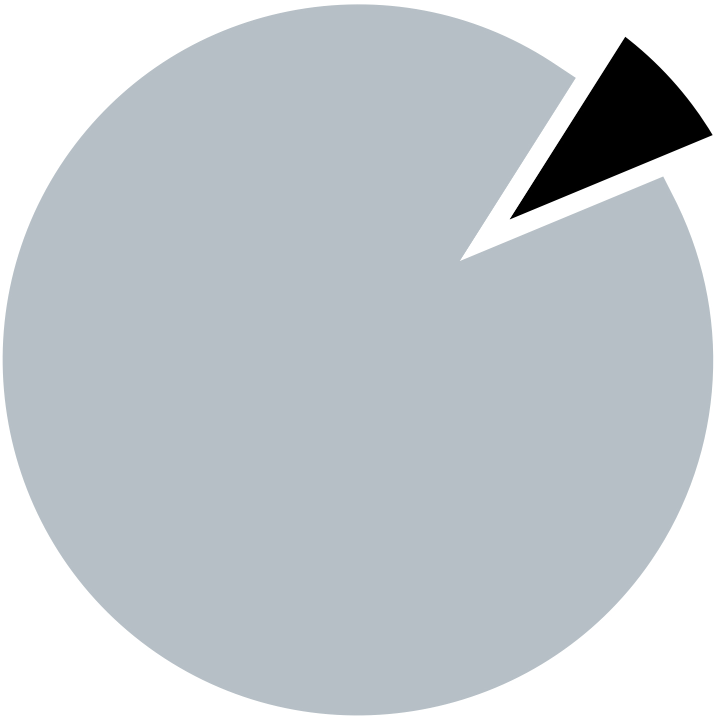
The motorway crosses through several Natura 2000 protected areas. Natura 2000 is an EU-wide network of conservation areas established under the EU Habitats Directive and the Birds Directive. We therefore drafted an environmental and social action plan even before construction began.

Respect for diversity is a part of the plan. To assure that the motorway does not represent an insurmountable obstacle for the local fauna, a total of 14 animal bridges and more than 140 passageways were planned for small and medium-sized animals. Protective walls with a length of 2.5 km are to prevent a rare and endangered species of bat from crossing the roadway. The special requirements affect not only the planning, however; often the progress of construction must also be adapted to nature. Between January and July, the protected zone around bird breeding areas is extended from 200 m to 500 m. Artificial nesting sites were built for a threatened species of sea eagle. During the migration of amphibians and reptiles in March/April and September/October, 50 cm high protective fences are erected along more than 18 km to prevent the animals from crossing the construction site. In the spring of 2010, over 10,000 animals were safely guided from the area of construction to their destination in this way.

To guarantee that all conditions are fulfilled, we established a system of constant monitoring of the flora and fauna from the beginning. The monitoring allows us to have constant control over the impacts of our construction on the environment. All incidents and measures are documented in monthly reports. The A2 motorway project is one of the showcase projects in Europe in which environmental protection is writ large.

OVER 10,000 ANIMALS, INCLUDING THESE TOADS, WERE SAFELY GUIDED PAST THE DANGEROUS CONSTRUCTION ZONE IN THE SPRING OF 2010.

TOLL STATION, LIMERICK



SHARES, BONDS, INVESTOR RELATIONS

A PIECE OF THE CAKE IS A GOOD THING.

FIND OUT HOW BIG A PIECE IT IS.

SHARES, BONDS, INVESTOR RELATIONS

- STRABAG SE SHARE WITH LITTLE ALTERATION DURING YEAR
- DIVIDEND € 0.55 PER SHARE
- TWELVE BANKS COVER STRABAG SE

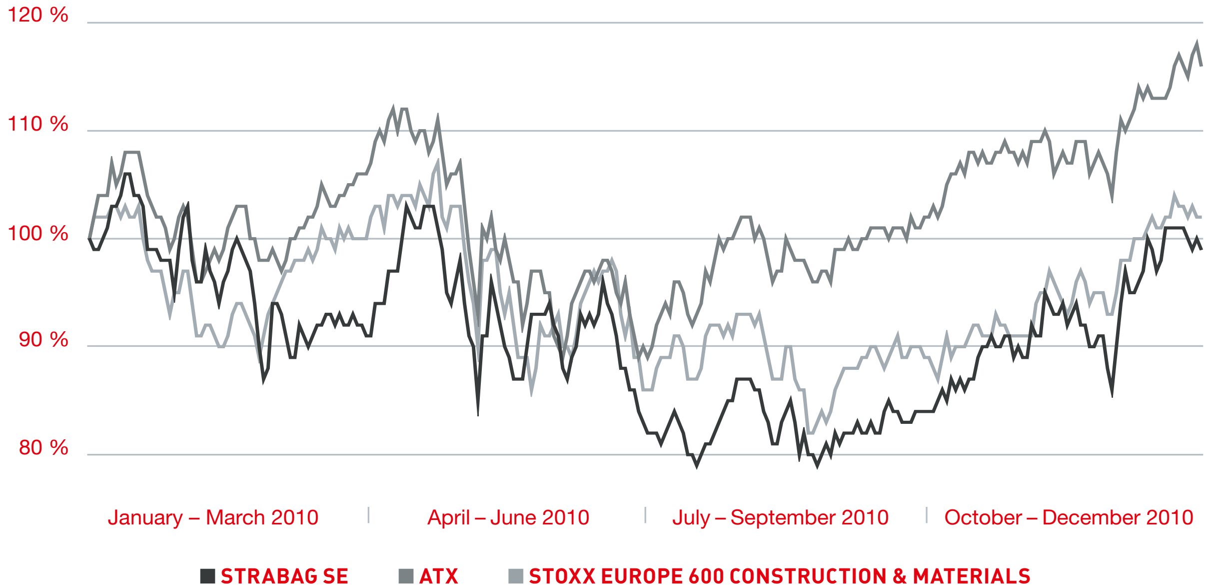
SHARES OF STRABAG SE NEARLY UNCHANGED IN CONTRADICTORY ENVIRONMENT

The development of the share prices in 2010 was characterised by distinct trends on the individual geographical markets and among the different sectors. The general market recovery which had begun to take shape in 2009 found only scattered continuation last year due to the complex stock market framework. Positive impulses came from the unexpectedly significant economic recovery, the continued low-interest policy of the central banks, and the improved financial performance of the companies, which were able to surpass the analysts' expectations. A central impediment was the debt crisis in several euro countries.

An overview of the most important international stock markets shows that the US stock market index Dow Jones Industrial again achieved excellent results in 2010, gaining 11 %. Closing the year at 11,577.51 points, however, it remained nearly 20 % below the record high set in October 2007. The index exhibited a high degree of volatility over the course of 2010, even slipping below 10,000 points halfway through the year. The good year-end closing could be secured only as a result of the strong upwards movement in the fourth quarter.

The development of the European stock markets, in comparison, reflects the complex market environment. While the German stock index DAX grew by 16 % thanks to the excellent export economy and strongly improved results in the industrial sector, the stock indexes which were directly affected by the debt crisis had to accept declining share prices. The European stock index Euro Stoxx 50 closed the year down 6 % in the wake of weak performance by its financial shares. Also down was the Nikkei 225: the Japanese stock market index lost 3 % in response to the revaluation of the yen and the related worsening of the export conditions.

DEVELOPMENT OF STRABAG SE SHARE PRICE AND THE BENCHMARK INDEXES



The Vienna Stock Exchange again developed very positively in 2010. As in 2009, the Austrian index of leading shares ATX surpassed the development of most of the international stock exchanges. In the first three quarters, the price movement was characterised by a high level of volatility. Between April and July 2010, the debt crisis spreading from Greece resulted in a downward slide of the share prices to an annual low of 2,223.63 points. Not until September did a constant upwards trend set in, with the index high reached shortly before year's end. The closing value of 2,904.47 points corresponds to a twelve-month plus of 16 %.

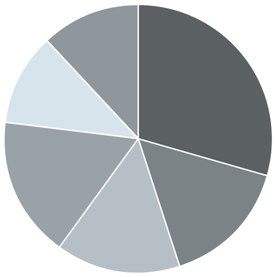
Shares of STRABAG SE did not take part in the rally which occurred in the last months of the 2010 financial year. Instead of following the trend among Austrian shares, the development of the STRABAG share was more like that of the European construction sector. While the construction index STOXX Europe 600 Construction & Materials ended the year with a slight plus of 2 %, shares of STRABAG SE closed relatively unchanged down 1 %. This development is due in part to the large pressure to sell, triggered by several institutional STRABAG SE shareholders with their sale of large packages of shares on the stock market.

STOCK FIGURES	UNIT	2010	2009	2008	2007
Closing price on 30 December	€	20.50	20.70	16.20	48.72
Year's high	€	21.96	24.35	50.92	55.00
Year's low	€	16.42	9.86	11.53	42.51
Number of outstanding bearer shares on 31 December	shares	113,999,997	113,999,997	113,999,997	113,999,997
Market capitalisation on 30 December	€ billion	2.3	2.4	1.8	5.6
Average trade volume per day	€ million	3.8	6.1	13.0	26.4
Volume of STRABAG SE shares traded	shares	49,077,310	88,480,878	91,527,632	48,844,710
Volume of STRABAG SE shares traded	€ billion	0.9	1.5	3.3	2.4
P/E ratio on 30 December		13.4	14.6	11.7	23.8
Earnings per share	€	1.53	1.42	1.38	2.05
Book value per share	€	27.1	25.9	24.9	25.2
Cash-flow from operating activities per share	€	6.1	9.8	6.1	6.0
(Proposed) dividend per share	€	0.55	0.50	0.55	0.55
Dividend payout ratio	%	35.9	35.3	39.9	36.8
Dividend yield	%	2.7	2.4	3.4	1.1
Share capital	€ million	114	114	114	114
Weight in ATX	%	1.79	1.63	1.90	4.11
Weight in ATX Prime	%	1.49	1.38	1.67	3.37
Weight in WBI	%	2.53	3.03	3.50	3.48

SHAREHOLDER STRUCTURE

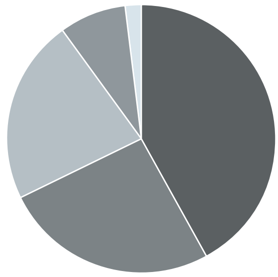
SHAREHOLDER STRUCTURE ON 31 DECEMBER 2010[1)]

NUMBER OF SHARES: 114 MILLION



HASELSTEINER GROUP	29.5 %
RAIFFEISEN GROUP	15.5 %
UNIQA GROUP	15.0 %
RASPERIA TRADING	17.0 %
INSTITUTIONAL INVESTORS	11.1 %
PRIVATE INVESTORS	11.9 %

GEOGRAPHICAL DISTRIBUTION OF INSTITUTIONAL FREE FLOAT



CONTINENTAL EUROPE (EXCL. AUSTRIA)	4.7 %
AUSTRIA	2.8 %
NORTH AMERICA	2.5 %
UK AND IRELAND	0.9 %
OTHER	0.2 %

SYNDICATE MEMBER RASPERIA TRADING EXERCISES OPTION FOR 17 % SHARE PACKAGE

The shareholder structure on 31 December 2010 changed considerably in comparison to the end of 2009: in December 2010, core shareholder Rasperia Trading Ltd. exercised its option to buy back a 17 % stake in STRABAG, acquiring around 19,380,000 shares from the other major shareholders Haselsteiner Group, Raiffeisen Group and UNIQA Group. The contract partners also agreed to extend until July 2014 Rasperia's option to purchase the remaining 8 % (the original option covered 25 %).

As a result of this transaction, Haselsteiner Group holds 29.5 % of STRABAG SE, Raiffeisen Group 15.5 % and UNIQA Group 15.0 %. The free float is thus calculated at 23 %, of which 11.1 % is accounted for by institutional investors and 11.9 % by other free float shareholders – including 7.2 % private shareholders. As far as we know, no investor other than the core shareholders holds more than 5 % of the company.

In January 2011, we commissioned a shareholder survey to learn more about the distribution of our free float. The analysis revealed that 4.7 % of STRABAG SE shares were held by investors in continental Europe, 2.8 % by Austrian institutional investors, 2.5 % by US investors and 0.9 % by investors in the UK and Ireland. The sale of larger stock holdings by several institutional investors resulted in an interesting shift in the geographical distribution of the free float in comparison to the shareholder ID conducted a year before. While the region "UK and Ireland" had previously been the second-largest geographical group among institutional investors, it now ranks only in 4th place, changing places with the Austrian home market in a year-on-year comparison.

With the 17 % stake, Rasperia remains a full-fledged member of the syndicate on the basis of the existing shareholder agreement with Haselsteiner Group, Raiffeisen Group and UNIQA Group. Details of the syndicate agreement between the four major shareholder groups are presented in the stock exchange prospectus of 5 October 2007. The current syndicate agreement essentially lays down rules for the following:

- Right to nominate supervisory board members
- Coordination of voting
- Restrictions on the transfer of shares
- Joint development of the Russian market as a new core market

As is legally prescribed, STRABAG SE keeps a share register containing information about the holders of registered shares of STRABAG SE. Currently there are three registered shares, with registered shares No. 1 and No. 3 reserved for the Haselsteiner Group and registered share No. 2 for Rasperia Trading Ltd. The remaining 113,999,997 shares of STRABAG SE are bearer shares. In all, STRABAG SE has issued 114,000,000 no-par shares. Every bearer and registered share equals one vote. There are no restrictions on voting rights.

1) Distribution of institutional free float was determined in January and February 2011.

ANNUAL GENERAL MEETING

With between 99 % and 100 % of the votes cast in favour, the 2010 Annual General Meeting approved the actions of the management and supervisory boards, respectively, selected the auditor of the financial report and the members of the supervisory board which were up for election, and decided on the payment of a dividend in the amount of € 0.50 per no-par share. The General Meeting also resolved with 99.9 % and 100 % of the votes, respectively, to again authorise the management board to purchase own shares and to undertake changes to the Articles of Association, specifically adaptations in response to the changed legal framework regarding the Austrian Stock Corporation Law Amendment Act 2009 (AktRÄG 2009). 795 people representing 90,503,367 no-par shares were registered for the Annual General Meeting.

ANNUAL GENERAL MEETING ON 10 JUNE 2011

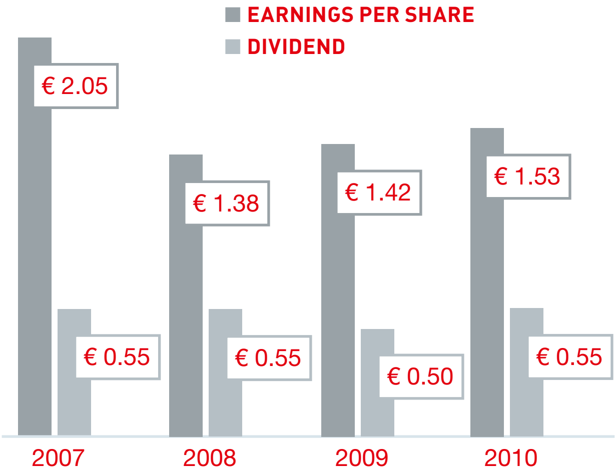
The next Annual General Meeting will take place at the Austria Center Vienna on 10 June 2011 at 10:00 a.m. CEST. Shareholders wishing to attend are requested to provide proof of shareholder status with their bank by 31 May 2010. Details regarding the correct procedure can be found on our website at www.strabag.com -> Investor Relations -> Annual General Meeting.

DIVIDEND

STRABAG places great value on a constant dividend policy. The management board is staying with its goal of paying out 30 % to 50 % of the net income after minorities to the shareholders in the form of a dividend once a year. The exact payout ratio is determined by the general development of the business as well as by the group's opportunities for growth. In accordance with this goal, the management board of STRABAG SE will propose to the Annual General Meeting of 10 June 2011 a dividend of € 62.70 million or € 0.55 per share for the 2010 financial year, respectively. This would correspond to a dividend payout ratio of 35.9 % and, based on the share price of € 20.50 at the end of December 2010, a dividend yield of 2.7 %. The ex-dividend date has been set for 17 June 2011; the dividend payment date for 20 June 2011.

"DIVIDEND: € 0.55 PER SHARE"

EARNINGS PER SHARE AND DIVIDEND



BONDS

TERM	INTEREST	VOLUME	ISIN	EXCHANGE
2006–2011	5.25 %	€ 75 million	AT0000A013U3	Vienna
2007–2012	5.75 %	€ 75 million	AT0000A05HY9	Vienna
2008–2013	5.75 %	€ 75 million	AT0000A09H96	Vienna
2010–2015	4.25 %	€ 100 million	AT0000A0DRJ9	Vienna

STRABAG SE (and its predecessor, FIMAG) has to date issued eight corporate bonds, of which four are still listed. With the issue of a 2010–2015 bond with a coupon of 4.25 %, STRABAG continued the years-long strategy of bond issues. The proceeds from the issue were used to pay back a matured € 75 million bond issued in 2005 as well as for general business purposes. The issue also helped the group to further improve its financing structure.

S&P CONFIRMS CORPORATE CREDIT RATING OF BBB-

STRABAG SE and its bonds are rated by the international ratings agency Standard & Poor's (S&P). In November 2007, S&P raised the corporate credit rating for STRABAG SE from BB+ to BBB-, thus elevating STRABAG SE to "investment grade". In December 2010, S&P again confirmed its BBB- rating and stable outlook as STRABAG benefits from its good access to raw materials, the high order backlog and the solid capital structure in the otherwise cyclical, highly competitive and low-margin construction sector.

INVESTOR RELATIONS

Although we pursued our investor relations activities as persistently in 2010 as the year before, investor interest was significantly less pronounced than the previous year. Increased demand for investor talks only began to make itself felt towards the end of the year. In addition to the prescribed quarterly reports, we informed some 167 investors and analysts (2009: 255) in 133 (167) one-on-ones, telephone conferences and group talks. We took part in 16 (19) road shows and investor conferences organised by Bank of America Merrill Lynch, Cheuvreux, Deutsche Bank, Equita, Erste Bank, Goldman Sachs, HSBC, Raiffeisen Centrobank and UniCredit. In all, we spent some 14 (24) working days on investor talks in places such as Vienna, London, Frankfurt, Paris, Zurich and Milan. If you want to learn more about our road show activities, please visit our website at www.strabag.com -> Investor Relations. The financial calendar is updated continuously and includes all the planned road show events as well as the dates for the publication of our financial results.

WE ARE IN CONSTANT CONTACT WITH OUR INVESTORS

Not only are we in constant e-mail and telephone contact with our institutional investors and analysts, we also provide extensive information to our private investors. We do so among other things by offering web and audio broadcasts of portions of our Annual General Meetings, investor conferences and press conferences on our website. We also regularly take part in private investor events – in 2010, for example, we took part in the Börseexpress/Aktienforum road shows. We try to reach our private shareholders and interested parties through a variety of different channels. Every individual investor benefits from us taking the time to communicate with the market and to strive for constant improvement in our investor relations work – because excellent investor relations have a positive effect on the share price.

It is our goal to further increase our investor relations efforts of maintaining a steady flow of information in order to help bank analysts make correct assessments of the stock of STRABAG SE. Analyst observations provide current as well as potential shareholders with a first indication of the assessment of STRABAG SE. For this reason, we are proud that twelve banks regularly analyse our stock in order to issue target prices and recommendations for STRABAG SE:

- Cheuvreux, Vienna (Markus Remis)
- Deutsche Bank, Vienna (Christian Bader)
- DZ Bank, Frankfurt (Marc Nettelbeck)
- Erste Bank, Vienna (Franz Hörl)
- Equita, Milan (Gianmarco Bonacina)
- Goldman Sachs, London (Laurie Mathers)
- HSBC, Düsseldorf (Thomas Teetz)
- LBBW, Mainz (Alexander Groschke)
- MainFirst Bank, Frankfurt (Christian Korth)
- Bank of America Merrill Lynch, London (Marcin Wojtal)
- Raiffeisen Centrobank, Vienna (Klaus Ofner)
- UniCredit, Vienna (Peter Bauernfried)

HOW TO RECEIVE INFORMATION ABOUT STRABAG SE

STRABAG SE's Investor Relations department reports directly to the CEO and sees itself as the service department for existing and potential private shareholders, institutional investors and analysts, as well as the point of contact for capital market issues for the group's operating units. For us, quick response times, comprehensive information and a constant dialogue with capital market participants and the public are a matter of course. We place great importance on informing all shareholder groups quickly and simultaneously. To achieve this, we publish all company-relevant news on our website at the same time that we send our shareholder newsletter per e-mail. If you would like to receive this information, please send us the reply card – which you will find at the end of this Annual Report – or register on the Investor Relations page on our website www.strabag.com.

AT WWW.STRABAG.COM – INVESTOR RELATIONS YOU WILL ALSO FIND:

- Up-to-date road show documents
- Company presentations
- Analyst consensus recommendations
- Live broadcasts and recordings of telephone and investor conferences
- Stock calculator
- Subscription to receive daily share price information
- Individual share price charts
- Download versions of the Annual Reports and Interim Reports
- Order form for the print versions of our publications

Your questions and suggestions are important to us for the continued improvement of our services. We look forward to hearing from you:

STRABAG SE
Investor Relations

Mag. Diana Klein, CFA, Head of Investor Relations
Paula Rys, B.A., Investor Relations

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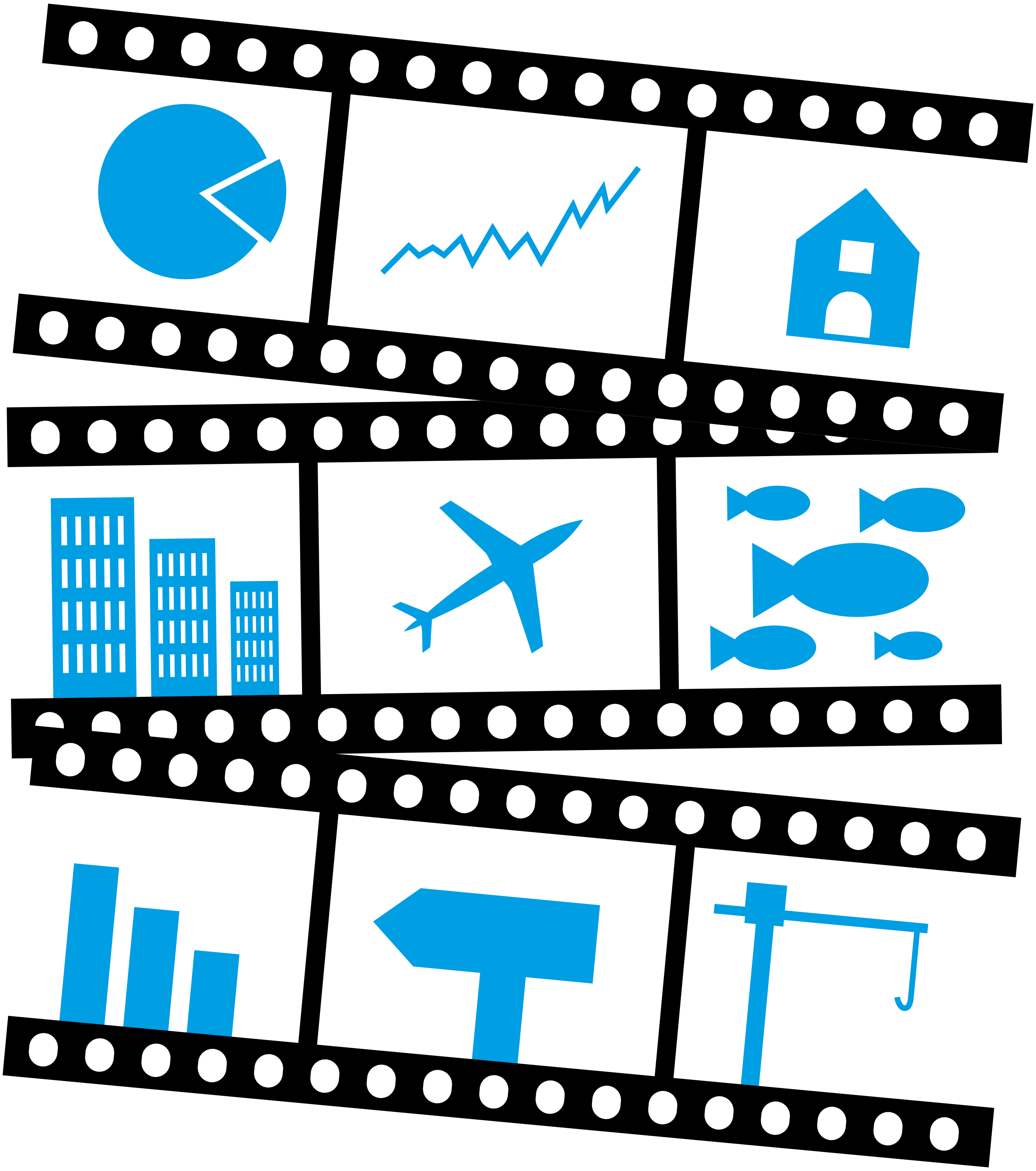


GROUP MANAGEMENT REPORT

HIGHLIGHTS JUST LIKE IN THE MOVIES:

EVERYTHING THAT HAPPENED LAST YEAR.

GROUP MANAGEMENT REPORT

IMPORTANT EVENTS

JANUARY

The STRABAG consortium KMG - Kliplev Motorway Group was awarded the tender for Denmark's first PPP-project. The consortium will plan and build 26 km of the M51 motorway from Kliplev to Sønderborg as well as 18 km of side roads and seven interchanges and will operate the road over a period of 26 years from completion. The total investment volume amounts to € 148 million.

STRABAG AG, Cologne, was hired by Flughafen Berlin-Schönefeld GmbH as general contractor to expand the apron and taxiway system of the German capital's new airport Berlin Brandenburg International (BBI). The project total amounts to € 57 million. Construction is expected to last until the middle of 2011.

FEBRUARY

STRABAG was awarded the contract to build the 36.5 km section of the S7 Expressway between Kalsk and Miłomłyn approx. 100 km northwest of Warsaw. Construction for the € 260 million contract began in March 2010 and is expected to end in July 2012. Construction will be carried out by the STRABAG subsidiaries STRABAG Sp. z o.o. and Hermann Kirchner Polska Sp. z.o.o., Poland.

The 100 % STRABAG subsidiary DYWIDAG Saudi Arabia Co. Ltd. was awarded the contract to build two warehouses at the industrial port of Jubail, a large industrial city on Saudi Arabia's Persian Gulf coast. The € 18 million project comprises the turnkey construction of two warehouses with surface areas of 27,000 m² and 37,000 m², an administration building, guard houses and reinforced storage sites for containers. The project is scheduled for completion in mid-2011. Also in Jubail, STRABAG will build a coker unit with a contract value of € 23 million.

MARCH

STRABAG signed the contract to build the new Galeria Kaskada shopping centre in Szczecin, Poland. The total value of investment for the project amounts to € 190 million. The construction works commenced in March 2010 and the project is due to be finished in the autumn of 2011.

Serbian motorway company Putevi Srbije hired STRABAG for the full rehabilitation of the Gazela Bridge, the main motorway bridge over the river Sava. The bridge, which connects Novi Belgrade with Belgrade, is one of Europe's most important along the Pan-European transport corridor 10. Construction works began in early April and are scheduled to end in May 2012.

STRABAG subsidiary Ed. Züblin AG won the construction contract to build the high-rise project "De Rotterdam" in Rotterdam, Netherlands, valued at around € 170 million. The Züblin subsidiaries Züblin Nederland BV and STRABAG Belgium N.V., who have formed a joint venture, will execute the project. Completion is planned for the end of 2013.

STRABAG was awarded the tender to build the Küblis bypass tunnel in the Swiss canton of Grisons with a total value of approx. € 59 million. The contract for the 2.2 km tunnel includes the construction of the safety gallery and the management of the Schanielatobel disposal site located on the route of the bypass. Construction should be completed in November 2015 (excl. roadway). STRABAG has responsibility for the entire project.

APRIL

STRABAG was assigned for the modernisation of the Kaiserstuhl power plant in the Swiss canton of Obwalden. The order is worth a total of approx. € 17.5 million. Construction began in June 2010 and is to be completed in December 2012. STRABAG's share is 100 %.

On 21 April 2010, the Port Authority of Zadar and STRABAG signed a contract for phase II of the new Gaženica ferry terminal at Zadar, Croatia. The contract is worth € 93 million and covers maritime structures, access roads and basic infrastructure of the new terminal. STRABAG will cooperate with local suppliers – as was the case during phase I of construction, carried out by a STRABAG consortium as well. This phase will be completed within 30 months.

MAY

STRABAG SE issued a five-year, € 100 million fixed-interest corporate bond with a coupon of 4.25 %. The issue price has been set at 100.976 %.

Lafarge, a French building materials manufacturer, and STRABAG concluded a strategic partnership to combine their cement activities in several countries of Central Europe. The two companies signed an agreement on 25 May 2010 creating the holding company Lafarge Cement CE Holding GmbH. The new company will have its headquarters in Austria. Lafarge will bring its cement plants at Mannersdorf and Retznei in Austria, Čížkovice in the Czech Republic and Trbovlje in Slovenia into the holding, while STRABAG will contribute the plant it is currently building in Pécs in Hungary. Lafarge then will hold a 70 % interest in the new company, while STRABAG will hold 30 %. Lafarge Cement CE Holding GmbH will have a total annual production capacity of 4.8 million tonnes of cement. The approval by the relevant cartel authorities was granted in February 2011.

JUNE

STRABAG signed an agreement for the rehabilitation of national road DN 67B in Romania. The client is Romania's national road construction agency CNADNR SA. In a joint venture with two Romanian road construction companies, STRABAG will modernise 188.2 km of the national road between Scoarța and Piteşti over a period of 36 months. The total value of the order is € 89 million, with STRABAG's share amounting to € 62 million (70 %).

In Abu Dhabi, STRABAG subsidiary Ed. Züblin AG will build the non-process buildings for the Takreer Refinery in Ruwais. The turnkey project, commissioned by the Abu Dhabi Oil Refining Company, comprises 17 buildings as well as access roads and extensive outdoor facilities on a total space of 205,273 m². Construction is expected to last 38 months. The total value of the order is € 94 million. The group's share amounts to 100 %.

A consortium led by STRABAG Real Estate GmbH was awarded the contract for a PPP from the city of Mülheim an der Ruhr, Germany. The company was chosen in a multistage tender process to handle the redevelopment, partial new development and operation of the schools Karl-Ziegler-Gymnasium, Luisenschule and Willy-Brandt-Gesamtschule as well as the operation of the Gemeinschaftsgrundschule Styrum for a period of 25 years. The contract volume amounts to € 160 million, of which € 52 million is for the construction and modernisation of the buildings. Construction should be completed in December 2012.

Supervisory board elections took place on 18 June 2010 during the Annual General Meeting (AGM) of STRABAG SE. Alfred Gusenbauer and Kerstin Gelbmann were elected to the supervisory board. Alfred Gusenbauer replaced the former Chairman of the Supervisory Board Waldemar Jud. Gottfried Wanitschek and Siegfried Wolf were re-elected to the supervisory board by the AGM. Gerhard Gribkowsky left the supervisory board.

Upon approval of majority shareholder STRABAG SE, Ed. Züblin AG and both of the minority shareholders amicably agreed on settling all pending law suits of the minority shareholders against the company.

JULY

With the acquisition of the majority interest in Rimex Group as at 1 July 2010, STRABAG Property and Facility Services (STRABAG PFS) GmbH continued on its growth course and expanded its service spectrum to include in-house services in the infrastructural facility management segment. Rimex specialises in services in the cleaning and landscaping area. With a staff of about 2,000 employees, Rimex realised a turnover of about € 27 million in 2009. The previous owners will retain a 30-percent stake in the company and will continue to manage the company.

In Tyrol, Austria, STRABAG has been awarded the contract to plan and build the Brenner rest stop on the A13 including all necessary exterior facilities. STRABAG will operate the rest stop jointly with partners OMV and Rosenberger for a period of 30 years under a PPP model. The total investment volume for the project amounts to around € 11 million.

AUGUST

On 31 August 2010, Wolfgang Merkinger (58), the STRABAG SE member of the management board with commercial responsibility for the segment Transportation Infrastructures, resigned his management board mandate for health reasons. Mr Merkinger's management board seat was not filled and the STRABAG SE management board was reduced to six members.

SEPTEMBER

The Directorate-General for Public Works and Water Management of the Netherlands Rijkswaterstaat authorised A-Lanes A15 – a joint venture between STRABAG AG, Ballast Nedam, John Laing and Strukton – with the construction of the PPP project A15 Maasvlakte-Vaanplein. John Laing participates for 28 % as shareholder in A-Lanes A15. Ballast Nedam, STRABAG and Strukton participate for 24 % each as shareholders in A-Lanes A15 and all three have a stake of one third in the design, building and maintainance phases. The concession has a term of 25 years and represents a total project value of approx. € 1.5 billion. Construction will last from mid-2011 to the end of 2015.

STRABAG acquired 100 % of ECM Facility a.s. – a provider of property and facility management services – located in Prague, Czech Republic. With 220 employees the company achieved a turnover of approx. € 16 million in 2009. With this acquisition STRABAG enters the Czech market for Property & Facility Management as one of the Top 5 companies.

OCTOBER

STRABAG's subsidiaries in Sweden received the contract to design and build the extension and renovation of Täby Centrum (shopping centre) in Stockholm, Sweden. The contract is worth a triple digit million-euro amount. Construction work started in October 2010 and will end in March 2015.

STRABAG SE has concluded the renewal of a syndicated surety loan (SynLoan) with a consortium of 17 international banks led by Deutsche Bank and Raiffeisen Bank International. The volume of the surety loan amounts to € 2.0 billion, the duration will be five years. The credit range replaces the previous line in the amount of € 1.5 billion.

STRABAG Sp. z o.o., STRABAG AG and Hermann Kirchner Polska Sp. z o.o., three subsidiaries of STRABAG SE, signed the contract to build a new bridge complex in Toruń, Poland. Construction began in autumn 2010 and is expected to be finished within 32 months. The project value amounts to about € 139 million.

STRABAG and ÖBB Infrastruktur AG signed the contract for the largest construction contract ever awarded in Austria, the Koralm Tunnel. The contract value amounts to € 570 million. Construction of the main lot started in early 2011 and is scheduled for completion in late 2018.

NOVEMBER

Rasperia Trading Ltd., a part of the diversified industrial group Basic Elements under sphere of influence of Russian industrialist Oleg Deripaska, exercised the call option to repurchase a 17 % stake in STRABAG SE. Rasperia repurchased 19,380,000 shares of the company for € 373,065,000, or € 19.25 per share. With it Rasperia remains a full-fledged member of the syndicate on the basis of the existing shareholder agreement with Haselsteiner Group and Raiffeisen/UNIQA Group. The call option for further 8 % was extended until 15 July 2014.

To strengthen the presence on the Russian market, STRABAG made an advance payment of € 70 million for a 26 % stake in the leading Russian road construction company Transstroy, part of the Basic Element group. STRABAG will take the time for a thorough due diligence of Transstroy, which posted a turnover of RUB 39 billion in 2009 (1 EUR = 42 RUB), before agreeing on a definitive purchase price.

STRABAG received the contract by a subsidiary of Basic Element to serve as general contractor regarding the construction of the Olympic village in Sochi, Russia. According to this, by September 2013 STRABAG will construct residences and hotels ahead of the Olympic winter games 2014. The contract is subject to the finalising of the financing for this approx. € 350 million project.

DECEMBER

STRABAG Sp. z o.o. and Galeria Katowicka Sp. z o.o. signed a contract for the construction of a new shopping centre in Katowice in Poland. The contract comprises the construction of a 5-storey shopping centre, construction of the railway station, construction of a associated bus station with its commercial area and road passage under the railway station. The total project value amounts to € 240 million. The STRABAG share is worth a triple-digit million-euro amount.

COUNTRY REPORT

EUROPEAN CONSTRUCTION SECTOR RECOVERING MORE SLOWLY THAN ECONOMY AS A WHOLE

OUTPUT VOLUME OF STRABAG SE BY COUNTRY 2009 – 2010

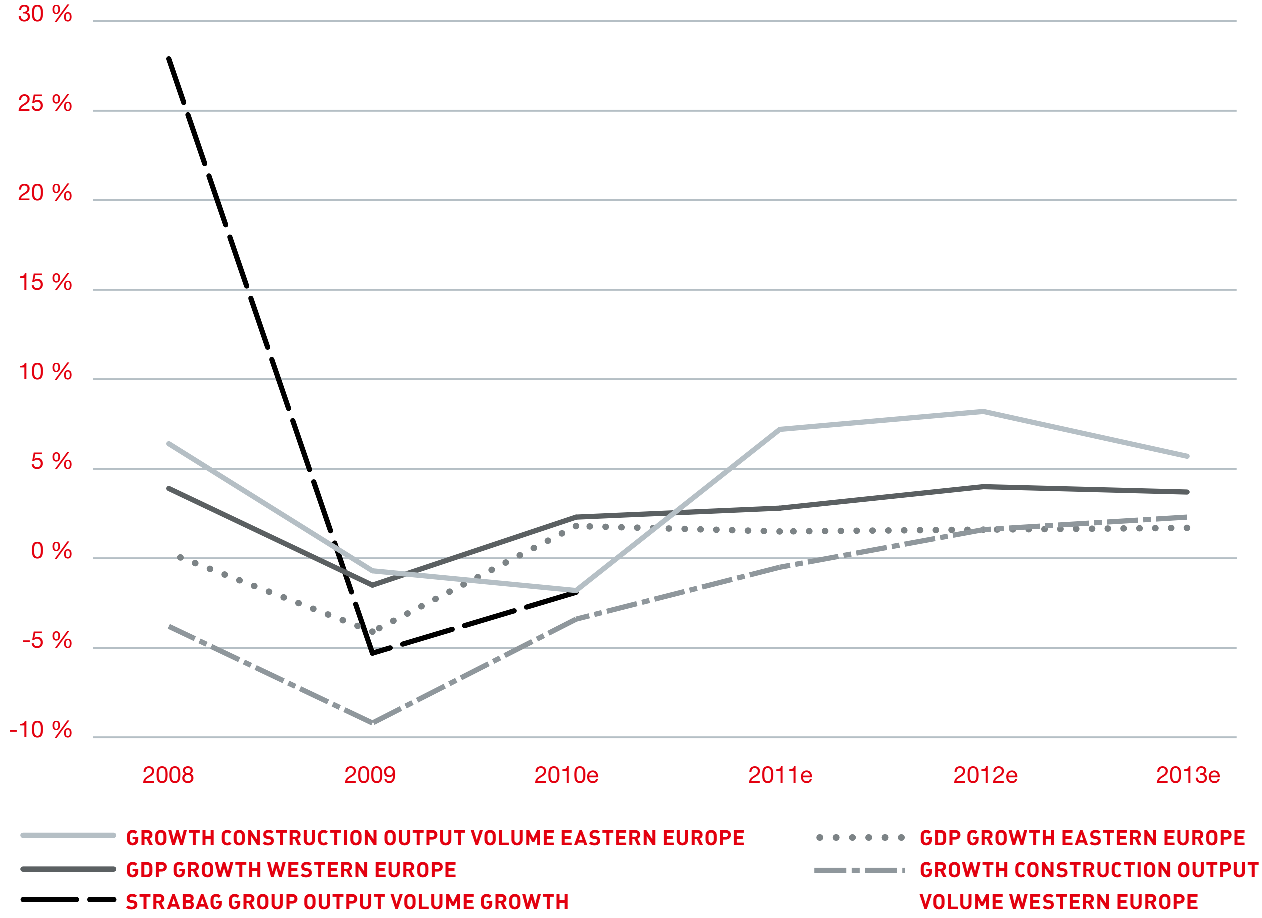
€ MLN.	2010	% OF TOTAL OUTPUT VOLUME 2010	2009	CHANGE %	CHANGE ABSOLUTE	% OF TOTAL OUTPUT VOLUME 2009
Germany	5,051	40 %	5,380	-6 %	-329	41 %
Austria	1,907	15 %	1,981	-4 %	-74	15 %
Poland	1,352	11 %	993	36 %	359	8 %
Czech Republic	867	7 %	786	10 %	81	6 %
Hungary	580	5 %	832	-30 %	-252	6 %
Slovakia	427	3 %	480	-11 %	-53	4 %
Switzerland	370	3 %	378	-2 %	-8	3 %
Middle East	295	2 %	350	-16 %	-55	3 %
Benelux	284	2 %	221	29 %	63	2 %
Russia	251	2 %	282	-11 %	-31	2 %
Scandinavia	248	2 %	199	25 %	49	2 %
Americas	246	2 %	162	52 %	84	1 %
Romania	165	1 %	161	3 %	4	1 %
Africa	136	1 %	168	-19 %	-32	1 %
Italy	128	1 %	108	18 %	20	1 %
Rest of Europe	128	1 %	140	-9 %	-12	1 %
Asia	126	1 %	84	50 %	42	1 %
Croatia	92	1 %	149	-38 %	-57	1 %
Serbia	45	0 %	37	21 %	8	0 %
Slovenia	43	0 %	67	-35 %	-24	1 %
Bulgaria	36	0 %	35	4 %	1	0 %
Ireland	0	0 %	28	-100 %	-28	0 %
Output volume total	**12,777**	**100 %**	**13,021**	**-2 %**	**-244**	**100 %**
thereof CEE[1]	3,858	30 %	3,822	1 %	36	29 %

Despite the strong presence in its home markets of Austria and Germany, STRABAG sees itself as a European company. The group has been active in Eastern Europe for decades in order to diversify the country risk and to profit from the market opportunities in the region. Business in these countries accounted for about 30 % of the total group output volume in 2010 as it did the year before. This gives STRABAG a unique position in comparison to the competition and makes it the market leader in the construction sector in Central and Eastern Europe.

STRABAG has for years pursued the strategy of expanding its market shares on the home and growth markets in order to achieve the necessary economies of scale to become a cost leader.

1) Central and Eastern Europe (CEE) comprises the Czech Republic, Poland, Hungary, Slovakia, Russia, Romania, Croatia, Slovenia, Serbia and Bulgaria.

GROWTH COMPARISON WESTERN AND EASTERN EUROPE



In contrast to the economy as a whole, a decline is again expected for the European construction sector in 2010. As a result of the overall economic recovery, which was reflected in a positive gross domestic product (GDP) in 2010, slight growth is first expected in 2011, with accelerated growth in 2012. Both the GDP and the construction volume developed quite differently in the individual markets of Western and Eastern Europe. While the construction output volume in Western Europe is recovering only slowly and will not enter positive territory until 2012, the construction industry in Eastern Europe has fared better throughout the economic crisis thanks to the booming Polish market. Particularly the continued need to address infrastructure deficiencies is proving to be a factor driving further growth in the region.

DEVELOPMENT OF THE CONSTRUCTION INDUSTRY SEGMENTS IN WESTERN AND EASTERN EUROPE

In the countries of Western Europe, residential construction has been a driver of growth since the economic crisis. In Eastern Europe, by comparison, the construction industry's main activities are in civil engineering. The segment's contribution is expected to rise from around 45 % to 50 % from 2010 to 2012 due to continued infrastructure growth. While building construction – as in Western Europe – will then amount to some 30 % of the sector's overall output volume, residential construction carries much lower weight than in Western Europe.

The building construction segment shrank by 5.1 % across Europe in 2010, and a recovery is not expected until 2012. The development in Western and Eastern Europe is very similar, although recovery is expected somewhat sooner in Eastern Europe. Commercial buildings will continue to represent the highest percentage of new construction activity. Office and industrial buildings are not expected to show growth until 2012. Because of the economic crisis, the construction of warehouse facilities has also been on the decline, with only slight growth expected in 2011 and 2012.

Eastern Europe has a special status in the busy field of civil engineering, a sector that receives funding from the EU's structural funds. This is due to two factors: on the one hand, civil engineering accounts for the largest share of the overall construction industry in Eastern Europe; on the other hand, the segment is also showing significantly more dynamic growth here than in Western Europe. While the civil engineering volume in Western Europe has been steadily declining since 2009, Eastern Europe is showing constant growth. Growth of 13.3 % is again expected in 2012 as well, with a slight slowing of the growth rate in sight for 2013.

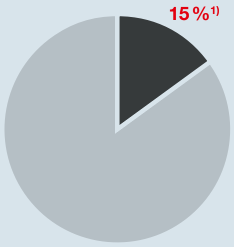
EASTERN EUROPE

WESTERN EUROPE

CIVIL ENGINEERING
RESIDENTIAL CONSTRUCTION
TOTAL CONSTRUCTION OUTPUT
NON-RESIDENTIAL CONSTRUCTION

AUSTRIA

OVERALL COUNTRY CONSTRUCTION OUTPUT € 28.4 billion



	2010e	2011e
GDP growth in %[2]	2.0	1.9
Construction growth in %	-3.0	0.7

After the crisis-induced decline of the previous year, Austria's economy again grew by 2.0 % in 2010, with renewed growth of 1.9 % currently forecast for 2011. The Austrian economy is benefiting from the positive impulses from the globally increasing demand and the favourable exchange rate development. In view of the tense situation regarding the state finances, however, the government has decided on a package of extensive austerity measures in the 2011 budget.

With fewer long-term investments being made, the Austrian construction industry continues to suffer from the effects of the economic crisis. Overall, the construction output volume fell by 3.0 % in 2010. Slight growth is again expected for 2011, driven mainly by building construction. The sharp rise in construction prices, however, is having a damping effect on the real growth rates.

While new residential construction once again dropped noticeably in 2010 in response to the low investment propensity among private households and construction contractors, and is likely to continue to shrink in 2011 as well, commercial building construction is again painting a more positive picture. Although a minus of 4.3 % was still recorded here in the past year, Euroconstruct is forecasting renewed growth of 2.3 % for 2011. The reasons for this lie in the growth of the GDP, the rise in exports and the increasing industrial production, all of which will lead to an overall more dynamic situation regarding property and plant investments.

This should also lead to a gradual increase in construction investments in this area. Especially affected should be industrial and warehouse buildings and, on a somewhat smaller scale, office buildings as well. The construction activity in the healthcare and education sectors, on the other hand, should benefit from several larger projects, for example in academia. Government subsidies and demographic change also have a favourable effect. In contrast, no significant impulses can be expected among commercial buildings despite stable growth in consume demand.

The area of civil engineering, which had recorded significant growth between 2000 and 2008, lost 3.1 % in the year under report. The future development here is strongly dependent on the government's infrastructure plans, which, however, have been partially scaled back in view of the budget restrictions. Nevertheless, several large projects were decided in the field of tunnelling towards year's end. As a result, only a minor decline of 0.3 % is expected here for 2011.

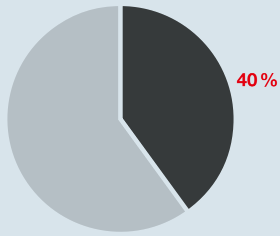
STRABAG generated a total of 15 % of the group output volume in its home market of Austria in 2010 (2009: 15 %). Alongside Germany and Poland, Austria thus continues to be one of the group's top 3 markets. With a share of 7.0 %[3], STRABAG also remains the market leader here. The output volume reached a volume of € 1,906.54 million in 2010. The Building Construction & Civil Engineering segment contributed 51 % to the total, followed by Transportation Infrastructures with 38 % and the Special Divisions & Concessions segment with 9 %. In 2010, STRABAG won the tender for Austria's largest construction contract – the construction of the Koralm Tunnel.

1) Country output as percentage of group output volume
2) All growth forecasts as well as the national construction volumes are taken from the Euroconstruct's winter 2010 reports.
3) In the absence of current figures, the market shares stated in the entire country report refer to the year 2009 and to the total market, including all construction segments.

GERMANY

OVERALL COUNTRY CONSTRUCTION OUTPUT

€ 251.1 billion



	2010e	2011e
GDP growth in %	3.5	2.0
Construction growth in %	3.4	1.3

Following a sharp decline of the gross domestic product in the previous year, the German economy again recorded significant growth of 3.5 % in 2010. The losses suffered during the crisis were quickly overcome and the economic recovery was given a broader basis. The positive economic development was also reflected in the construction output volume, which again grew by 3.4 % in 2010 following the decline of the previous year. In addition to the economic upturn, the low unemployment, the stronger confidence in the economy and the government's stimulus programmes were also responsible for the positive development in all sectors of the construction industry.

Despite the fact that the economists at Euroconstruct see a continuation of the economic recovery for 2011, the growth of the global economy is expected to slow once more over the course of the year as the global trade is also significantly losing momentum. Additionally, the consolidation measures in the euro area, as well as the low level of competitiveness of the countries of Southern Europe, are dampening the further upswing. For the construction output volume in Germany, only moderate growth of 1.3 % is forecast for 2011.

The field of commercial building construction benefited from the government's stimulus programmes in 2010. Projects which had already been planned but were delayed because of the crisis could be continued in 2010. Furthermore, the strong economic recovery led to a higher willingness among businesses to invest, so that the field of building construction grew overall by 2.2 %.

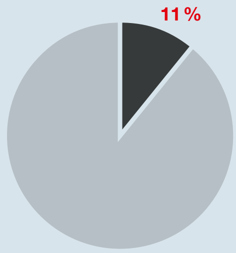
In the area of civil engineering, the government's stimulus packages also had a positive effect on investments, leading to growth of 3.7 %. This field thus was – in addition to the significantly recovered field of private residential construction – the strongest driver of growth behind the overall construction output volume in Germany. The focus in the field of civil engineering lies on the expansion and modernisation of the road, rail and waterway networks.

Thanks to a market share of 2.1 %, STRABAG is market leader in Germany. With a value of € 5,051.24 million, some 40 % of STRABAG's overall output volume was generated in Germany. The Transportation Infrastructures segment contributed the most (46 %) to the output volume in Germany, reaching a market share of 9.4 % in the German road construction sector.

POLAND

OVERALL COUNTRY CONSTRUCTION OUTPUT

€ 36.8 billion



	2010e	2011e
GDP growth in %	2.9	3.3
Construction growth in %	4.0	12.7

The Polish economy achieved renewed growth in 2010. Thanks to the strong industrial production and the increased export activity, the gross domestic product again grew by 2.9 % in the reporting period after the plus of 1.7 % in the previous year. Positive impulses also came from the increased private consumption, compensating for the only moderate development among enterprise investments resulting from the slow recovery of the financial markets.

For 2011, Euroconstruct again expects economic growth of 3.3 % for Poland. Against the backdrop of the low debt in the private sector, the largest drivers of growth will continue to be private consumption, EU funds for public investments in infrastructure and education, and company spending for inventory buildup.

After originally higher forecasts, the construction output volume in Poland grew by around 4 % in 2010. The lower-than-expected growth was the result of the reduced state financial budget as well as the delay of road construction projects. In 2011, the output volume should grow again by around 12.7 % due to the realisation of road construction projects and because of investments in sport venues ahead of the 2012 UEFA European Football Championship.

As was the case with residential construction, the field of commercial building construction also registered a slight recovery in 2010. This development was due to the increased production capacity utilisation and – analogous to the private sector – thanks to the improved financing possibilities. After the decline of 2009, this area again reached moderate growth of 0.8 %.

The forecasts for the field of civil engineering were significantly revised downwards. Due to drastic savings in road construction, expenditures were up by just 8.3 %.

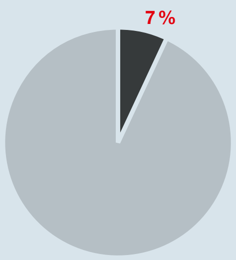
Additionally, the severe winter and the floods in southern and central Poland resulted in construction being halted on a number of infrastructure projects. For 2011 and 2012, however, renewed growth of 26.3 % and 21.7 % is expected, respectively.

STRABAG is the number two in the construction sector in Poland. With € 1,351.91 million, the country contributed 11 % to the group's overall output volume in 2010, remaining STRABAG's third-largest market. 80 % of the output volume came from the Transportation Infrastructures segment, which contributed the largest percentage of the revenue by far. With 13 %, Building Construction & Civil Engineering came in second place. STRABAG's share of the entire Polish construction market stood at 2.7 %, that of road construction at 8.8 %.

CZECH REPUBLIC

OVERALL COUNTRY CONSTRUCTION OUTPUT

€ 20.1 billion



	2010e	2011e
GDP growth in %	0.8	1.2
Construction growth in %	-10.0	-3.2

After a worsening economic situation precipitated by the outbreak of the financial crisis in 2008, the Czech Republic returned to moderate growth in the second quarter of 2010. Overall, GDP growth in 2010 reached 0.8 %. Euroconstruct expects the growth to continue thanks to the favourable economic environment and to again reach around 1.2 % in 2011.

Due to the government's drastic austerity programmes, the construction output volume fell by 10.0 % in 2010. The new government that took office in the middle of the year moved to significantly cut funding for the public sector, which hit the areas of transport and infrastructure the hardest. The output volume will continue to sink against this backdrop, with no recovery in sight until 2013.

Analogous to the field of private residential construction, the area of commercial building construction also registered negative growth. The experts at Euroconstruct do not expect the situation to improve in the coming years. Negative trends can be seen above all among private investors. The situation is made worse by the high interest rates at Czech banks, which are not passing on the central bank's lower rates to their customers. Against the backdrop of the current budget cuts, however, the public sector is also failing to deliver any growth impulses.

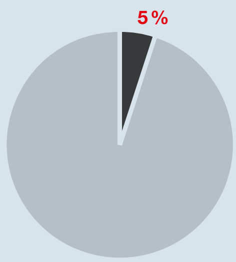
The field of civil engineering had been the only area to record growth even in times of crisis. However, this growth came to an end in 2009. Public investments were cut immediately after the elections, so that a number of projects had to be suspended. This led to a 10.2 % decline in the field of civil engineering in 2010. In the coming years, the situation in this area is likely to get even worse.

STRABAG is the number four on the market in the Czech Republic. With an output volume of € 866.73 million, the group generated around 7 % of its overall output volume on the Czech market in 2010. The market share amounts to 3.9 %. 83 % of STRABAG's Czech construction output volume is generated by the Transportation Infrastructures segment, 13 % by Building Construction & Civil Engineering and 4 % by Special Divisions & Concessions.

HUNGARY

OVERALL COUNTRY CONSTRUCTION OUTPUT

€ 9.9 billion



	2010e	2011e
GDP growth in %	1.0	2.8
Construction growth in %	-3.8	5.2

The European economy began to recover in the spring of 2010. At the same time, international confidence in the Hungarian economy grew, above all due to the positive trade balance. As a result, the Hungarian forint gained in strength and stability and the country was able to reduce its state debt. Against this backdrop, the Hungarian economy grew by 1.0 %. Despite the continued difficult environment, Euroconstruct expects to see growth of 2.8 % in 2011.

After five negative years in a row, the Hungarian construction output volume experienced a record low of -3.8 % in 2010. The recovery of the construction sector that had been expected for the spring failed to materialise. The renewed worsening is to be blamed mainly on natural disasters and delays regarding large construction projects. For 2011, however, Euroconstruct expects a reversal of the trend, driven above all by the faster application of EU funds.

The declining demand in 2009 for commercial building construction that was triggered by the economic crisis continued unabated in 2010. Overall, the field registered a minus of 3.5 %. The strongest declines were recorded in the area of retail and trade. Commercial building construction is not expected to stabilise before the years 2011/2012.

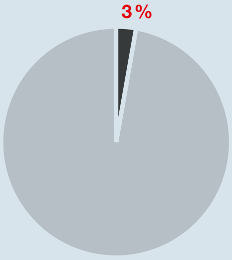
The construction output volume in civil engineering remained stable in 2010. Heavy rains led to floods which caused damage to the country's infrastructure. This area has been largely financed from EU funds since 2009, with investments flowing mainly into the modernisation of roads and projects to protect the environment. Spending for infrastructure projects, however, is expected to double from 2011. With forecast growth of an average of 10 % for each of the years in the period 2011–2013, this area should continue to compensate for the restrained growth in building construction.

In 2010, STRABAG generated an output volume of € 579.64 million in Hungary. The share of the overall market stood at 8.4 %, with road construction even contributing 20.7 % to STRABAG's group output volume. This makes the company the market leader in Hungary. With 47 %, the Transportation Infrastructures segment accounted for the largest percentage of the output volume. Building Construction & Civil Engineering and Special Divisions & Concessions generated respectively about 40 % and 12 % of the output volume.

SLOVAKIA

OVERALL COUNTRY CONSTRUCTION OUTPUT

€ 5.5 billion



	2010e	2011e
GDP growth in %	4.0	3.3
Construction growth in %	-6.3	6.2

Due to its small size and its dependency on exports, the economy of Slovakia was especially hard hit by the crisis. Thanks to growing foreign demand, however, the economic performance again grew by a projected 4.0 % in 2010. Against the backdrop of the government's consolidation measures, Euroconstruct expects growth of 3.3 % for 2011, with even more dynamic growth forecast for 2012. Significant drivers of growth are exports and industrial production.

The development of the construction industry so far does not reflect the budding upswing, however. As a result of the economic crisis, the serious floods and the new government's austerity measures, the construction output volume again fell by 6.3 % in 2010. Euroconstruct expects to see recovery only towards the end of 2011.

The field of building construction, which accounts for nearly half of the construction output in Slovakia, registered a decline of 10.2 % influenced by the crisis of 2010. Funding in this area originates mainly from foreign investors, who were hard hit by the financial crisis. Euroconstruct, however, expects the situation to improve from 2012 and is forecasting renewed positive growth rates. Contributions towards this growth are likely to come from the government's expected measures for an investment-friendly climate. Overall, public spending will fall, but positive impulses are expected from the application of EU money. The necessary works to remedy and repair damages from the disastrous floods should also produce additional growth.

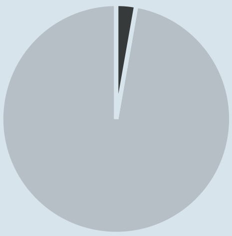
The field of civil engineering in 2010 registered renewed growth of 2.6 % for the first time in years. Declines in the areas of modernisation and renovations could be compensated by investments in transport infrastructure, above all in the construction of roads and motorways. Euroconstruct expects a growth spurt of 20.1 % for 2011 due mainly to higher government spending.

In Slovakia, STRABAG generated an output volume of € 426.55 million in 2010, giving it a share of 8.7 % of the Slovak market and 16.2 % of the Transportation Infrastructures business. The biggest contribution in 2010 was the 55 % made by the Building Construction & Civil Engineering segment, closely followed by Transportation Infrastructures with 43 %. The Special Divisions & Concessions segment contributed 2 % to the overall output volume.

SWITZERLAND

OVERALL COUNTRY CONSTRUCTION OUTPUT

€ 37.5 billion



	2010e	2011e
GDP growth in %	2.7	1.8
Construction growth in %	2.4	1.1

Following a decline of the economic performance in the previous year, Switzerland registered renewed GDP growth of 2.7 % in 2010, higher than the average rate of growth in Europe and the United States. Declining unemployment figures, the increase in disposable income in relation to consumer spending, and positive population growth contributed to the good economic performance. Due to the slower growth of the global economy, however, Euroconstruct also expects growth of only 1.8 % in Switzerland for 2011.

In line with the economic development, the construction industry also continues to paint a positive picture. The overall construction output volume grew by 2.4 % in 2010. The optimism is limited to the past financial year, however. A lower growth rate is already expected in 2011.

While residential construction continued to prove an engine driving growth in 2010, the field of building construction also returned to a growth path with a plus of 1.5 % following the negative development of the past few years. Overall, this sector accounts for around one third of the construction output volume in Switzerland. A further increase of 2.4 % is expected for 2011. More than half of the spending in the area of building construction is for renovation activities.

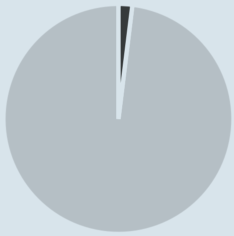
In the past few years, the field of civil engineering grew more strongly than the construction sector as a whole and it continued this path in 2010 with growth of 6.3 %. The highest contribution came from the infrastructure field, above all from the modernisation of roads. Due to the end of the Swiss government's economic stimulus package, however, Euroconstruct expects to see a significant decline in 2011.

The Swiss market contributed € 370.30 million or 3 % to the group's overall construction output volume in 2010. The output volume was generated mostly in the Building Construction & Civil Engineering segment (44 %), while Transportation Infrastructures and the Special Divisions & Concessions segment contributed 18 % and 37 % to the total output, respectively.

RUSSIA

OVERALL COUNTRY CONSTRUCTION OUTPUT

€ 101.9 billion[1)]



	2010e	2011e
GDP growth in %	4.6	3.6
Construction growth in %	0.3	1.2

Like the majority of the countries of Central and Eastern Europe, Russia was hit especially hard by the global recession. With the rising price of oil and the consolidation of the finance system, however, slight recovery began to set in towards the end of 2009. But the main factor driving growth was private consumption, while the importance of exports remained lower than before the crisis. Against this backdrop, the GDP is projected to have again grown by 4.6 % in 2010. For the coming years, the experts at Euroconstruct expect to see continued growth in the country's economic performance.

Following a strong decline in the previous year, the Russian construction sector stabilised in 2010 with a slight 0.3 % increase of the overall output volume. For the years to come, significant growth is again expected for the construction output volume.

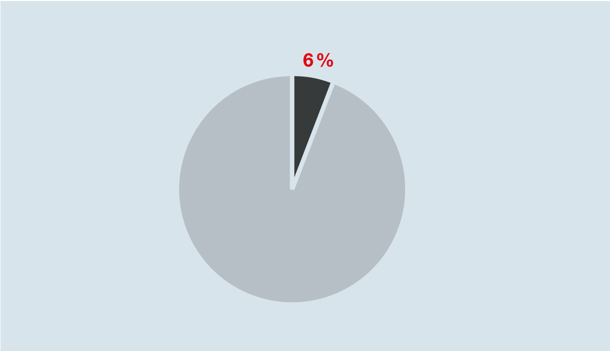
Similar to the situation in residential construction, a slight recovery also took hold in the field of building construction in the second half of 2010, despite the fact that expensive loans continued to make it difficult to finance projects. Significant drivers of growth here were the construction activities for the 2014 Winter Olympics in Sochi and for the APEC Summit in Vladivostok. Continued dynamic growth is expected here in the years to come.

With a plus of 6.6 %, the strongest growth by far was achieved in the field of civil engineering. The nuclear power plant in Rostov, the port of Ust-Luga and the construction activities in Sochi represent projects of high national interest which were carried out or promoted, respectively. Russia winning the right to host the 2018 FIFA World Cup will also bring further impulses to the sector, securing even more future growth. Additionally, significant investments are to be made in the field of road construction by 2015.

STRABAG has been active in Russia since 1991 and generated an output volume of € 251.08 million in the country in 2010. The contribution to the overall group output volume amounted to 2 % in the period under report. In Russia, STRABAG is active almost exclusively in the Building Construction & Civil Engineering segment (95 %) with projects such as hotels, shopping centres and industrial buildings.

1) Figures for Russia are taken from the Buildecon Country Report Russia from January 2011.

MIDDLE EAST, AFRICA, AMERICAS, ASIA – REST OF WORLD

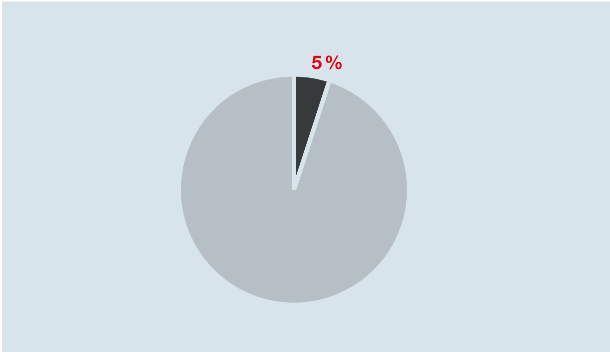


In addition to its main markets in Europe, the STRABAG Group is also active in individual non-European regions in Asia, Canada, Africa and the Middle East. These markets will be of increased significance as STRABAG seeks to increase its presence in the non-European markets in order to become more independent from the economic conditions among the previous growth markets. In all, the group generated € 802.56 million in these regions in 2010, which corresponds to 6 % of the overall group output volume – the same as the year before.

In the non-European markets, STRABAG is usually active as a general contractor through direct export. The focus in these regions is on civil engineering, industrial and infrastructure projects and tunnelling – areas in which high technological expertise is required.

The most important projects include the construction and modernisation of two airports in Oman, the construction of the Rohtang Pass highway tunnels at 3,980 m above sea level in the western Himalaya region in India, as well as motorway orders in North Africa. STRABAG's activities in non-European countries in all areas of business are mostly included – with a few small exceptions – in the Special Divisions & Concessions segment.

REST OF WESTERN AND NORTHERN EUROPE



BENELUX

First signs of an economic recovery in the Benelux states could be seen in the first half of 2010. The recovery turned out to be stronger than originally expected: following the negative development of the previous year, the GDP in Belgium and the Netherlands again grew by 1.8 % in 2010. From 2012, growth rates are expected to top the 2 % mark.

While the construction output volume in Belgium fell by only 0.6 %, this figure dropped by 9.4 % in the Netherlands, which does not adequately reflect the higher economic performance. The decline was due mainly to the public spending cuts, affecting the areas of residential construction and building construction the hardest. The experts of Euroconstruct do not expect the industry to recover until 2012.

STRABAG generated an output volume of € 284.26 million in the Benelux countries in 2010. The region contributes 2 % to STRABAG's Group output volume, with around 80 % coming from the Building Construction & Civil Engineering segment. The trend, however, is shifting towards infrastructure projects. In 2010, STRABAG won a public private partnership project (PPP) in the region: the A15 motorway in the Netherlands.

SCANDINAVIA

The construction economy in Scandinavia showed very strong country-specific differences in 2010. Both Sweden and Norway achieved positive GDP growth in the amount of 4.3 % and 1.0 %, respectively, but the construction output volume in Norway fell by 3.1 % while growing by 2.4 % in Sweden. Negative impulses came above all from the fields of building construction and civil engineering, while private residential construction registered a strong plus. In Sweden, growth rates were recorded in all areas, with the strongest growth impulses felt in the residential construction sector here, too. In 2011, all areas – with the exception of building construction in Norway – are expected to grow once more.

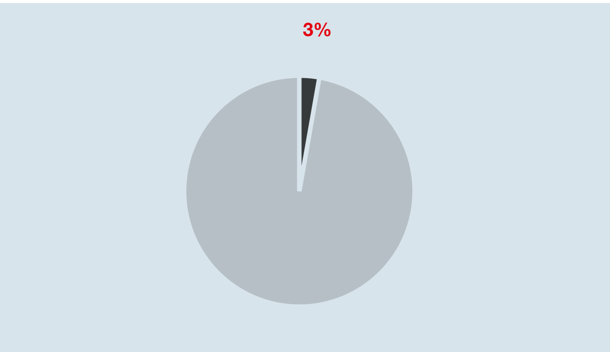
STRABAG's construction output volume in Scandinavia in 2010 amounted to € 248.13 million. The main activities include infrastructure projects in the area of bridge building and tunnelling. With 66 %, the Transportation Infrastructures segment made the strongest contribution to the overall output volume in Scandinavia. In Denmark, STRABAG received the contract for the construction of the M51 PPP-motorway.

ITALY

In 2010, the Italian economy recorded slightly positive GDP growth of 1.1 % for the first time in two years. Yet this stabilisation is not expected to have positive effects in the construction sector until the years to come: in 2010, the overall construction output volume fell by 4.8 %. With a minus of 7.5 %, commercial building construction was the hardest hit, while residential construction and civil engineering registered declines of 3.8 % and 3.3 %, respectively. As the expected decline of global trade activities will have a strong effect on the predominantly export-driven Italian economy, Euroconstruct expects only moderate growth of 0.9 % for 2011.

STRABAG's output volume in Italy amounted to € 127.89 million in 2010. Of this amount, 92 % was generated within the Special Divisions & Concession segment. The currently largest project involves the construction of state roads SS 77 and SS 78 (Quadrilatero).

REST OF CEE: ROMANIA, CROATIA, SERBIA, SLOVENIA, BULGARIA



ROMANIA

Romania's economic performance fell by a projected 1.6 % in 2010. A slight recovery in foreign trade and exports is responsible for the improvement over the previous year (-7.1 %) despite the fact that foreign investments remained at a low level in 2010.

Due to the lack of investments and a general decline in demand, the overall construction output volume fell by 21.6 % in 2010, whereby the field of residential construction was hardest hit with a minus of 35 %. With a share of more than 40 % of the overall output volume, commercial building construction is the driving force of the Romanian construction sector. In 2010, the market registered negative growth. A slightly lower decline than the previous year could be felt in the field of civil engineering, which lost just 1.1 % due to government investments in infrastructure and as a result of EU subsidies. This positive trend should strengthen significantly in the coming years.

STRABAG generated € 165.47 million in Romania in 2010, placing it in second place on the Romanian construction market. With 63 %, the Transportation Infrastructures segment contributed the highest percentage to the group's overall output volume in the country.

CROATIA

Like other countries in the region, Croatia was also hard hit by the crisis. After a GDP decline of nearly 6 % in 2009, negative growth of 1.7 % is expected for 2010. Only in 2011 does Euroconstruct again expect to see positive economic development.

Against the backdrop of a lack of new projects, the overall construction output volume fell by more than 10 % in 2010, with a slight recovery expected only in 2012. Due to the low level of demand and the high financing costs, the field of residential construction again registered the strongest decline. Building construction was also harder hit by the crisis than had originally been expected, as larger projects were delayed or cancelled entirely. Declining demand and lower purchasing power also had a negative effect.

The field of civil engineering registered a decline of 7.7 % in 2010. Some 70 % of the infrastructure projects in this area are financed by EU money. No projects were cancelled because of the recession, but the dates for completion were postponed. For 2012, Euroconstruct expects a slight increase of 1.5 % in civil engineering.

In 2010, STRABAG achieved an output volume of € 91.93 million in Croatia. With 58 %, the company generated its highest percentage of the group output volume in the country in the Transportation Infrastructures segment.

SERBIA

After a difficult 2009, Serbia again registered a slight increase in its economic performance in 2010. Following a plus of 0.5 % in the year under review, growth is even expected to reach 2.5 % in 2011. A significant engine driving growth is Serbia's WTO membership, which should help pave the way for new investors.

The overall construction output volume fell by 7 %, whereby the field of civil engineering was especially affected. An upswing of the market is expected in 2011 at the earliest. Positive trends can already be felt due to increased levels of demand and higher utilisation rates in building construction. The current situation of a low shopping centre density coupled with growing demand also has a favourable effect in this area. Against the backdrop of financing commitments for road projects from the European Bank for Reconstruction and Development, the civil engineering business should also show significant renewed growth starting in 2011.

STRABAG's output volume in Serbia reached € 45.41 million in 2010. With 65 %, the Transportation Infrastructures segment contributed the greatest amount.

SLOVENIA

Against the backdrop of a noticeable recovery of the economy, the GDP again achieved slight growth of 1.1 % in 2010 after the strong decline the year before. Nevertheless, the overall construction output volume showed a minus of 27.2 %, again placing it significantly below the volume reached during the 2009 crisis year.

No recovery was in sight during 2010 in either residential construction or building construction, with continuing negative growth due to the lack of financing possibilities and delays affecting the completion of large projects. The experts of Euroconstruct expect slightly positive growth to set in no sooner than 2013. Civil engineering also saw a further decline of 28.4 %, mainly in response to the completion of several large construction projects that had been partially financed by EU funds. Additionally, the order value fell in this area as a result of the concentration on maintenance and upkeep. Based on the country's continuing difficult financing situation, Euroconstruct does not expect public investments to increase significantly until 2014.

In 2010, STRABAG achieved an output volume of € 43.25 million in Slovenia. With 59 %, the company generated the highest percentage of its group output volume in the country in the Building Construction & Civil Engineering segment.

BULGARIA

Due to the crisis-induced collapse of foreign investments, the Bulgarian economy again fell by around 0.6 % in 2010. Against this backdrop, the construction output volume also shrank by 9.2 % in 2010. While the experts at Euroconstruct are already forecasting moderate growth for the economy as a whole for 2011, the downward trend in the construction industry will probably return to positive territory in 2012 thanks to the realisation of some large infrastructure projects. The field of residential construction suffered the highest losses in response to the difficult access to loans, the rising interest rates and the dwindling purchasing power. Also hard hit was the field of building construction, while civil engineering is expecting a plus of 11.1 % for 2010. Driving growth in this field are the Bulgarian government's investment projects, in particular in the area of road construction.

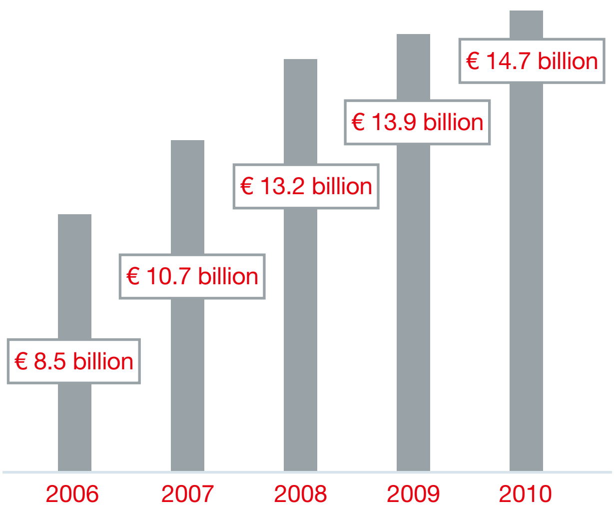
STRABAG generated € 36.49 million on the Bulgarian market in 2010. With 49 %, the Building Construction & Civil Engineering segment contributed the highest percentage to STRABAG's total output volume in Bulgaria.

ORDER BACKLOG

ORDER BACKLOG OF STRABAG SE BY SEGMENT 2009 – 2010

31.12. € MLN.	TOTAL (INCL. OTHER) 2010	BUILDING CONSTRUCTION & CIVIL ENGINEERING	TRANSPORTATION INFRASTRUCTURES	SPECIAL DIVISIONS & CONCESSIONS	TOTAL (INCL. OTHER) 2009	CHANGE GROUP %	CHANGE GROUP ABSOLUTE
Germany	3,795	1,556	1,321	900	4,048	-6 %	-253
Poland	2,338	502	1,501	333	2,451	-5 %	-113
Austria	1,634	778	289	566	1,253	30 %	381
Russia	1,297	1,287	0	10	1,048	24 %	249
Benelux	778	385	70	324	326	139 %	452
Czech Republic	597	80	488	23	624	-4 %	-27
Scandinavia	568	51	386	132	251	126 %	317
Middle East	499	17	0	482	316	58 %	183
Italy	450	1	0	449	554	-19 %	-104
Africa	435	1	0	435	458	-5 %	-23
Slovakia	428	227	192	9	517	-17 %	-89
The Americas	377	89	0	288	514	-27 %	-137
Switzerland	354	206	23	126	325	9 %	29
Romania	301	59	221	21	174	73 %	127
Hungary	263	114	114	35	492	-47 %	-229
Asia	261	84	0	178	335	-22 %	-74
Croatia	155	113	41	1	74	110 %	81
Serbia	74	32	42	0	13	470 %	61
Rest of Europe	73	40	33	0	102	-28 %	-29
Slovenia	43	29	8	7	51	-15 %	-8
Bulgaria	17	10	7	0	29	-43 %	-12
Ireland	0	0	0	0	13	-100 %	-13
Order backlog total	**14,739**	**5,660**	**4,735**	**4,318**	**13,968**	**6 %**	**771**
thereof CEE	5,513	2,453	2,614	439	5,473	1 %	40
Segment contribution to group order backlog		38 %	32 %	29 %			

DEVELOPMENT OF ORDER BACKLOG 2006 – 2010



CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG ON 31 DECEMBER 2010

Categories of order size
small: € 0 million to € 15 million
medium: € 15 million to € 50 million
large: over € 50 million

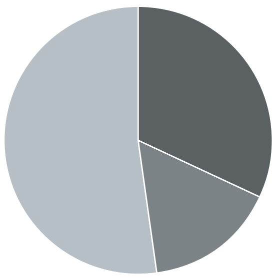
CATEGORY	NUMBER OF CONSTRUCTION SITES	ORDER BACKLOG T€
Small orders	16,066	4,789,446
Medium-sized orders	216	2,317,906
Large orders	110	7,631,388
Total	**16,392**	**14,738,740**

The order backlog reached € 14.7 billion, which corresponds to a plus of 6 % on the year – another record high at year's end. The growth was carried by the expansion in northern European markets and the Middle East as well as by the acquisition of the largest construction order in Austria, the Koralm Tunnel, and the growing demand in Russia.

In the Building Construction & Civil Engineering segment, declines were registered in the order backlog in the established markets of Hungary and Germany due to the completion of several large projects in 2010. This dampened the order backlog in the short term, setting only slightly below the previous year's level at year's end. For 2011, however, STRABAG again expects to see rising demand in Germany. The significantly increased order backlog in the Transportation Infrastructures segment was due largely to the expansion in northern Europe and state investment programmes in Romania's infrastructure. The double digit growth in the Special Divisions & Concessions segment is thanks to the Koralm Tunnel project and the flourishing business with public private partnerships.

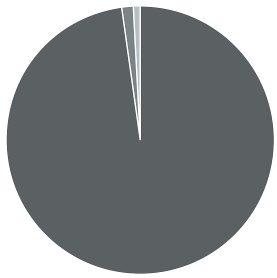
The overall order backlog is comprised of nearly 16,400 individual projects. Small projects with a volume of up to € 15 million each account for 32 % of the order backlog, a further 16 % are medium-sized projects with order volumes between € 15 million and € 50 million, while 52 % are large projects of € 50 million and more. The high number of individual contracts guarantees that the risk involved with one project does not threaten the group's success as a whole. The ten largest projects in the order backlog on 31 December 2010 added up to 24 % of the order backlog, compared to 25 % at the end of 2009.

ORDER BACKLOG ON 31 DECEMBER 2010



- SMALL PROJECTS 32 %
- MEDIUM-SIZED PROJECTS 16 %
- LARGE PROJECTS 52 %

NUMBER OF PROJECTS IN PROGRESS ON 31 DECEMBER 2010



- SMALL PROJECTS 98.0 %
- MEDIUM-SIZED PROJECTS 1.3 %
- LARGE PROJECTS 0.7 %

THE TEN LARGEST PROJECTS CURRENTLY IN PROGRESS

COUNTRY	PROJECT	ORDER VOLUME IN € MLN.	AS % OF TOTAL ORDER BACKLOG
Poland	A2 Segment II	855	5.8 %
Austria	Koralm Tunnel 2	497	3.4 %
Russia	Kautschuk residential complex	430	2.9 %
Russia	Olympic Village	310	2.1 %
Italy	Val di Chienti	307	2.1 %
Canada	Niagara Tunnel	286	1.9 %
Netherlands	A Lanes A15	271	1.8 %
Libya	Tajura Infrastructure	267	1.8 %
Poland	S7 Kalsk-Milomlyn	177	1.2 %
Romania	Motorway Deva-Orastie	153	1.0 %
Total		**3,553**	**24.1 %**

IMPACT OF CHANGES TO THE SCOPE OF CONSOLIDATION

In the 2010 financial year, 33 companies (thereof 12 mergers with fully consolidated companies) were included in the scope of consolidation for the first time. These companies contributed a total of € 324.23 million to the consolidated revenue and € 2.40 million to the net income after minorities. As a result of first-time inclusions, current and non-current assets increased by € 257.54 million, current and non-current liabilities by € 114.19 million.

FINANCIAL PERFORMANCE

A number of factors influenced the business, resulting in development in opposing directions so that STRABAG registered only a slight decline in the 2010 financial year with an output volume of € 12,777.00 million. The construction boom in Poland had a positive effect on output and, above all in the Transportation Infrastructures segment, made up for the disadvantageous weather conditions in Europe at the beginning of the year. In comparison, considerable declines in output volume were seen in the Transportation Infrastructures segment in Germany and Hungary. Due to the weather, the output volume in the Building Construction & Civil Engineering segment in Germany was also considerably below the level of the previous year. These burdens, in combination with the lack of orders in tunnelling, had a greater effect than did the boost received from new large-scale projects in northern Europe and internationally.

The consolidated group revenue for the 2010 financial year stood at € 12,381.54 million, which – in line with the output volume – corresponds to a decline of 1 %. The ratio of revenue to construction output volume remained very high at 97 % (previous year: 96 %). The Building Construction & Civil Engineering segment contributed 32 %, Transportation Infrastructures 46 % and Special Divisions & Concessions 22 % to the revenue. These percentages were the same the year before, considering the changed segment organisation which took place at the beginning of 2010. The international business was grouped in the Special Divisions & Concessions segment, independent of the business unit.

The changes in inventories declined due to the sale of own real estate project developments, while the amount of own work capitalised grew thanks to the progress in the construction of the proprietary cement factory in Hungary.

With the low revenue, the raw materials, consumables and services used, as well as the employee benefits expense, fell by 3 % to € 8,218.36 million and by 1 % to € 2,800.93 million, respectively. The ratio of raw materials, consumables and services used as well as employee benefits expense versus revenue was reduced from 90 % in 2009 to 89 % in 2010.

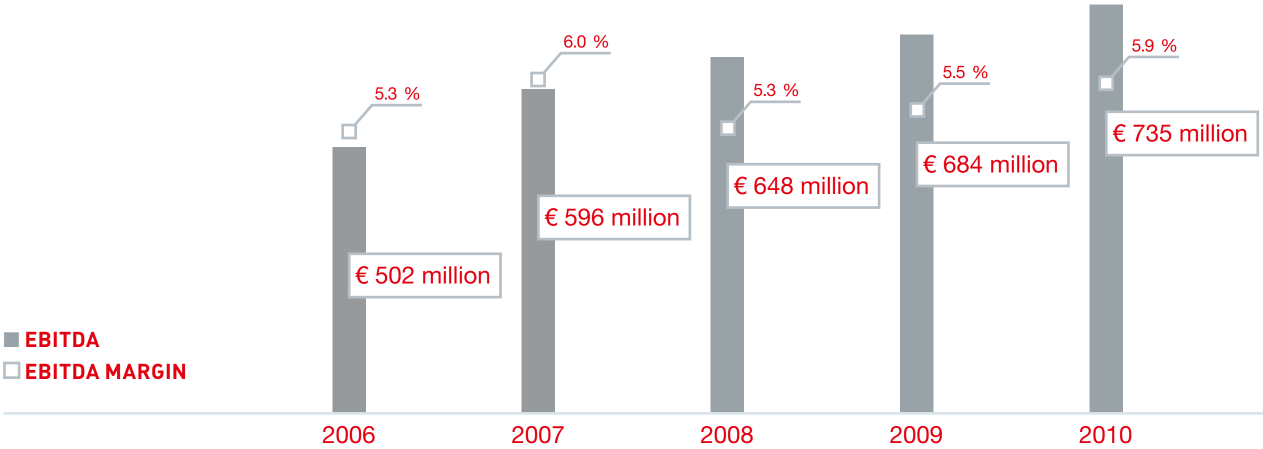
Other operating expenses grew by 10 % to more than € 1 billion due in part to the higher provisions. At the same time, other operating income increased by 7 %, thanks in part to the sale of property, plant and equipment. This item also includes income from the fully consolidated concession company AKA.

	2010 € MLN.	2009 € MLN.	CHANGE %
Raw materials, consumables and services used	8,218	8,447	-3 %
Employee benefits expense	2,801	2,823	-1 %
Other operating expenses	1,030	933	10 %
Depreciation and amortisation	436	401	9 %

At € 32.39 million, the share of profit or loss of associates turned from negative back into positive territory in the 2010 financial year – the previous year's figure contained goodwill impairment of € 20 million for an associated company. A stimulating one-off effect resulted from the increased interest from 50 % to 100 % in railway con-struction subsidiary Viamont DSP a.s. in February 2010. In accordance with the new rule regarding step acquisitions as provided by IFRS 3 and IAS 27, measurement was made directly in profit or loss in the amount of € 24.60 million (Notes page 134). The net income from investments, at € 15.07 million, was higher than the year before and is made up of dividend payments from many smaller companies as well as financial investments.

It follows that the earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 7 % to € 734.69 million, resulting in a higher EBITDA margin, rising from 5.5 % to 5.9 %.

DEVELOPMENT OF EBITDA AND EBITDA MARGIN 2006 – 2010



A premium for control was considered in the purchase price for the additional 50 % interest in Viamont DSP a.s. As synergy effects in the group may only be used after organisational measures, these synergies are not yet included in the goodwill. This resulted in a charge for goodwill impairment in the amount of € 14.00 million. Altogether, the transaction resulted in a positive earnings effect of € 10.6 million at the level of the EBIT. Depreciation and amortisation in the amount of € 435.74 million include, in addition to the above-mentioned goodwill impairment, further goodwill impairment of approx. € 36 million.

The earnings before interest and taxes (EBIT) grew by 6 % to € 298.95 million. This resulted in an EBIT margin of 2.4 %, after 2.3 % the previous year. At € -19.68 million, the negative net interest income remained largely unchanged on the previous year. This stable development affected both the interest on credit as well as the interest expense. The net interest income includes € 6.4 million in exchange losses.

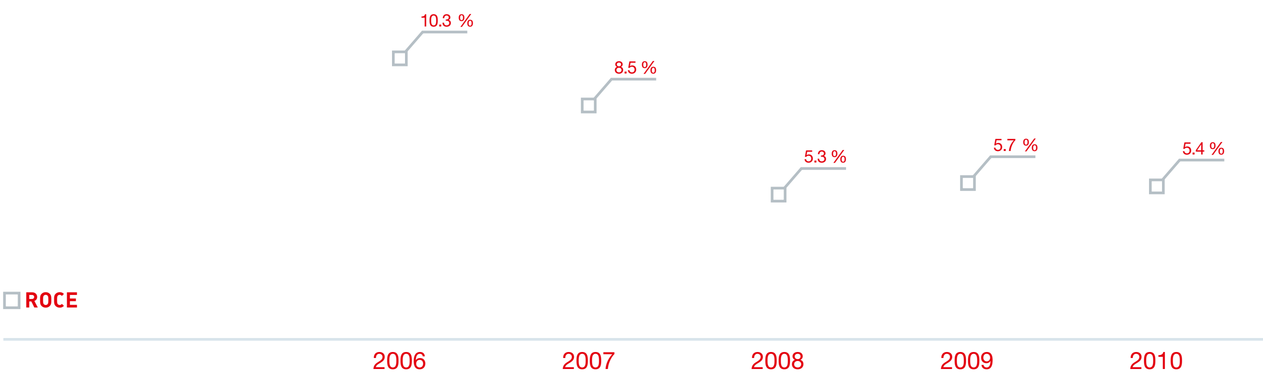
"EARNINGS PER SHARE € 1.53"

As a result, the profit before tax grew by 6 % to € 279.27 million. Although STRABAG considers an average tax rate of 30 % to be realistic, the rate climbed from 29.8 % to 32.5 % during the 2010 financial year. This led to net income of € 188.38 million and a plus of 2 % over the previous year.

After a significant increase in 2009, minority interest fell back to € 13.52 million in the past financial year. The net income after minorities stood at € 174.86 million, 8 % above the level from the year before. The number of weighted outstanding shares remained unchanged at 114,000,000 shares, so that the earnings per share also grew by 8 % to € 1.53.

The return on capital employed (ROCE) was calculated at 5.4 % (previous year: 5.7 %).

DEVELOPMENT OF ROCE 2006 – 2010



FINANCIAL POSITION AND CASH-FLOWS

	2010 € MLN.	% OF BALANCE SHEET TOTAL	2009 € MLN.	% OF BALANCE SHEET TOTAL
Non-current assets	4,345	42 %	4,300	44 %
Current assets	6,037	58 %	5,313	56 %
Equity	3,232	31 %	3,099	32 %
Non-current debt	2,364	23 %	2,305	24 %
Current debt	4,786	46 %	4,209	44 %
Balance sheet total	**10,382**	**100 %**	**9,614**	**100 %**

STRABAG SE's balance sheet total increased by more than € 700 million to € 10,382.16 million, due in large part to an advance payment for the A2 Segment 2 project in Poland in the triple-digit millions and thanks to higher non-current and current provisions. The former was responsible for the significantly larger cushion of cash and cash equivalents – a rather short-term effect – and at the same time drove up the trade payables.

IFRS requires the proprietary cement factory in Hungary, which will be organised in a cement holding company in 2011, to be shown separately in the balance sheet. The carrying value is therefore shown in the item Assets held for sale on the assets side of the balance sheet. STRABAG will hold 30 % of the cement holding company.

	2010	2009
Equity ratio %	31.1 %	32.2 %
Net debt € mln.	-669	-596
Gearing ratio %	-20.7 %	-19.2 %
Capital employed € mln.	5,236	5,043

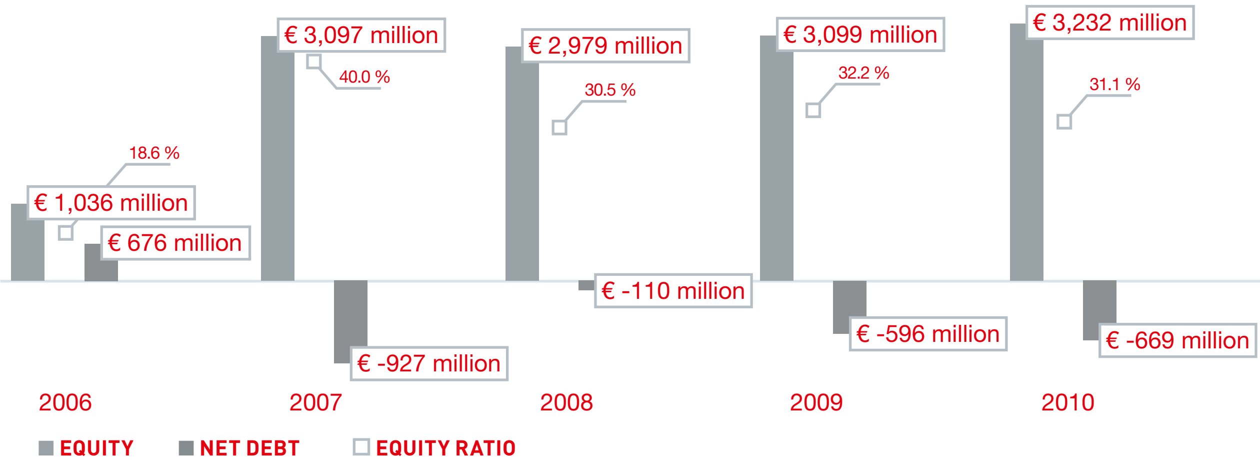
Given the higher balance sheet total, the equity ratio fell slightly from 32.2 % to 31.1 %. The management board considers an equity ratio between 20 % and 25 % to be a realistic target in the medium-term.

As in the years before, STRABAG ended the year with a net cash position. Reaching € 669.04 million on 31 December 2010, this figure again grew in a year-on-year comparison. As reported above, this is due to an advance payment for a large-scale project in Poland. The net cash position does not include € 719.89 million in non-recourse financial liabilities related to the AKA and Kliplev Motorway Denmark concession companies. The interest expense of these non-recourse finance liabilities, as well as the interest income from receivables from concession arrangements, is presented in other operating income.

CALCULATION OF NET DEBT (€ MLN.)

	2010	2009
Financial liabilities	1,559	1,509
Severance provisions	69	71
Pension provisions	375	364
Non-recourse debt	-720	-757
Cash and cash equivalents	-1,952	-1,783
Net debt	**-669**	**-596**

DEVELOPMENT OF EQUITY, NET DEBT AND EQUITY RATIO



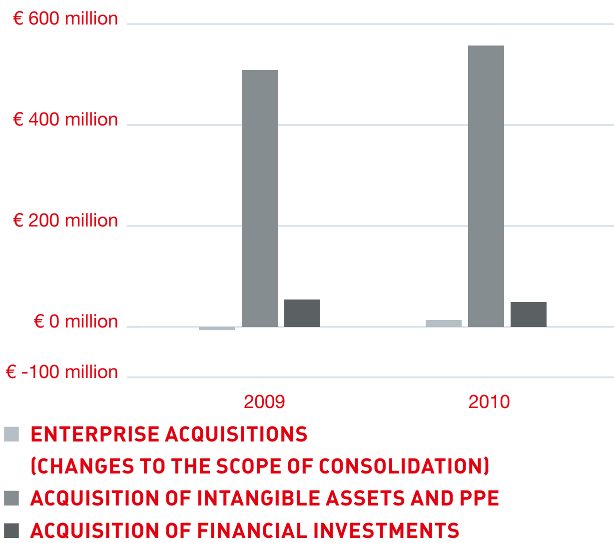
The cash-flow from operating activities fell significantly in the past financial year by 38 % to € 690.42 million. This decline is due to the extraordinarily high basis of the previous year, when a higher-than-average reduction of the working capital was achieved. The cash-flow from profits was 15 % lower in the 2010 financial year, but, as forecast, it was possible to further reduce the working capital. STRABAG does not expect to achieve a similar effect in the coming year.

The cash-flow from investing activities increased by one-fifth to € 523.56 million. The company spent around 9 % more on the purchase of property, plant and equipment and intangible assets than the year before. Additionally, the advance payment for a 26 % stake in the Russian construction company Transstroy was registered with € 70.00 million in the cash-flow from investing activities.

The cash-flow from financing activities, at € -20.20 million, was far less negative than in the year before, as the company opted against a large-scale reduction of bank liabilities and instead decided to borrow more funds. STRABAG also issued a € 100 million bond in the 2010 financial year (while paying back a € 75 million bond), whereas in 2009 it had merely paid off outstanding bond.

CAPITAL EXPENDITURES

COMPOSITION OF CAPEX



STRABAG had forecast capital expenditures (CAPEX) in the amount of approx. € 575 million for the 2010 financial year. This figure includes expenditures on intangible assets and on property, plant and equipment, as well as financial investments and enterprise acquisitions (changes to the scope of consolidation). The capital expenditures totalled € 610.95 million, slightly over the budget, but still significantly below the € 1 billion spent in 2008.

Expenditures on intangible assets and on property, plant and equipment – including the approx. € 70 million for the proprietary cement factory in Hungary – grew by 9 % to € 553.84 million, of which about three quarters were expansion expenditures and one quarter were maintenance expenditures. In the previous year, about half were maintenance expenditures and the other half expansion expenditures. The high proportion of expansion expenditures is due to STRABAG's focus of its capital expenditures: the company is expanding its activities in waterway construction and railway construction; a significant increase in demand can also be reported in Poland and in Germany so that the purchase of equipment in these countries is registered to a large degree as expansion expenditures.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against amortisation on intangible assets and depreciation on property, plant and equipment in the amount of € 435.74 million. This figure also includes goodwill impairment in a double-digit million-euro amount.

FINANCING/TREASURY

The number one objective for the treasury management of STRABAG SE is assuring the continued existence of the company through the maintenance of constant solvency. This objective is to be reached through the provision of sufficient short-term, medium-term and long-term liquidity.

Liquidity for STRABAG SE means not only solvency in the strict sense but also the availability of guarantees. Building activities require the constant availability of bid, contract fulfilment, pre-payment and warranty guarantees and/or sureties. The financial scope of action is thus defined on the one hand by sufficient cash and cash credit lines, on the other hand by sufficient surety credit lines.

The management of liquidity risks has become a central element of the corporate management at STRABAG. In practice, liquidity risks come in various forms:

- In the short term, all daily payment obligations must be covered in time and/or in their entirety.
- In the medium term, liquidity levels must be sufficient so that no transaction (e.g. acquisitions, expenditures) or projects become impossible due to a lack of sufficient financial means or guarantees or that they cannot be executed at the desired pace.
- In the long term, the insufficient availability of financial means leads to potential impairment of the strategic development perspectives.

In the past, STRABAG has always oriented its financing decisions according to the risk aspects outlined above and has organised the maturity structure of the financial liabilities in such a way as to avoid a refinancing risk. In this way, the company has been able to maintain a great scope for action, which is of particular importance in a difficult market environment.

The necessary liquidity is determined by liquidity planning. Based on this, liquidity assurance measures are made and a liquidity reserve is defined for the entire group.

STRABAG SE has a total credit line for cash and surety loans in the amount of € 6.2 billion. The credit lines include a syndicated surety credit line in the amount of € 2.0 billion with a maturity until 2015.

The syndicated surety credit line was concluded in October 2010 with a consortium of 17 international banks led by Deutsche Bank and Raiffeisen Bank International (RBI). Further bookrunners and mandated lead arrangers are Baden-Württembergische Bank, Bayerische Landesbank, Commerzbank and UniCredit. The volume of the surety loan amounts to € 2.0 billion. The credit range replaces the previous line in the amount of € 1.5 billion.

The remaining cash and surety credit lines are managed bilaterally in cooperation with various banks. A high degree of diversification creates an adequate risk spread in the provision of the credit lines.

The medium- and long-term liquidity needs have so far also been covered by the issue of corporate bonds. STRABAG has regularly issued bonds on the Austrian market since 2004. Due to the market conditions, STRABAG opted against issuing a new bond in the 2009 financial year. In the 2010 financial year, STRABAG again successfully issued a € 100 million tranche with a five-year term to maturity. Currently, four bonds with a total volume of € 325 million are on the market.

The existing liquidity of € 2.0 billion and cash credit lines of € 0.4 billion assure the group's liquidity needs. Nevertheless, further bond issues are planned, depending on the market situation, in order to maintain a high level of liquidity reserves in the future as well.

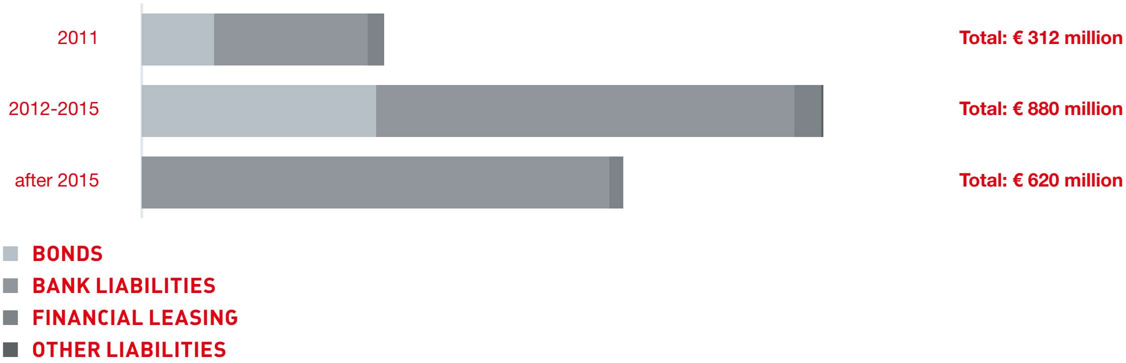
In December 2010, S&P again confirmed its BBB- rating and stable outlook as STRABAG benefits from its good access to raw materials, the high order backlog and the solid capital structure in the otherwise cyclical, highly competitive and low-margin construction sector.

	2010	2009	2008	2007
Interest and other income (€ million)	79	78	90	50
Interest and other expense (€ million)	-98	-98	-131	-86
EBIT/net interest income	-15.2x	-14.2x	-6.7x	-8.6x

PAYMENT OBLIGATIONS

	BOOK VALUE 31 DECEMBER 2010 € MLN.
Bonds	345
Bank Liabilities	1,147
Financial Leasing	63
Other Liabilities	5
Total	**1,559**

REPAYMENTS INCL. INTEREST



GOTTHARD BASE TUNNEL BL 151, ERSTFELD

SEGMENT OVERVIEW

OVERVIEW OF THE SEGMENTS OF STRABAG

The operating business of STRABAG SE is divided into three segments: Building Construction & Civil Engineering, Transportation Infrastructures and Special Divisions & Concessions. A further segment defined as "Other" encompasses expenditures, income and employees at the group's service companies and staff units as well as consolidation effects. Construction projects are assigned to one of the segments (see chart below). Certainly, projects may also be assigned to more than one segment. This is the case, for example, with PPP projects in which the construction part is assigned to its respective segment, but the concession part is assigned to the concessions unit of Special Divisions & Concessions. In projects which span more than one segment, the commercial and technical responsibility is assigned to that segment which has the higher share of the overall project value.

BUILDING CONSTRUCTION & CIVIL ENGINEERING

- Housing
- Commercial and Industrial Facilities
- Public Buildings
- Production of Prefabricated Elements
- Civil Engineering
- Bridges
- Power Plants
- Environmental Engineering
- Railway Structures

TRANSPORTATION INFRASTRUCTURES

- Roads, Earthworks
- Hydraulic Engineering, Waterways, Dyking
- Landscape Architecture and Development
- Paving
- Large-Area Works
- Sports and Recreational Facilities
- Protective Structures
- Sewer Systems
- Production of Construction Material
- Bridges
- Railway Structures

SPECIAL DIVISIONS & CONCESSIONS

- Tunnelling
- Real Estate Development
- Infrastructure Development
- Operation/Maintenance/ Marketing of PPP Projects
- Property and Facility Management
- International Business, across various business units
- Specialty foundation engineering (until 31.12.2010)
- Offshore wind (until 31.12.2010)

BUILDING CONSTRUCTION & CIVIL ENGINEERING

The building construction half of the Building Construction & Civil Engineering segment includes the construction of commercial and industrial properties, airports, hotels, hospitals, office and administration buildings, residential real estate and the production of prefabricated elements. The field of civil engineering comprises complex infrastructure solutions, power plant construction, large-scale bridge building and environmental technology projects.

	2010 € MLN.	CHANGE 2009–2010 %	2009 € MLN.	CHANGE 2008–2009 %	2008[1] € MLN.
Output volume	4,279	-3 %	4,427	-24 %	5,822
Revenue	3,976	-2 %	4,059	-23 %	5,244
Order backlog	5,660	1 %	5,602	-17 %	6,774
EBIT	154	24 %	124	44 %	86
EBIT margin as a % of revenue	3.9 %		3.1 %		1.6 %
Employees	18,253	-7 %	19,562	-32 %	28,802

1) Presentation in accordance with the Annual Report 2009. Changes in segment structure starting from 2010 are not considered.

OUTPUT VOLUME BUILDING CONSTRUCTION & CIVIL ENGINEERING

€ MLN.	OUTPUT VOLUME 2010	OUTPUT VOLUME 2009	CHANGE %	CHANGE ABSOLUTE
Germany	1,548	1,674	-8 %	-126
Austria	967	938	3 %	29
Russia	237	273	-13 %	-36
Slovakia	235	298	-21 %	-63
Hungary	229	202	14 %	27
Benelux	228	194	17 %	34
Poland	173	177	-2 %	-4
Switzerland	164	126	31 %	38
Czech Republic	111	70	57 %	41
Americas	91	65	39 %	26
Rest of Europe	85	115	-26 %	-30
Romania	53	88	-40 %	-35
Asia	42	14	191 %	28
Croatia	36	59	-40 %	-23
Slovenia	25	43	-40 %	-18
Bulgaria	18	25	-29 %	-7
Serbia	15	4	262 %	11
Scandinavia	12	29	-58 %	-17
Italy	5	4	31 %	1
Middle East	2	12	-84 %	-10
Africa	2	3	-35 %	-1
Ireland	0	13	-100 %	-13
Output volume total	**4,279**	**4,427**	**-3 %**	**-148**
thereof CEE	1,133	1,239	-9 %	-106

OUTPUT VOLUME, REVENUE AND RESULT

The severe winter at the beginning of the year hindered the output growth in the Building Construction & Civil Engineering segment. The subsequent increases in the second half of the year only partly compensated the weaker business at the beginning of the year, resulting in an output volume for the full year 2010 of € 4,279.07 million – 3 % below the level of the year before. A significant decline was registered in particular on the German home market, while the remaining regions painted a very mixed picture.

Similar to the output volume, the revenue declined in the low single-digit percent range. In its earnings before interest and taxes (EBIT), in comparison, the Building Construction & Civil Engineering segment registered its highest level ever, € 153.77 million, which corresponds to growth of 24 % over the previous year. An especially positive yield development in Germany, Austria and Poland contributed to an increase of the EBIT margin from 3.1 % to 3.9 %.

ORDER BACKLOG

At € 5,659.60 million, the order backlog remained stable compared to the year before. Declines were registered in the core markets of Hungary and Germany. While STRABAG expects lower levels to persist in Hungary for the long term, the company is optimistic about its home market of Germany. A number of large projects, e.g. the ECE Rhein-Galerie in Ludwigshafen, were completed in 2010; this will dampen the order backlog in the short term, but STRABAG expects to see resurgent demand in the months to come. This can already be seen in a number of significant new orders, such as the Forum Mittelrhein shopping and cultural centre in Koblenz or the Vodafone headquarters in Düsseldorf.

STRABAG can also report of successful order acquisitions in Poland: three group subsidiaries were awarded the contract to build a new bridge complex in Toruń, and STRABAG will build the Galeria Kaskada shopping centre in Szczecin as well as the new shopping centre Galeria Katowicka in Katowice. Also positive is the order backlog in Russia, which grew by more than € 250 million. Russian orders, such as the construction of a mini rolling mill for the Balakovo steel works or the general contractor agreement for the Olympic village in Sochi – the agreement is still pending financing –, contributed to this increase after last year's order backlog had been negatively affected by project cancellations and delays.

EMPLOYEES

In response to the declining output volume and expectations of a weaker order situation, employee numbers were reduced particularly in Germany, Austria, the Czech Republic, Slovakia and Russia, so that the Building Construction & Civil Engineering segment registered an average workforce level of 18,253 people in the full year. This corresponds to a decline of 7 %. In several markets, such as Slovakia and the Czech Republic, STRABAG expects the lower workforce to be structural and, as a result, long-lasting.

OUTLOOK

The company only narrowly missed the 2010 target output of € 4.4 billion; however, it should be possible to meet the objective of raising the segment output to € 4.5 billion in the 2011 financial year. In the home markets of Germany and Austria, more than 70 % of the planned output for 2011 is already covered by existing orders. On the results side, however, high union wage demands in Germany as well as the increasing prices for subcontractors and construction materials, in particular steel, could have a negative effect.

Price pressure reigns in Poland mainly among public-sector tenders. However, STRABAG gives itself good chances for environmental technology on this market. Hungary and Croatia remain difficult. In the Bulgarian construction sector, the low point in demand in Building Construction & Civil Engineering should be reached in 2011, while STRABAG sees signs of a slight improvement of the situation in Romania. In the Czech Republic and Slovakia, further postponements of contract awarding or even the withdrawal of already awarded tenders can be observed.

"NICHE SEGMENT ENVIRONMENTAL TECHNOLOGY AS A DRIVER OF GROWTH"

Due to the declining price quality in several core markets, STRABAG is pursuing the strategy of increasingly offering services in niche markets. In the Building Construction & Civil Engineering segment, one such niche is the field of environmental technology. In the past year, STRABAG therefore increased its stake in h s Energieanlagen GmbH, Vienna, (now: STRABAG Energietechnik GmbH & Co KG) a specialist in the field of sustainable power generation from biofuels from 43 % to 100 %. The group subsidiary Ed. Züblin AG, meanwhile, consolidated its presence in the niche market of fireproof construction through the acquisition of Germany's Behmann Group.

SELECTED PROJECTS IN THE BUILDING CONSTRUCTION & CIVIL ENGINEERING SEGMENT

COUNTRY	PROJECT	ORDER VOLUME € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Russia	Kautschuk residential complex	430	2.9 %
Russia	Balakovo steelworks	151	1.0 %
Poland	Galeria Katowicka	109	0.7 %
Germany	Vodafone Campus Düsseldorf	91	0.6 %
Poland	Torun bridge	90	0.6 %
Netherlands	Vertical City Rotterdam	85	0.6 %
Croatia	Zadar port, Lot II+IIIA	82	0.6 %
Germany	Forum Mittelrhein	80	0.5 %

TRANSPORTATION INFRASTRUCTURES

The Transportation Infrastructures segment covers asphalt and concrete road construction as well as any remaining construction activities associated with road construction, such as earth-moving, canalisation, railway construction, waterway construction, dyking, paving, the construction of sport and recreational facilities, safety and protective structures and the building of small bridges. The segment also includes the production of construction materials such as asphalt, concrete and aggregates.

	2010 € MLN.	CHANGE 2009–2010 %	2009 € MLN.	CHANGE 2008–2009 %	2008[1] € MLN.
Output volume	5,810	2 %	5,709	-9 %	6,274
Revenue	5,692	2 %	5,606	3 %	5,464
Order backlog	4,735	6 %	4,463	13 %	3,957
EBIT	184	28 %	143	-1 %	145
EBIT margin as a % of revenue	3.2 %		2.6 %		2.7 %
Employees	30,059	0 %	29,920	-12 %	33,906

1) Presentation in accordance with the Annual Report 2009. Changes in segment structure starting from 2010 are not considered.

OUTPUT VOLUME TRANSPORTATION INFRASTRUCTURES

€ MLN.	OUTPUT VOLUME 2010	OUTPUT VOLUME 2009	CHANGE %	CHANGE ABSOLUTE
Germany	2,340	2,461	-5 %	-121
Poland	1,078	725	49 %	353
Austria	730	787	-7 %	-57
Czech Republic	717	704	2 %	13
Hungary	270	416	-35 %	-146
Slovakia	183	172	7 %	11
Scandinavia	164	126	30 %	38
Romania	105	69	51 %	36
Switzerland	67	69	-3 %	-2
Croatia	53	85	-37 %	-32
Rest of Europe	32	22	45 %	10
Serbia	29	32	-9 %	-3
Slovenia	15	22	-31 %	-7
Benelux	9	2	394 %	7
Bulgaria	7	8	-12 %	-1
Italy	5	5	0 %	0
Asia	2	2	0 %	0
Africa	2	1	100 %	1
Middle East	2	0	n.a.	2
Russia	1	1	0 %	0
Output volume total	**5,810**	**5,708**	**2 %**	**102**
thereof CEE	2,459	2,235	10 %	224

OUTPUT VOLUME, REVENUE AND RESULT

With € 5,809.94 million, the output volume of the Transportation Infrastructures segment grew slightly in the 2010 financial year. The boom in the Polish construction sector compensated for declines due in part to inclement weather in Germany, Austria and Hungary.

The revenue showed a similar development to the output volume, while the earnings before interest and taxes (EBIT) grew by 28 % to € 183.58 million. This higher-than-average growth of results and of the EBIT margin from 2.6 % to 3.2 % was possible despite the pressure in the Hungarian transportation infrastructures segment and the high write-downs for newly acquired railway construction equipment. This is largely thanks to the positive business development in Poland.

ORDER BACKLOG

Appreciable growth was registered in the order backlog, which grew by 6 % to € 4,735.39 million. Two markets were mainly responsible for this growth. Firstly, STRABAG continued its expansion in northern European markets. Group subsidiaries were awarded the contract to plan, expand and renovate the Täby Centrum shopping centre in Stockholm, Sweden. The volume of the order is in the triple-digit million euros. Because of the organisational history, the project is being carried out in the Transportation Infrastructures segment despite its nature as a building project.

Secondly, first successes can be seen in Romania from the state infrastructure investment programmes, which the national government had previously delayed. A STRABAG consortium was awarded the contract for the rehabilitation of national road DN 67B with a total order volume of € 89 million. STRABAG's share amounts to € 62 million (70 %). In November, the company added a further Romanian road construction order to its books: the construction of 33 km of motorway between Deva and Orăştie. The volume of the order amounts to € 178 million, of which 85 % is STRABAG's share.

Further new orders were registered in Poland, although without the same dynamism as earlier. The STRABAG Group was awarded the € 260 million contract to build the 36.5 km section of the S7 Expressway between Kalsk and Miłomłyn and will also build a section of the bypass around the town of Pabianice for € 102 million.

The field of construction materials can also report a large order. While the construction of the Koralm Tunnel in Austria falls under the Special Divisions & Concessions segment, the concrete supplies for € 50 million are handled internally by the construction materials team.

EMPLOYEES

With 30,059 persons, the employee levels of the segments remained nearly unchanged from the year before. The high order backlog in Poland required the hiring of over 1,000 additional staff in that country. In most other countries, with the exception of northern Europe, the employee levels were reduced.

OUTLOOK

The STRABAG Group aims to increase its output in the Transportation Infrastructures segment by a few percent in the 2011 financial year. The forecast published by the company in November 2010 thus remains unchanged. The output volume and the result are influenced by the following developments and framework conditions:

As reported, French construction materials manufacturer Lafarge and STRABAG in May 2010 agreed to a strategic partnership to bundle their cement activities in several Central European countries. Operations were planned to begin on 1 January 2011, but the cartel authorities did not approve the transaction until February 2011.

In the area of mobile construction materials, STRABAG sees output growth for the group resulting from new large-scale projects. In the areas of asphalt, stone/gravel and concrete, however, the traditional country-wide business must still be classified as difficult. The price level remains largely low, despite a regional market recovery.

In road construction, STRABAG continues to focus on the expansion in northern European markets in response to the declining or already weak level of public-sector tenders in the core markets of Austria and Germany as well as the generally low prices. In the Czech Republic, an important market for transportation infrastructures, no larger tenders for construction lots are planned by the public sector in 2011, and projects which have already been awarded have been suspended. A further significant reduction in output and result can therefore be expected in this market.

In addition to the classic transportation infrastructures business, track and railway construction is becoming increasingly important too. In Hungary, STRABAG is participating in several tenders in this area. Even in the Czech Republic, railway contracts worth CZK 10-20 billion (€ 400-800 million) are expected to be tendered in 2011. In 2010, the company successfully entered this business field in Austria. Still, as was the case in Germany the year before, high start-up costs can be expected here for the procurement of large track construction equipment.

SELECTED PROJECTS IN THE TRANSPORTATION INFRASTRUCTURES SEGMENT

COUNTRY	PROJECT	ORDER VOLUME € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Sweden	Täby Centrum	150	1.0 %
Poland	S7 Kalsk-Milomlyn	149	1.0 %
Romania	Motorway Deva-Orastie	121	0.8 %
Poland	A2 Strykow-Konotopa	99	0.7 %
Czech Republic	D3 Tabor-Veseli	85	0.6 %
Denmark	M51 Kliplev-Sønderborg	65	0.4 %
Netherlands	A Lanes A15	62	0.4 %

SPECIAL DIVISIONS & CONCESSIONS

The Special Divisions & Concessions segment includes, on the one hand, the field of tunnelling/specialty foundation engineering. On the other hand, the concessions business also represents a further important area of business, with global project development activities in Transportation Infrastructures in particular. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services of the segment and of the group. Finally, STRABAG bundles its services in non-European markets in this segment.

	2010 € MLN.	CHANGE 2009–2010 %	2009 € MLN.	CHANGE 2008–2009 %	2008[1] € MLN.
Output volume	2,518	-7 %	2,716	92 %	1,417
Revenue	2,672	-6 %	2,850	92 %	1,483
Order backlog	4,318	11 %	3,880	56 %	2,480
EBIT	-16	n.a.	34	-42 %	59
EBIT margin as a % of revenue	-0.6 %		1.2 %		4.0 %
Employees	19,867	-4 %	20,678	300 %	5,174

OUTPUT VOLUME SPECIAL DIVISIONS & CONCESSIONS

€ MLN.	OUTPUT VOLUME 2010	OUTPUT VOLUME 2009	CHANGE %	CHANGE ABSOLUTE
Germany	1,100	1,188	-7 %	-88
Middle East	291	339	-14 %	-48
Austria	175	231	-24 %	-56
Americas	155	96	62 %	59
Switzerland	138	181	-24 %	-43
Africa	132	164	-20 %	-32
Italy	117	99	18 %	18
Asia	82	67	22 %	15
Scandinavia	72	44	64 %	28
Poland	70	46	54 %	24
Hungary	67	190	-65 %	-123
Benelux	46	24	89 %	22
Czech Republic	33	7	368 %	26
Rest of Europe	11	3	238 %	8
Slovakia	10	11	-7 %	-1
Russia	7	7	0 %	0
Romania	7	0	100 %	7
Croatia	2	3	-33 %	-1
Slovenia	2	1	100 %	1
Ireland	0	15	-100 %	-15
Output volume total	**2,518**	**2,716**	**-7 %**	**-198**
thereof CEE	199	265	-25 %	-66

OUTPUT VOLUME, REVENUE AND RESULT

The output volume of the segment in the 2010 financial year fell by 7 % to € 2,517.84 million. This decline is largely due to the lack of orders and the conclusion of large-scale projects in tunnelling in the core markets of Austria, Germany, Switzerland and Hungary.

A significant reduction was registered in both the output volume and the revenue in this segment. At the same time, the earnings before interest and taxes (EBIT) moved from positive to negative territory. The negative EBIT of € -15.54 million was the result of high losses among projects in non-European markets as well as in tunnelling projects in Hungary and Sweden which could not be compensated for by the positive results in Poland and in the property and facility management business.

ORDER BACKLOG

The order backlog, by comparison, showed a clear plus of 11 % to € 4,318.36 million, thanks to a number of new large orders. STRABAG achieved significant results in the field of Public Private Partnerships (PPP): the company will build Denmark's first concession motorway, the M51 from Kliplev to Sønderborg, and will plan, build and operate the A15 motorway between Maasvlakte and Vaanplein in the Netherlands as part of a consortium.

In the field of PPP building construction, a STRABAG bidding consortium was awarded the contract to build and operate several schools in Mülheim, Germany. In this home market, STRABAG is also acting as project developer for the Donnersberger Höfe residential building project in Munich and the Forum Mittelrhein shopping centre in Koblenz.

1) Presentation in accordance with the Annual Report 2009. Changes in segment structure starting from 2010 are not considered.

STRABAG can also report of successful order acquisitions in non-European markets, which are bundled in the Special Divisions & Concessions segment regardless of the nature of the service, i.e. across all business units. In Abu Dhabi, one of the United Arab Emirates, a STRABAG subsidiary is expanding the Takreer Refinery in Ruwais. In Saudi Arabia, STRABAG was awarded the contract to build two warehouses at the industrial port of Jubail, a large industrial city on Saudi Arabia's Persian Gulf coast.

Two tunnelling orders top off the review of the segment. In October 2010, STRABAG signed a contract with client ÖBB Infrastruktur AG for Austria's largest construction order, Lot 2 of the Koralm Tunnel, with a volume of € 570 million. Of this amount, the STRABAG Group's share is 85 %. The company also landed a smaller order worth around € 59 million with the Küblis bypass tunnel in the Swiss canton of Grisons.

EMPLOYEES

The workforce level fell by 4 % to 19,867 employees. A significant reduction of more than 1,200 people in the Middle East and a further reduction in Hungary and Austria must be mentioned in this regard. In the home market of Germany, in comparison, the employee level grew by more than 800 people as a result of acquisitions.

OUTLOOK

The Special Divisions & Concessions segment would like to increase its output in the 2011 financial year by slightly more than 10 % to € 2.8 billion. As the segment furnishes quite diverse services, the outlook on results must be made differentiated according to the individual areas:

STRABAG's Project Development Building Construction business is seeing the first signs of a recovery of the real estate market in Germany. Last year, STRABAG sold several commercial properties at attractive conditions, allowing the business field to continue to focus on commercial real estate in the mid-double-digit million euro range. STRABAG Project Development has also been active in the development of apartment buildings, i.e. residential properties for global investors since 2010. This business is to be expanded geographically to the countries of Central and Eastern Europe.

The PPP Transportation Infrastructures business is developing in a satisfactory manner. Exceptions are Hungary and the countries of South-East Europe where the conditions for concession models and their financing are proving to be difficult.

The same is true for tunnelling, which, in response to the modest market situation in South-East Europe, but also in Austria and Switzerland, is shifting its contract acquisition efforts onto international large-scale projects both within as well as outside of the core markets. Bids are currently being prepared in northern Europe and in North Africa. In view of the unrest in the latter region, however, STRABAG is currently taking a wait-and-see approach and has temporarily suspended acquisitions for new projects.

The result in Property and Facility Services in the past financial year was above that of the previous year, thanks to increased productivity and savings in structural costs. A higher output is expected for 2011, although STRABAG is still fighting price pressure in Germany. The effect on the result can only partially be compensated by a higher volume of orders. To be able to offer clients a broader range of services, STRABAG Property and Facility Services acquired German building cleaning company Rimex in 2010 and expanded its portfolio with the addition of infrastructure facility management. The company succeeded in expanding geographically with the acquisition of the Czech Republic's ECM Facility a.s.

SELECTED PROJECTS IN THE SPECIAL DIVISIONS & CONSESSIONS SEGMENT

COUNTRY	PROJECT	ORDER VOLUME € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Austria	Koralm Tunnel 2	412	2.8 %
Poland	A2 Segment II, Tunnelling & Concession	310	2.1 %
Italy	Val di Chienti	307	2.1 %
Canada	Niagara Tunnel	233	1.6 %
India	Rohtang Pass Highway Tunnel Lot 1	133	0.9 %
Netherlands	A Lanes A15, Bridges	110	0.7 %
United Arab Emirates	Takreer Non Process Building Ruwais	75	0.5 %

RISK MANAGEMENT

The STRABAG Group is subject to a number of risks in the course of its business activities. These risks are identified and assessed using an active risk management system and dealt with using an appropriate risk policy.

The group's goals are defined at all company levels. This was a prerequisite to setting up processes for the timely identification of potential risks standing in the way of the achievement of company objectives. The organisation of STRABAG's risk management builds on project-related jobsite and acquisitions controlling, supplemented by the higher-level assessment and steering management. The risk controlling process includes a certified quality management system, internal group guidelines for the workflow in the operating units, a central administration, controlling, auditing and contract management. Through the establishment of company-wide quality standards in quotation processing and supplemental services management, the centrally organised contract management department can better assert claims for outstanding debt.

The group's internal risk report defines the following central risk groups:

EXTERNAL RISKS

The entire construction industry is subject to cyclical fluctuations and reacts to varying degrees depending on region and sector. Overall economic growth, development of the construction markets, the competitive situation, the conditions on the capital markets and technological changes in construction can all result in risks. These risks are continually observed and monitored by the central departments and operating units. Changes in external risks lead to adjustments in STRABAG's organisation, market presence and range of services as well as the adaptation of strategic and operating planning. STRABAG further responds to market risk with geographic and product-related diversification in order to keep the influence on the company's success exerted by an individual market or by the demand for certain services as low as possible. To avoid bearing the entire risk of rising prices by itself, STRABAG makes efforts at signing cost escalation clauses and "cost-plus-fee" contracts in which the client pays a previously agreed margin on the costs of the project.

OPERATING RISKS

The operating risks primarily include the complex risks of project selection and execution. STRABAG keeps acquisition lists in order to review the project choice. Business transactions requiring consent are reviewed and approved by business unit and sub-division managers or by division managers according to internal rules of procedure. Bids of € 2 million or more, depended on their risk profile, must be analysed by cross-segmental commissions and reviewed for their technical and economic feasibility. Cost accounting and expense allocation guidelines have been set up to assure a uniform process of job costing and to establish a performance profile at our construction sites. Project execution is managed by the construction team on site and controlled by monthly target/performance comparisons; at the same time, our central controlling provides constant commercial backing, ensuring that risks of individual projects do not endanger the continuance of the company.

FINANCIAL RISKS

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to our liquidity and accounting receivable management, which is secured through constant financial planning and daily status reports. Compliance with internal commercial guidelines is guaranteed by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process.

Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by all business areas in general and by the internal audit department in particular. STRABAG last commissioned PwC Wirtschaftsprüfung GmbH in 2007 to review and assess the group's compliance systems and the activities designed to combat corruption and unethical behaviour. The results were presented to the management board of STRABAG SE and the auditors' recommendations were passed on to the relevant departments for implementation.

In order to convey STRABAG's values and principles, the group drew up its Code of Ethics and internal Compliance Guidelines in 2007. The values and principles contained within these documents are reflected in the guidelines and instructions of the STRABAG companies and divisions. Compliance with these values and principles is expected not only from the members of the management and supervisory boards as well as from other management-level employees but from all group employees. The Compliance Guidelines and the Code of Ethics are designed to guarantee honest and ethical business practices. The Code of Ethics is available for download at www.strabag.com -> STRABAG SE -> Code of Ethics.

ORGANISATIONAL RISKS

Risks concerning the design of personnel contracts are covered by the central human resource administration with the support of a specialised database. The design and infrastructure of the IT landscape (hardware and software) is the responsibility of the central IT department, controlled by the international IT steering committee.

PERSONNEL RISKS

Past experience has shown that having a highly qualified and motivated workforce is an important factor in competition. In order to properly assess the potential of employees, STRABAG uses an IT-supported aptitude diagnostics process, the so-called behaviour profile analysis. In subsequent feedback talks and employee appraisal interviews, employees and their supervisors analyse the results and agree on specific training and further education measures.

INVESTMENT RISKS

STRABAG can exert influence on the management of associated companies through its shareholder position and, if applicable, any existing advisory functions. The shares in asphalt and concrete mixing companies usually involve minority holdings, which is typical for the sector. With these companies, economies of scope are at the fore. Detailed information regarding interest risk, currency risk, credit risk and liquidity risk can be found in the Notes under point 26 Financial Instruments.

POLITICAL RISK

The group also operates in countries which are currently experiencing political instability. Interruptions of construction activity, restrictions on ownership interests of foreign investors, and even dispossession or expropriations could be the consequence of political changes which could have an impact on the group's financial structure.

A review of the current risk situation reveals that the reporting period shows no risks which jeopardised the company's existence, nor were there any visible future risks.

REPORT ON KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

INTRODUCTION

The control structure as defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) provides the basis for the description of the key features of the internal control and risk management systems. The COSO framework consists of five related components: control environment, risk assessment, control activities, information and communication, and monitoring.

The aim of the internal control system is to support management in such a way that it is capable of assuring internal controls in relation to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

CONTROL ENVIRONMENT

The corporate culture determines the control environment in which management and employees operate.

STRABAG is constantly working to improve its communication and to convey its corporate values as defined in the STRABAG Code of Ethics in order to guarantee moral standards, ethics and integrity within the company and in our dealings with others.

The implementation of the internal control system in relation to the financial reporting process is done on the basis of internal rules and guidelines. Responsibilities for internal control were adapted to fit the corporate organisation.

The internal audit department carries out periodic, unannounced inspections of all relevant business units as part of its responsibility for monitoring compliance with the law and corporate guidelines in the technical and commercial areas. The internal audit department also monitors the effectiveness of the compliance organisation. During these inspections, the internal audit department analyses the legality and correctness of individual actions. The internal audit department also conducts regular, independent reviews of compliance with internal guidelines in the area of accounting. The head of the internal audit department reports directly to the CEO.

RISK ASSESSMENT

The management identifies and monitors risks relating to the financial reporting process, with a focus on those risks that are typically considered to be material.

The preparation of the financial statements requires regular forecasts, with the inherent risk that the actual future development will deviate from the forecast. This especially affects the following matters/items of the consolidated financial statements: assessment of unfinished construction projects, recognition and measurement of provisions (including social capital), the outcome of legal disputes, the collectability of receivables as well as the recoverability of investments and goodwill. In individual cases, external experts are called in or publicly available sources are considered in order to minimise the risk of a false assessment.

CONTROL ACTIVITIES

All control activities are applied in the current business process to ensure that errors or deviations in financial reporting are prevented or detected and subsequently corrected. The control activities range from a management review of the period results to specific monitoring of accounts to the analysis of ongoing accounting processes.

It is the responsibility of the management to design the levels of hierarchy in such a way that an activity and the control of that activity are not performed by the same person ("four-eyes" principle).

IT security control activities represent a cornerstone of the internal control system. The separation of sensitive activities is supported by a restrictive approach to IT access authorisation. For its accounting and financial reporting, the company mainly uses self-developed software which reflects the unique features of the construction sector. The effectiveness of the financial reporting system is further assured through automated IT controls included in the system.

INFORMATION AND COMMUNICATION

The management regularly updates the rules and regulations for financial reporting and communicates them to all employees concerned. Regular discussions regarding the financial reporting and the rules and regulations in this context take place in various committees. These committees are composed of the corporate management as well as the department head and senior staff from the accounting department. The committee''s work aims, amongst others, at guaranteeing compliance with accounting rules and regulations and identifying and communicating weak points and potential areas for improvement in the financial reporting process. Accounting employees receive regular training regarding new methods of national and international financial reporting in order to identify risks of unintended misreporting at an early stage.

MONITORING

The management and supervisory boards bear responsibility for the ongoing company-wide monitoring. Additionally, the remaining management levels – all the way to the department heads – are responsible for the monitoring of their respective areas of responsibility. Controls and plausibility checks are carried out at regular intervals. The internal audit department is also involved in the monitoring process.

The top management receives monthly summary financial reports on the development of the output volume, the results of the respective segments and countries, and the liquidity. Financial statements to be published are submitted for final appraisal by the senior accounting staff and the commercial management board members before they are passed on to the audit committee of the supervisory board.

EMPLOYEES

In the past financial year, STRABAG employed an average of 73,600 employees, of which 32,053 were white-collar and 41,547 blue-collar workers. In the Transportation Infrastructures segment, the number of employees remained nearly stable at about 30,000; in the Building Construction & Civil Engineering segment, the employee level fell by 7 % to about 18,300; in the Special Divisions & Concessions segment, the number of employees shrank by 4 % to about 19,900.

To assure effective, long-term personnel development, STRABAG has at its disposal a number of centrally standardised programmes and IT-supported tools and manages and monitors their application (e.g. applicant database, training database, employee database, aptitude diagnostics analysis, group academy, trainee programme). The operating management employees, as human resource decision-makers, make use of these during the regular employee appraisal interview as a central management instrument to agree on employee objectives that are targeted to the employee's specific field and career and which are in line with their personal skills and qualifications. In the recruitment process, the management is assisted by personnel representatives in the individual countries using the same aforementioned tools and instruments.

RESEARCH AND DEVELOPMENT

For a long time, cost optimisation was seen as a strategic guiding principle for competitiveness in the building business. But building requires a broad spectrum of technologies and know-how in order to come up with technically convincing solutions. The group specifically promotes all those innovation activities which help projects to be executed more efficiently and with a higher level of quality. The aim is to implement research and development projects in cooperation with the operating divisions in order to more quickly bring additional know-how to the construction site. Countless interdisciplinary development projects are ongoing every year.

Zentrale Technik (ZT), the group's central technical department, bundles the group's technical know-how and is in overall charge during the acquisition, planning and implementation of research and development projects. Organised as a central division with over 630 highly qualified employees at 15 locations, ZT reports directly to the CEO. The department provides services for the group-wide support of the operating units in the areas of tunnelling and civil engineering, construction engineering and turnkey construction. The range of services covers the entire construction process, from the early acquisitions phase and bids processing to execution planning and site management. Research and development activities include the areas of building and construction physics, software, information & communication technology, energy, construction materials technology, civil engineering and tunnelling, transportation infrastructures and safety. ZT also fosters international innovation networks.

As a technology leader in all areas of turnkey construction, STRABAG emphasises sustainable construction that requires comprehensive solutions, with a special focus on energy efficiency in the building life cycle. As a logical consequence of this development, the group management has decided to expand its life cycle assessment project to include all group products and processes. This will serve both to address increasing customer demands for sustainability and to better identify the efficiency potential as regards resource needs in general and energy needs in particular.

A central topic for the innovation activities is that of renewable energy. One goal is to offer the turnkey construction of offshore wind power facilities. The building application for the production sites has already been filed, the project schedule is currently in planning, and full-scale stability trials are currently underway on the behaviour of flat foundations under rough offshore conditions. Projects are also under development in the field of storage technologies to mitigate the natural fluctuations in electricity and heat generation from renewable sources. Other projects include pilot tidal power facilities or ways of capturing geothermal heat during machine tunnelling.

In traditional building construction, some of the high-rises built in recent years show how optimisations in construction and building materials are giving planners and estimators a new sense of flexibility. Methods are also being developed to better understand material ageing using state-of-the-art sensor technologies.

A building's equipment and services are decisive factors for the efficiency of its operations and the quality of the indoor climate. Relevant projects carried out in the reporting year include thermally activated building systems which operate depending on weather forecasts, as well as building simulations and energy needs analyses. The aim and content of these projects is to achieve far-reaching optimisations regarding the operational energy needs while maximising the comfort of the indoor climate and increasing planning security. Examples include the analysis of predictive controls for thermally activated building systems using weather forecast data and simulations to analyse the thermal behaviour of and light conditions in buildings.

A great deal of attention has recently been given to the development of "5D planning" in construction. 5D is the group's Building Information Model (BIM), which stands for the model-based, integrative work of all project participants across all project phases. This way of working is currently being integrated into the ARRIBA estimation software with the aim of expanding ARRIBA, which will then be called iTWO, through the addition of construction operation processes and graphic functions. In the year under report, this new generation of the estimation software was used to realise models for construction shells and to determine quantities in the Building Construction & Civil Engineering segment.

TPA Gesellschaft für Qualitätssicherung und Innovation (TPA Company for Quality Assurance and Innovation) is STRABAG's competence centre for quality management. Its activities include research and development related to building materials production, as well as materials inspections, job safety, and environment- and waste-related matters.

Together with the management of the operating units, ZT and TPA, as internal competence centres, have as their goal the extension of the group's competitive advantage through technical and high-quality solutions while sustaining the natural resources at the same time.

The STRABAG Group's EFKON AG subsidiary provides the group with expertise in the research and development of intelligent transportation systems in general and electronic toll collection solutions in particular. In recent years, EFKON has engaged in some very successful activities in the field of Car2Car communications, especially as a result of its cooperation in EU research projects. Based on the new global ISO standard known as CALM, EFKON developed a worldwide unique microchip for intelligent infrared communications between moving cars.

In the field of development, CEN microwave technology was further developed in addition to the key technologies of the existing toll solutions (satellite and active infrared). Another focus of the activities is on toll enforcement. Developments include a new product to help the Austrian motorway authority ASFINAG automatically enforce toll stickers in Austria, as well as a portable DSRC-based toll monitoring unit to enforce the toll for trucks on German motorways.

EFKON's development activities also focused on the expansion and adaptation of tolling technologies and products in view of the upcoming European Electronic Toll System (EETS), which will be implemented stepwise from 2013 to allow continuous tolling with a single device from North Cape all the way to Sicily. Further developments in the field of high-performance video technology will also allow simple, mobile or stationary toll enforcement in moving traffic, thus directly and indirectly increasing toll income and fairness.

During the 2010 financial year, the STRABAG Group spent about € 14 million on research, development and innovation activities.

ENVIRONMENT

The STRABAG Group invests in the research and development of sustainable construction materials and innovative technologies in various areas of the company.

The group's building logistics and transport unit (BLT) sees to the reliable and economic provision of all operating areas and service companies with construction materials and equipment. Efficient planning processes and resource use helps to minimise waste, leading to cost reduction and lower emissions. The group's railway transport company allows STRABAG to shift the transport of construction material and equipment from the road onto rail. In this way, STRABAG reduced its CO_2 emissions by around 33,900 tonnes in 2010.

In the area of procurement, we strive for the efficient and responsible management of the supply chain with respect to economic, environmental and social opportunities. Particularly in view of sustainable building, STRABAG has committed itself to following even stricter guidelines for the procurement of materials and is focusing on certified environmentally-friendly construction materials. It is important for us that suppliers fulfil certain pre-defined criteria. We want to ensure a resource-friendly use of energy and raw materials in the preparation and delivery of our services. It is our goal that the materials used and the services delivered by us impact the environment as little as possible.

Innovations were also made in the field of construction itself. As part of a sustainable building initiative, STRABAG is committed to promoting the implementation of new environmental building standards. These include the efficient, resource-friendly use of energy in buildings and sustainable construction methods.

MATERIAL USE	2009	2008	CHANGE %
Fuel total	€ 178.19 million	€ 145.44 million	23 %
Natural and liquid gas	€ 24.89 million	€ 24.82 million	0 %
Heating oil	€ 14.80 million	€ 15.69 million	-6 %
Electricity	€ 47.72 million	€ 48.12 million	-1 %
Stone/Gravel	61.53 million tonnes	65.72 million tonnes	-6 %
Asphalt	13.25 million tonnes	15.13 million tonnes	-12 %
Concrete	5.12 million m³	5.24 million m³	-3 %

DISCLOSURES PURSUANT TO SECTION 243A PARA 1 UGB

1. The share capital of STRABAG SE amounts to € 114,000,000 and consists of 114,000,000 fully paid-in, no-par value shares with a pro-rata value of € 1 per share of the share capital. 113,999,997 shares are bearer shares and are traded on the Prime Market Segment of the Vienna Stock Exchange. Three shares are registered shares. Each bearer share and each registered share accounts for one vote (one share – one vote). The nomination rights associated with registered shares No. 1 and No. 2 are described in more detail under Item 4.
2. The Haselsteiner Group (Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner), the Raiffeisen Group (RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H, BLR-Baubeteiligungs GmbH, "Octavia" Holding GmbH), the UNIQA Group (UNIQA Versicherungen AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Personenversicherung AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H., UNIQA Sachversicherung AG, Raiffeisen Versicherung AG) and Rasperia Trading Limited (controlled by Oleg Deripaska), as shareholders of STRABAG SE, have signed a syndicate agreement governing (1) nomination rights regarding the supervisory board, (2) the coordination of voting during the Annual General Meeting, (3) restriction on the transfer of shares and (4) joint development of the Russian market as a core market. The Haselsteiner Group, the Raiffeisen Group together with the UNIQA Group, and Rasperia Trading Limited each have the right to nominate two members of the supervisory board. The syndicate agreement also requires the syndicate partners to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. The syndicate agreement further foresees restrictions on the transfer of shares in the form of mutual pre-emptive rights as well as a minimum shareholding on the part of the syndicate partners.
3. To the knowledge of STRABAG SE, the following shareholders held a direct or indirect interest of at least 10 % of the share capital of STRABAG SE on 31 December 2010:

Haselsteiner Familien-Privatstiftung	29.5 %
Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H. (Raiffeisen Group)	15.5 %
UNIQA Versicherungen AG (UNIQA Group)	15.0 %
Rasperia Trading Limited	17.0 %

   The remaining shares of the share capital of STRABAG SE, amounting to 23 % of the share capital, are in free float. In addition to its 17 % interest, core shareholder Rasperia Trading Limited also holds an option, valid until 15 July 2014, to buy a further 8 % of STRABAG SE from the other core shareholders mentioned above.
4. Three shares are – as mentioned under Item 1 – registered shares entered in the shareholder register. Registered shares No. 1 and No. 3 are held by the Haselsteiner Group and registered share No. 2 is held by Rasperia Trading Limited. Registered shares No. 1 and No. 2 allow their bearers to nominate a member each to the supervisory board of STRABAG SE.
5. No employee stock option programmes exist.
6. No further regulations exist beyond Items 2 and 4 regarding the nomination and recall of members of the management and supervisory boards or regarding changes to the Articles of Association which do not result directly from relevant law and legislation.
7. The management board of STRABAG SE was authorised by resolution of the 6th Annual General Meeting of 18 June 2010, in accordance with Sec 65 Para 1 No 8 and Para 1a and 1b of the Austrian Stock Corporation Act (AktG), to acquire bearer or registered no-par shares of the company on the stock market or over the counter to the extent of up to 10 % of the share capital during a period of twelve months from the day of the resolution at a minimum price per share of EUR 1 and a maximum price per share of EUR 34. The purpose of the acquisition may not be to trade with own shares. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary (Sec 228 Para 3 UGB) or third parties acting on behalf of the company. The management board can decide to acquire shares on the stock exchange but must inform the supervisory board following decision to do so. Over-the-counter purchases require prior approval by the supervisory board. The management board was further authorised, in accordance with Sec 65 Para 1b AktG, for a period of five years from this resolution, to sell or assign its own shares, with approval by the supervisory board, in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary (Sec 228 Para 3 UGB) or third parties acting on behalf of the company. At the same time, the existing authorisation to buy back own shares as per resolution by the Annual General Meeting of 19 June 2009 was cancelled.
8. There exist no significant agreements to which STRABAG SE is party and which would become effective, change or end due to a change of ownership in STRABAG SE following a takeover offer.
9. No compensation agreements exist between STRABAG SE and its management and supervisory board members or employees in the event of a public takeover offer.

SUPPORTING INFORMATION

At the beginning of March 2009, an accident occurred during underground construction at the South Lot for the North-South urban metro line in Cologne, resulting in the collapse of the Historical Archive of the City of Cologne and significant portions of two neighbouring buildings. Debris collapsed into a hole which opened next to the North-South construction site at the Waidmarkt crossover junction. Two people were trapped under the rubble, and rescuers were only able to recover their bodies.

Construction is being carried out by a joint venture (JV) of Bilfinger Berger AG, Wayss & Freytag Ingenieurbau AG and our company. The JV is led by Bilfinger Berger AG on the technical side and by Wayss & Freytag Ingenieurbau AG on the commercial side. Our company holds a 33.3 % interest in the JV.

The cause of the collapse remains unknown. The public prosecutor's office began an investigation against unknown perpetrators in March 2009. Independent proceedings for the taking of evidence are being conducted at the District Court in Cologne. The court-appointed expert is still in the investigation phase.

As a result of investigations at other construction sites for the North-South metro line, in particular involving Heumarkt station, the construction supervision of the JV and of the Cologne Transport Authority (KVB) have been the object of public criticism since the beginning of 2010. In response to certain irregularities, the public prosecutor's office is investigating against members of the JV. The prosecuting authorities have said that, at this time, there are no indications that these investigations are related to the accident of March 2009. An intensive investigation of the construction sites concerned by the JV and by experts has revealed no problems which could cast doubt on safety. At the end of 2010, the public prosecutor's office announced the finding that missing steel bars did not lead to the collapse.

We continue to believe that the incident will not result in significant damages for the company.

RELATED PARTIES

Business transactions with related parties are described in item 28 of the Notes

OUTLOOK AND OBJECTIVES

In contrast to the economy as a whole, a decline was registered once more in the European construction sector in 2010. As a result of the overall economic recovery, which was reflected in a positive gross domestic product (GDP) in 2010, slight growth is first expected in 2011, with accelerated growth in 2012. Both the GDP and the construction volume developed quite differently in the individual markets of Western and Eastern Europe. While the construction output volume in Western Europe is recovering only slowly and will not enter positive territory until 2012, the construction industry in Eastern Europe has fared better throughout the economic crisis thanks to the booming Polish market. Particularly the continued need to address infrastructure deficiencies is proving to be a factor driving further growth in the region.

In the past financial year, the European construction sector benefited from the state economic stimulus programmes that provided investments for public-sector infrastructure projects such as the construction of roads and educational facilities. As the stimulus programmes were replaced by austerity packages at the end of the year, as was the case in STRABAG's home market of Germany, the Building Construction & Civil Engineering segment, which relies mainly on private clients, will be of greater importance in the future.

"DETAILS AS TO THE STRATEGY ON PAGES 20–43"

This again shows the advantages of the STRABAG strategy. The geographical diversification of the activities and the broad product portfolio help compensate for the slowdown in certain markets through stronger engagement in other, more successful markets. To further diversify the business and spread the risk, STRABAG is expanding its activities in property and facility management as well as in niche markets such as railway and waterway construction.

On the basis of the expected market development and the secured order backlog (€ 14.7 billion at the end of 2010), STRABAG set its financial objectives for the coming years and, at its Capital Markets Day in November 2010, announced its business guidance until the year 2012. The company expected a slight decline in output volume for 2010 from € 13.0 billion to € 12.9 billion. The actual output volume in the amount of € 12.8 billion was very close to the forecast. The company expects to raise the output volume by 5 % to € 13.5 billion in 2011 and by 1.5 % to € 13.7 billion in 2012.

STRABAG SE expected the adjusted earnings before interest and taxes (EBIT) for 2010 to reach € 280 million (2009: € 283 million; unadjusted, the EBIT would include a positive one-off effect from the Viamont acquisition in the amount of € 10.6 million). The actual adjusted earnings – amounting to € 288.35 million – were slightly higher than forecast. The EBIT margin of 2.3 % – calculated based on the output volume – will decrease to 2.2 % in the years to come for an EBIT of € 295 million in 2011 and € 300 million in 2012.

STRABAG expects the net interest income and the minority interest in earnings in 2010 and 2011 to remain at € -20 million and € 20-25 million, respectively. STRABAG raised its forecast for the tax rate from 27-28 % to approx. 30 % due in part to the fact that no full tax relief could be carried out for losses through the capitalisation of tax loss carryforward.

EVENTS AFTER THE REPORTING PERIOD

The material events after the reporting period are described in item 31 of the Notes.

FINANCIAL STATEMENT[1)]

1) This part has been audited by KPMG.

FINANCIAL STATEMENT 31.12.2010

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR 2010

	NOTES	2010 T€	2009 T€
Revenue	(1)	12,381,537	12,551,928
Changes in inventories		1,828	9,689
Own work capitalized		78,178	71,423
Other operating income	(2)	275,169	258,248
Raw materials, consumables and services used	(3)	-8,218,355	-8,446,904
Employee benefits expenses	(4)	-2,800,933	-2,823,322
Other operating expenses	(5)	-1,030,190	-932,918
Share of profit or loss of associates	(6)	32,386	-12,715
Net investment income	(7)	15,073	8,819
EBITDA		**734,693**	**684,248**
Depreciation and amortisation expense	(8)	-435,742	-401,400
EBIT		**298,951**	**282,848**
Interest and similar income		78,709	78,332
Interest expense and similar charges		-98,386	-98,219
Net interest income	**(9)**	**-19,677**	**-19,887**
Profit before tax		**279,274**	**262,961**
Income tax expense	(10)	-90,896	-78,350
Net income		**188,378**	**184,611**
Attributable to: non-controlling interests		13,521	23,154
Attributable to: equity holders of the parent		174,857	161,457
Earnings per share (in €)	**(11)**	**1.53**	**1.42**

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR 2010

		2010 T€	2009 T€
Net income		188,378	184,611
Differences arising from currency translation		43,329	-7,515
Change in hedging reserves including interest rate swaps		-3,559	44,351
Change in actuarial gains or losses		-17,217	-21,710
Change in fair value of financial instruments under IAS 39		-1,183	666
Deferred taxes on neutral change in equity	(10)	611	-4,679
Net income recognised directly in equity		**21,981**	**11,113**
Total comprehensive income		**210,359**	**195,724**
Attributable to: non-controlling interests		12,396	20,394
Attributable to: equity holders of the parent company		197,963	175,330

CONSOLIDATED BALANCE SHEET AS OF 31.12.2010

ASSETS	NOTES	31.12.2010 T€	31.12.2009 T€
Non-current assets			
Intangible assets	(12)	535,687	496,056
Property, plant and equipment	(12)	2,102,364	2,146,440
Investment property	(13)	73,524	113,120
Investments in associates	(14)	87,933	131,949
Other financial assets	(14)	257,256	240,833
Receivables from concession arrangements	(17)	968,875	938,532
Trade receivables	(17)	64,229	61,410
Non-financial assets	(17)	4,044	5,398
Other financial assets	(17)	36,778	32,730
Deferred taxes	(15)	214,349	133,984
		4,345,039	**4,300,452**
Current assets			
Inventories	(16)	705,721	655,703
Receivables from concession arrangements	(17)	19,477	18,008
Trade receivables	(17)	2,548,790	2,401,589
Non-financial assets	(17)	138,260	121,126
Other financial assets	(17)	440,527	333,761
Cash and cash equivalents	(18)	1,952,452	1,782,951
Assets held for sale	(19)	231,891	0
		6,037,118	**5,313,138**
		10,382,157	**9,613,590**

EQUITY AND LIABILITIES	NOTES	31.12.2010 T€	31.12.2009 T€
Group equity			
Share capital		114,000	114,000
Capital reserves		2,311,384	2,311,384
Retained earnings		665,726	524,803
Non-controlling interests		141,328	148,877
	(20)	**3,232,438**	**3,099,064**
Non-current liabilities			
Provisions	(21)	927,948	867,626
Financial liabilities[1)]	(22)	1,318,305	1,274,647
Trade payables	(22)	43,231	40,011
Non-financial liabilities	(22)	1,003	1,067
Other financial liabilities	(22)	23,847	68,090
Deferred taxes	(15)	49,142	53,990
		2,363,476	**2,305,431**
Current liabilities			
Provisions	(21)	710,810	580,407
Financial liabilities[2)]	(22)	240,847	234,515
Trade payables	(22)	3,067,759	2,635,245
Non-financial liabilities	(22)	355,381	360,363
Other financial liabilities	(22)	411,446	398,565
		4,786,243	**4,209,095**
		10,382,157	**9,613,590**

1) Thereof T€ 678,713 concerning non-recourse liabilities from concession arrangements (previous year: T€ 715,099)
2) Thereof T€ 41,172 concerning non-recourse liabilities from concession arrangements (previous year: T€ 41,981)

CONSOLIDATED CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR 2010

	2010 T€	2009 T€
Net income	188,378	184,611
Deferred taxes	-84,853	-17,441
Non-cash effective results from consolidation	2,519	2,958
Non-cash effective results from associates	-20,608	19,399
Depreciations/write ups	435,583	411,500
Changes in long term provisions	43,164	44,358
Gains/losses on disposal of non-current assets	-43,286	-31,980
Cash-flow from profits	**520,897**	**613,405**
Change in items:		
Inventories	-48,298	17,906
Trade receivables, construction contracts and consortia	-211,191	640,212
Receivables from subsidiaries and receivables from participation companies	-36,979	1,178
Other assets	-25,480	25,255
Trade payables, construction contracts and consortia	351,057	-146,894
Liabilities from subsidiaries and liabilities from participation companies	19,762	-19,184
Other liabilities	-5,162	-52,012
Current provisions	125,811	35,231
Cash-flow from operating activities	**690,417**	**1,115,097**
Purchase of financial assets	-47,833	-54,448
Purchase of property, plant, equipment and intangible assets	-553,843	-508,725
Gains/losses on disposal of non-current assets	43,286	31,980
Disposals of non-current assets (carrying value)	102,883	99,337
Change in other cash clearing receivables	-58,772	-11,289
Change in scope of consolidation	-9,277	5,881
Cash-flow from investing activities	**-523,556**	**-437,264**
Change in bank borrowings	37,999	-161,171
Change in bonds	25,000	-50,000
Change in non-current provisions	0	-61,981
Change in liabilities from finance leases	-12,491	-32,391
Change in other cash clearing liabilities	546	4,229
Change due to acquisitions of non-controlling interests	-9,247	-15,929
Distribution and withdrawals from partnerships	-62,004	-69,074
Cash-flow from financing activities	**-20,197**	**-386,317**
Cash-flow from operating activities	690,417	1,115,097
Cash-flow from investing activities	-523,556	-437,264
Cash-flow from financing activities	-20,197	-386,317
Net change in cash and cash equivalents	**146,664**	**291,516**
Cash and cash equivalents at the beginning of the year	1,782,951	1,491,373
Change in cash and cash equivalents due to currency translation	22,837	62
Cash and cash equivalents at the end of the period	**1,952,452**	**1,782,951**
Interest paid	53,705	61,199
Interest received	57,690	56,885
Taxes paid	107,909	112,435
Dividends received	39,429	33,392

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR 2010

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€
Balance as of 1.1.2009	**114,000**	**2,311,384**	**530,342**
Net income	0	0	161,457
Net income recognised directly in equity	0	0	-11,892
Total comprehensive income	**0**	**0**	**149,565**
Subtotal	**114,000**	**2,311,384**	**679,907**
Change in equity due to capital consolidation	0	0	0
Distribution of dividends[1)]	0	0	-62,700
Balance as of 31.12.2009	**114,000**	**2,311,384**	**617,207**

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€
Balance as of 1.1.2010	**114,000**	**2,311,384**	**617,207**
Net income	0	0	174,857
Net income recognised directly in equity	0	0	-10,707
Total comprehensive income	**0**	**0**	**164,150**
Subtotal	**114,000**	**2,311,384**	**781,357**
Transactions concerning non-controlling interests	0	0	-40
Distribution of dividends[2)]	0	0	-57,000
Balance as of 31.12.2010	**114,000**	**2,311,384**	**724,317**

1) The total dividend payment of T€ 62,700 corresponds to a dividend per share of € 0.55 based on 114,000,000 shares.
2) The total dividend payment of T€ 57,000 corresponds to a dividend per share of € 0.50 based on 114,000,000 shares.

HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	GROUP EQUITY T€	NON-CONTROLLING INTERESTS T€	TOTAL EQUITY T€
-97,755	**-20,414**	**2,837,557**	**141,424**	**2,978,981**
0	0	161,457	23,154	184,611
32,471	-6,706	13,873	-2,760	11,113
32,471	**-6,706**	**175,330**	**20,394**	**195,724**
-65,284	**-27,120**	**3,012,887**	**161,818**	**3,174,705**
0	0	0	-6,567	-6,567
0	0	-62,700	-6,374	-69,074
-65,284	**-27,120**	**2,950,187**	**148,877**	**3,099,064**

HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	GROUP EQUITY T€	NON-CONTROLLING INTERESTS T€	TOTAL EQUITY T€
-65,284	**-27,120**	**2,950,187**	**148,877**	**3,099,064**
0	0	174,857	13,521	188,378
-8,012	41,825	23,106	-1,125	21,981
-8,012	**41,825**	**197,963**	**12,396**	**210,359**
-73,296	**14,705**	**3,148,150**	**161,273**	**3,309,423**
0	0	-40	-14,941	-14,981
0	0	-57,000	-5,004	-62,004
-73,296	**14,705**	**3,091,110**	**141,328**	**3,232,438**

CONSOLIDATED STATEMENT OF FIXED ASSETS AS OF 31 DECEMBER 2010

ACQUISITION AND PRODUCTION COSTS

	BALANCE AS OF 31.12.2009 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CUR-RENCY TRANS-LATION T€	BALANCE AS OF 1.1.2010 T€	ADDITIONS T€	TRANS-FERS T€
I. Intangible Assets						
1. Concessions; industrial property rights and similar rights	122,815	13,322	1,771	137,908	16,527	3,308
2. Goodwill	536,747	74,503	9,282	620,532	0	0
3. Development costs	16,729	0	299	17,028	5,596	0
4. Advances paid	3,372	0	0	3,372	123	-3,308
	679,663	**87,825**	**11,352**	**778,840**	**22,246**	**0**
II. Tangible Assets						
1. Properties, land rights equivalent to real property; buildings including buildings on third-party property	1,187,135	10,546	10,042	1,207,723	45,322	16,168
2. Technical equipment and machinery	2,144,240	2,062	39,109	2,185,411	256,619	75,623
3. Other facilities, furniture and fixtures and office equipment	791,870	569	8,681	801,120	109,627	3,782
4. Advances paid and facilities under construction	309,881	1,821	0	311,702	120,029	-327,464
	4,433,126	**14,998**	**57,832**	**4,505,956**	**531,597**	**-231,891**
III. Investment Property	265,116	0	0	265,116	0	0
	5,377,905	**102,823**	**69,184**	**5,549,912**	**553,843**	**-231,891**[3]

1) Of this amount, impairments of T€ 71,627 (previous year: T€ 46,431)
2) Of this amount, reversal of the depreciation T€ 3,206 (previous year: T€ 0)
3) Reclassification as assets held for sale.

CONSOLIDATED STATEMENT OF FIXED ASSETS AS OF 31 DECEMBER 2009

ACQUISITION AND PRODUCTION COSTS

	BALANCE AS OF 31.12.2008 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CUR-RENCY TRANS-LATION T€	BALANCE AS OF 1.1.2009 T€	ADDITIONS T€	TRANS-FERS T€
I. Intangible Assets						
1. Concessions; industrial property rights and similar rights	96,195	33,611	-23	129,783	6,310	-10,030
2. Goodwill	498,456	35,865	1,232	535,553	4,680	0
3. Development costs	0	15,199	0	15,199	1,530	0
4. Advances paid	78	3,047	0	3,125	325	0
	594,729	**87,722**	**1,209**	**683,660**	**12,845**	**-10,030**
II. Tangible Assets						
1. Properties, land rights equivalent to real property; buildings including buildings on third-party property	1,046,245	1,528	1,011	1,048,784	64,083	98,035
2. Technical equipment and machinery	2,005,363	34,960	4,923	2,045,246	171,000	49,251
3. Other facilities, furniture and fixtures and office equipment	800,473	13,308	-1,341	812,440	83,285	-33,271
4. Advances paid and facilities under construction	233,998	3,597	-1,241	236,354	177,512	-103,985
	4,086,079	**53,393**	**3,352**	**4,142,824**	**495,880**	**10,030**
III. Investment Property	301,117	0	-1,566	299,551	0	0
	4,981,925	**141,115**	**2,995**	**5,126,035**	**508,725**	**0**

1) Of this amount, impairments of T€ 46,431 (previous year: T€ 36,075)
2) Of this amount, reversal of the depreciation T€ 0 (previous year: T€ 2,110)

					ACCUMULATED DEPRECIATION				CARRYING VALUES	
DISPOSALS T€	BALANCE AS OF 31.12.2010 T€	BALANCE AS OF 31.12.2009 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CUR-RENCY TRANS-LATION T€	ADDITIONS[1)] T€	TRANSFERS T€	DISPO-SALS[2)] T€	BALANCE AS OF 31.12.2010 T€	VALUES 31.12.2010 T€	VALUES 31.12.2009 T€
26,115	131,628	81,112	1,579	1,395	23,027	0	25,935	81,178	50,450	41,703
203	620,329	102,495	0	18	49,536	0	203	151,846	468,483	434,252
0	22,624	0	0	0	6,057	0	0	6,057	16,567	16,729
0	187	0	0	0	0	0	0	0	187	3,372
26,318	**774,768**	**183,607**	**1,579**	**1,413**	**78,620**	**0**	**26,138**	**239,081**	**535,687**	**496,056**
17,907	1,251,306	381,702	-277	2,556	50,049	0	14,310	419,720	831,586	805,433
121,389	2,396,264	1,351,759	-5,529	23,544	208,260	258	96,727	1,481,565	914,699	792,481
72,798	841,731	553,225	-2,051	5,703	93,409	-258	60,109	589,919	251,812	238,645
0	104,267	0	0	0	0	0	0	0	104,267	309,881
212,094	**4,593,568**	**2,286,686**	**-7,857**	**31,803**	**351,718**	**0**	**171,146**	**2,491,204**	**2,102,364**	**2,146,440**
45,301	219,815	151,996	0	-872	5,404	0	10,237	146,291	73,524	113,120
283,713	**5,588,151**	**2,622,289**	**-6,278**	**32,344**	**435,742**	**0**	**207,521**	**2,876,576**	**2,711,575**	**2,755,616**

					ACCUMULATED DEPRECIATION				CARRYING VALUES	
DISPOSALS T€	BALANCE AS OF 31.12.2009 T€	BALANCE AS OF 31.12.2008 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CUR-RENCY TRANS-LATION T€	ADDITIONS[1)] T€	TRANSFERS T€	DISPO-SALS[2)] T€	BALANCE AS OF 31.12.2009 T€	VALUES 31.12.2009 T€	VALUES 31.12.2008 T€
3,248	122,815	54,880	17,804	45	16,764	-6,504	1,877	81,112	41,703	41,315
3,486	536,747	76,960	203	9	25,401	0	78	102,495	434,252	421,496
0	16,729	0	0	0	0	0	0	0	16,729	0
78	3,372	0	0	0	0	0	0	0	3,372	78
6,812	**679,663**	**131,840**	**18,007**	**54**	**42,165**	**-6,504**	**1,955**	**183,607**	**496,056**	**462,889**
23,767	1,187,135	326,252	-1,562	744	45,084	18,163	6,979	381,702	805,433	719,993
121,257	2,144,240	1,193,515	24,902	6,487	212,087	1,783	87,015	1,351,759	792,481	811,848
70,584	791,870	521,614	10,026	258	94,417	-13,442	59,648	553,225	238,645	278,859
0	309,881	0	0	0	0	0	0	0	309,881	233,998
215,608	**4,433,126**	**2,041,381**	**33,366**	**7,489**	**351,588**	**6,504**	**153,642**	**2,286,686**	**2,146,440**	**2,044,698**
34,435	265,116	157,707	0	-190	7,647	0	13,168	151,996	113,120	143,410
256,855	**5,377,905**	**2,330,928**	**51,373**	**7,353**	**401,400**	**0**	**168,765**	**2,622,289**	**2,755,616**	**2,650,997**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31.12.2010 OF STRABAG SE, VILLACH[1)]

1) This part has been audited by KPMG.

BASIC PRINCIPLES

STRABAG SE is one of Europe's leading construction groups. The company has its headquarters in Villach, Austria. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe including Russia, in selected markets in Western Europe and the Arabian Peninsula, as well as in the project business in Africa, Asia and the Americas. STRABAG's activities span the entire construction industry (Building Construction & Civil Engineering, Transportation Infrastructures, Tunnelling, construction-related services) and cover the entire value-added chain in the field of construction.

The consolidated financial statements of STRABAG SE at the reporting date 31 December 2010, were drawn up under application of Section 245a Paragraph 2 of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Applied were exclusively those standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union. Further reporting requirements of Section 245a Paragraph 1 of the Austrian Commercial Code (UGB) were fulfilled as well.

In addition to a statement of comprehensive income, the financial statements include a cash-flow statement in accordance with IAS 7 and a statement of changes in equity (IAS 1). The disclosures in the Notes also contain a segment reporting section in accordance with IFRS 8.

In order to improve the clarity of the representation, various items in the balance sheet and the income statement have been combined. These items have been shown separately and are explained in the group notes. The income statement has been drawn up in accordance with the nature of expense method.

The consolidated financial statements were drawn up in T€. The presentation in T€ may result in rounding differences.

CHANGES IN ACCOUNTING POLICIES

The IASB has made amendments to the existing IFRS and passed several new IFRS and IFRIC, which are also adopted from the European Commission. Application became mandatory on 1 January 2010.

	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO IASB)	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO EU ENDORSEMENT)
IFRS 1 First-time Adoption of IFRS	1.7.2009	1.1.2010
IFRS 1 Amendments to Additional Exemptions for First-time Adopters	1.1.2010	1.1.2010
IFRS 2 Amendments for Group Cash-settled Share-based Payment Transactions	1.1.2010	1.1.2010
IFRS 3 Business Combinations (adapted 2008)	1.7.2009	1.7.2009
IAS 27 Consolidated and Separate Financial Statements under IFRS (amended)	1.7.2009	1.7.2009
IAS 39 Recognition an Measurement of Eligible Hedged Items	1.7.2009	1.7.2009
IFRIC 12 Service Concession Arrangements	1.1.2008	30.3.2009
IFRIC 15 Agreements for the Construction of Real Estate	1.1.2009	1.1.2010
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1.10.2008	1.7.2009
IFRIC 17 Distributions of Non-cash Assets to Owners	1.7.2009	1.11.2009
IFRIC 18 Transfers of Assets from Customers	1.7.2009	1.11.2009
Amendments to various IFRS under the 2009 annual improvement process	1.1.2009	1.1.2010

First-time application of the above-stated IFRS results in the following changes in comparison to 31 December 2009.

IFRS 3 and IAS 27: Phase II of the Capital Consolidation project reworked the rules for capital consolidation. The most important changes are that IFRS 3 allows an accounting policy choice to measure non-controlling interest at fair value (full goodwill method), transaction costs must be recognised in profit or loss, no goodwill adjustments are possible with post-acquisition reassessment of the purchase price, and step acquisitions result in a remeasurement of the previously recognised assets and liabilities in profit or loss. Furthermore, all transactions with non-controlling interests are recognised directly in equity (see also item methods of consolidation).

IFRIC 12 Service Concession Arrangements: IFRIC 12 regulates the accounting of rights and duties from service concession agreements. If the company has an unconditional contractual right to receive a payment, a financial asset is recognised (financial asset model). If the company merely has the right to charge users a usage fee, an intangible asset is recognised (intangible asset model). STRABAG already applies IFRIC 12 for the classification of assets. No material changes therefore result from mandatory application of this interpretation.

IFRIC 15 Agreements for the Construction of Real Estate: IFRIC 15 puts into concrete terms the concept of construction contracts according to IAS 11 and reconciles revenue recognition according to IAS 18 with agreements for the construction of real estate. IFRIC 15 states that IAS 11 is applicable only if the buyer has the ability to specify the major structural elements of the real estate design – if not, IAS 18 applies.

The first-time application of the IFRS standards mentioned had secondary consequences on STRABAG SE's consolidated financial statements as of 31 December 2010 as the changes were applicable only in isolated cases. There were no changes to the accounting policies.

FUTURE CHANGES OF FINANCIAL REPORTING STANDARDS

The IASB and the IFRIC approved further standards and interpretations. However, these were neither required to be applied in the 2010 financial year nor adopted by the European Commission. The amendments affect the following standards and interpretations:

	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO IASB)	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO EU ENDORSEMENT)
IFRS 7 Disclosures in the notes to the financial statements regarding the transfer of financial instruments	1.7.2011	n/a
IFRS 9 Financial Instruments	1.1.2013	n/a
IAS 12 Deferred taxes: realisation of the carrying amount of an asset	1.1.2012	n/a
IAS 24 Related Party Disclosures (amended)	1.1.2011	1.1.2011
Amendment to IAS 32 about Classification of Rights Issues	1.2.2010	1.2.2010
IFRIC 14 Prepayment of a Minimum Funding Requirement	1.1.2011	1.1.2011
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1.7.2010	1.7.2010
Amendments to various IFRS under the 2010 annual improvement process	generally 1.7.2010	1.7.2010/ 1.1.2011

n/a: endorsment process is still in progress

Consequences for the consolidated financial statements are expected especially from the application of the following standards and interpretations:

IFRS 9: The revised IFRS 9 adds new requirements for the recognition and measurement of financial assets. Essentially, the categories for recognising and measuring financial assets were restructured. A reclassification of assets is required if the entity's business model changes. The new rules also change the requirements for the subsequent measurement of financial liabilities if they are not measured at amortised cost.

Early application of the new standards is not planned.

SCOPE OF CONSOLIDATION

The Consolidated Financial Statements as of 31 December 2010 include STRABAG SE as well as all major domestic and foreign subsidiaries where STRABAG SE either directly or indirectly holds a majority of the voting rights. Major associated companies and joint ventures are reported in the balance sheet using the equity method (investments in associates).

Group companies which are of minor importance for the purpose of giving a true and fair view of the financial position, financial performance and cash-flows of the group are not consolidated.

Subsidiaries included in the 2010 consolidated financial statements are given in the list of subsidiaries, associated companies and investments.

The financial year for all consolidated and associated is identical with the calendar year.

The number of consolidated companies changed in the 2010 financial year as follows:

	CONSOLIDATION	EQUITY METHOD
Situation on 31.12.2009	**316**	**14**
First-time inclusions in year under report	21	2
First-time inclusions in year under report due to merger/accretion	12	0
Merger/accretion in year under report	-33	0
Exclusions in year under report	-21	-2
Situation on 31.12.2010	**295**	**14**

ADDITIONS TO SCOPE OF CONSOLIDATION

The following companies formed part of the scope of consolidation for the first time on the reporting date:

COMPANY	DIRECT STAKE %	DATE OF ACQUISITION OR FOUNDATION
Consolidation		
BrennerRast GmbH, Vienna	100.00	1.1.2010 [1)]
Donnersberger Höfe Ost GmbH, Düsseldorf	65.00	22.1.2010 [3)]
Donnersberger Höfe West GmbH, Düsseldorf	65.00	22.1.2010 [3)]
Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH & Co.KG, Oststeinbek	51.00	8.7.2010
Forum Mittelrhein Koblenz Kultur GmbH & Co. KG, Hamburg	51.00	13.4.2010
ILBAU GmbH, Vienna	100.00	1.1.2010 [1)]
ILBAU MANAGEMENT GMBH, Vienna	100.00	24.12.2010
Kalksteinwerk Eigenrieden GmbH, Rodeberg	100.00	8.11.2010
KMG - KLIPLEV MOTORWAY GROUP A/S, Copenhagen	100.00	3.2.2010
Magyar Asfalt Kft., Budapest	100.00	1.1.2010 [1)]
Rimex Gebäudemanagement GmbH, Ulm	70.00	28.9.2010
STRABAG ABU DHABI LLC, Abu Dhabi	100.00	1.1.2010 [1)]
STRABAG Energietechnik GmbH & Co KG, Vienna	100.00	27.10.2010
STRABAG Projektutveckling AB, Stockholm	100.00	6.7.2010 [3)]
STRABAG Property and Facility Services a.s., Prague	100.00	15.10.2010
STRABAG Property and Facility Services GmbH, Vienna	100.00	1.1.2010 [1)]
STRABAG Scandinavia AB, Stockholm	100.00	6.7.2010
TSS Splitt- und Schotterwerke Thüringen Beteiligungs GmbH, Bad Langensalza	100.00	1.1.2010
Viamont DSP a.s., Usti nad Labem	100.00	15.2.2010
Viedenska Brana s.r.o., Bratislava	100.00	19.8.2010
Züblin Nederland BV, Vlaadingen	100.00	1.1.2010 [1)]

COMPANY	DIRECT STAKE %	DATE OF ACQUISITION OR FOUNDATION
Merger/Accretion[2)]		
Arkil Asphalt Brandenburg GmbH, Schleswig	100.00	1.1.2010
Daferner Beteiligungs-GmbH & Co KG, Senden	100.00	1.1.2010
Daferner Beteiligungsverwaltungs GmbH, Elchingen	100.00	1.1.2010
ERA Epitö Kft., Budapest	100.00	1.1.2010
H-Projekt II.Ingatlanfejlesztö Kft., Budapest	100.00	1.1.2010
Kirchhoff Projektgesellschaft mbH & Co. KG, Leinfelden-Echterdingen	100.00	1.1.2010
Kirchhoff Umwelttechnik GmbH, Senden	100.00	1.1.2010
LOGISTIK SÜD GmbH, Langenargen	100.00	1.1.2010
MBSZ Magyar Betonpumpa Kft., Budapest	100.00	1.1.2010
MINKO Mineral- und Baustoff-Kontor GmbH, Hartmannsdorf	100.00	1.1.2010
Mobil Baustoff Verwaltungsgesellschaft mbH, Ditzingen	100.00	1.1.2010
SALGO Shopping Center Kft., Budapest	100.00	1.1.2010
at-equity		
Züblin International Qatar LLC, Doha	49.00	1.1.2010[1)]
DirectRoute (Limerick) Holdings Limited, Fermoy	20.00	1.1.2010[1)]

VIAMONT DSP A.S.

With the purchase agreement from 21 December 2009, STRABAG SE acquired a further 50 % of the shares in Viamont DSP a.s., Usti nad Labem, Czech Republic. 50 % of the company had already been owned by the STRABAG Group. Viamont is one of Eastern Europe's leading rail construction companies. With this acquisition, STRABAG expands its market presence in these markets with the field of railway construction.

Approval by the cartel authorities was delivered on 15 February 2010.

The purchase price is preliminary allocated to assets and liabilities as follows:

	VIAMONT T€
Acquired assets and liabilities	
Goodwill	65,946
Other non-current assets	31,225
Current assets	100,618
Non-current liabilities	-7,773
Current liabilities	-73,944
Purchase price	**116,072**
Less non-cash-effective purchase price component	-74,218
Acquired cash and cash equivalents	-41,844
Net cash outflow from the acquisition	**10**

In accordance with the new rule regarding step acquisitions as provided by IFRS 3 and IAS 27, the previous interest in Viamont DSP a.s. is measured through profit or loss at the fair value in the amount of T€ 24,600 to the fair value of 50 % of T€ 50,714.

For the acquisition of 100 % of Viamont DSP a.s., a premium for control was considered in the purchase price for the additional 50 % interest. As synergy effects in the group may only be used after organisational measures, these synergies are not yet included in the value-in-use calculation for goodwill. This resulted in a charge for goodwill impairment in the amount of T€ 14,000.

The result of the initial consolidation of Viamont DSP a.s. was a positive earnings effect in the amount of T€ 10,600.

The remaining goodwill can be assigned to the expansion of the market shares and the related growth opportunities in railway construction.

OTHER ACQUISITIONS

To further strengthen the area-wide supply from quarries in Germany, STRABAG acquired the remaining shares in TSS Splitt- und Schotterwerke Thüringen Beteiligungs GmbH and in Kalksteinwerk Eigenrieden GmbH with an effective date of acquisition of 1 April 2010 and 8 November 2010, respectively.

1) Due to its increased business volume, the company was included in the scope of consolidation of the group for the first time effective 1 January 2010. The foundation/acquisition of the company occurred before 1 January 2010.
2) The companies listed under "Merger" were with/accrued on already fully consolidated companies and as such are at once represented as additions to and removals from the scope of consolidation.
3) The presentation of interests is done using the economic approach; the interests as defined by civil law may deviate from this presentation.

On 16 July 2010, STRABAG acquired a 70 % majority interest in the Rimex Gebäudemanagement GmbH, Ulm. The acquisition of Rimex, a specialist in maintenance services for landscaping and exteriors, helps to expand the service spectrum in the infrastructural facility management segment.

The closing was effected on 28 September 2010.

With the acquisition of the Czech Republic's ECM Facility a.s. in September 2010, STRABAG Property and Facility Services expands its offer in the services sector. ECM Facility operates nationwide in the Czech Republic and is among the country's leading full-service facility maintenance providers. In 2009, the company employed 220 persons and generated revenues of about € 16 million.

The closing took place on 15 October 2010.

Effective 27 October 2010, STRABAG acquired 100 % of h s energieanlagen gmbH & co kg. STRABAG had previously indirectly held a stake of 43 %. At the beginning of 2011, the company was renamed STRABAG Energietechnik GmbH & Co KG. With this acquisition, STRABAG further expands its environmental technology activities in the field of fluidisation bed technology.

The purchase price is preliminary allocated to assets and liabilities as follows:

	OTHERS T€
Acquired assets and liabilities	
Goodwill	8,557
Other non-current assets	14,216
Current assets	36,976
Increase in non-controlling interest in equity	-170
Non-current liabilities	-1,479
Current liabilities	-30,989
Purchase price	**27,111**
Less non-cash-effective purchase price component	-12,172
Acquired cash and cash equivalents	-9,166
Net cash outflow from the acquisition	**5,773**

Purchase price adjustments for acquisitions from the previous year may result in minor changes in assets and liabilities.

The consolidation of companies included for the first time took place at the date of acquisition or the nearest reporting date provided that this had no significant difference to an inclusion at the date of acquisition.

In the 2010 financial year, negative goodwill in the amount of T€ 778 (previous year: T€ 931) occurred. This amount is reported under other operating income.

Assuming a fictitious first-time consolidation on 1 January 2010 for all acquisitions in the 2010 financial year, the consolidated revenue would amount to T€ 12,409,537 and consolidated profit would have changed by a total of T€ -10.

All companies which were consolidated for the first time in 2010 contributed T€ 324,229 to revenue and T€ 2,399 to profit.

ACQUISITIONS AFTER REPORTING DATE

In March 2011, STRABAG announced the acquisition of two established Swiss companies, Brunner Erben Holding AG, Zurich, and Astrada AG, Subingen (Solothurn).

Brunner Erben Holding AG is a construction company with a regional focus in Zurich and eastern Switzerland and offices in Zurich, Kreuzlingen and St. Gallen. The previously family-owned company is active on the Swiss market in the fields of civil engineering (special foundation engineering and road construction), building construction (incl. wood building) and transport and has smaller investments in the fields of construction materials. The company generates an output volume of about CHF 210 million (€ 160 million). The approximately 700 employees will continue their work within the STRABAG Group. The Brunner Erben brand name and offices will remain.

Astrada's regional focus is on the cantons of Solothurn and Bern. The company maintains six offices and is active with about 350 employees in the fields of road and ground-level construction, railway and civil engineering, and industrial and residential construction. Astrada's output volume amounts to about CHF 110 million (€ 85 million). STRABAG will also take on employees from Astrada and maintain the brand name.

The approval of the Swiss competition commission was awarded in March 2011. As the competition commission's approval was not awarded until just before the end of the preparation of the annual accounts, it was not possible to perform a preliminary purchase price allocation.

Effective 1 January 2011, the companies BFB Behmann Feuerfestbau GmbH, Bremen, and SFB Behmann Feuerfestbau GmbH, Schwedt/Oder, were acquired for a purchase price of about € 9 million.

Also effective 1 January 2011, STRABAG acquired all shares of K. H. Gaul GmbH & Co. KG, Sprendlingen. The purchase price is expected to amount to € 28.8 million. The company is to be included in the Transportation Infrastructures segment. The acquisition serves to strengthen the construction materials activities in the German states of Rhineland-Pfalz and Hessen. A purchase price allocation could not be performed as the annual financial statements of the Gaul Group were not available before the end of the preparation of the annual accounts.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As of 31 December 2010, the following companies were no longer included in the scope of consolidation:

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

BITUNOVA UKRAINA TOW, Brovary	Fell below significant level
"Geschäfts- und Bürohaus Sterneckstraße Errichtungs- und Betriebs GmbH", Vienna	Fell below significant level
"IT" Ingenieur- und Tiefbau GmbH, Kobern	Fell below significant level
"Wiebau" Hoch-, Tief- und Strassenbau- Gesellschaft m.b.H., Vienna	Fell below significant level
BUSINESS BOULEVARD Errichtungs- und Betriebs GmbH, Vienna	Fell below significant level
FUSSENEGGER Hochbau und Holzindustrie GmbH, Dornbirn	Fell below significant level
Industrielles Bauen Betreuungsgesellschaft mbH, Stuttgart	Fell below significant level
LPRD (LESZCZYNSKIE PRZEDSIEBIORSTWO ROBOT DROGOWO)-MOSTOWYCH Sp.z o.o., Leszno	Fell below significant level
Mischek Bauträger Service GmbH, Vienna	Fell below significant level
Mischek Leasing eins Gesellschaft m.b.H., Vienna	Fell below significant level
Möbius Construction Ukraine Ltd., Odessa	Fell below significant level
Passivhaus Kammelweg Bauträger GmbH, Vienna	Fell below significant level
STRABAG Dubai LLC, Dubai	Fell below significant level
STRABAG Ras Al Khaimah LLC, Ras Al Khaimah	Fell below significant level
STRABIL Strabag Bildung im Lauenburgischen GmbH, Cologne	Fell below significant level
UNIPROJEKT Bau- und Innenbau GmbH, Vienna	Fell below significant level
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG, Spittal/Drau	Fell below significant level
WMB Drogpud Sp. z o.o., Czestochowa	Fell below significant level
Wohnen am Krautgarten Bauträger GmbH, Vienna	Fell below significant level
Zentrum Rennweg S-Bahn Immobilienentwicklung GmbH, Vienna	Fell below significant level
Züblin Hrvatska d.o.o., Zagreb	Fell below significant level

MERGER/ACCRETION[1]

"Daheim" Bau- und Wohnungseigentumsgesellschaft m.b.H., Vienna	merger
A.H.I. - BAU Allgemeine Hoch- und Ingenieurbau-Gesellschaft mit beschränkter Haftung, Cologne	merger
August & Jean Hilpert GmbH & Co. KG, Nürnberg	merger
Augustowskie Przedsiebiorstwo Drogowe S.A., Augustow	merger
Eggstein AG, Kriens	merger
Erschließungsgesellschaft "Am Schloßberg" Pantelitz GmbH, Neubrandenburg	merger
Ezel Bauunternehmung Sindelfingen GmbH, Sindelfingen	merger
Jakob Gärtner GmbH, Friedberg	merger
Johannes Sienknecht GmbH & Co.KG, Neumünster	merger
Josef Riepl Unternehmen für Hoch- und Tiefbau GmbH, Regensburg	merger
KIMAG GmbH, Leinfelden-Echterdingen	merger
Kirchner International GmbH, Bad Hersfeld	merger
PREFIN a.s., Chrudim	merger
Rodinger Ingenieurbau GmbH, Roding	merger
Sterkovny spol. s r.o. Dolni Benesov, Dolni Benesov	merger
STRABAG AG, Zurich	merger
STRABAG Facility Management GmbH, Spittal/Drau	merger
STRABAG IMMOBILIJA d.o.o., Laibach	merger

1) The companies listed under "Merger" were merged with already fully consolidated companies or, as a result of accretion, already formed part of fully consolidated companies.

Útépitögépek Kft., Budapest	merger
WITTA BAU AG, Zurich	merger
Züblin Romania S.R.L, Bucharest	merger

at-equity	
Viamont DSP a.s., Usti nad Labem	consolidation
Slokenbeka SIA, Milzkalne	Fell below significant level

Deconsolidation led to an insignificant disposal of assets and liabilities.

METHODS OF CONSOLIDATION

The financial statements of the domestic and foreign companies included in the scope of consolidation are drawn up in accordance with uniform methods of accounting and valuation. The annual financial statements of the domestic and foreign group companies are adapted accordingly.

Capital consolidation is made in accordance with the stipulations contained in IFRS 3. All assets and liabilities of the subsidiary companies are recorded at the fair values. The proportional equity thereby determined is offset by the carrying value of the investment. A difference on the assets side, which is allotted to special, identifiable intangible assets acquired in the course of capital consolidation, is recognised separately from goodwill.

If a useful life can be allocated to these assets, the planned amortisation is made over the projected useful life. Intangible assets with an undefined useful life are tested annually for their fair value and amortised if necessary on the basis of an impairment test.

Any remaining differences on the assets side are capitalised as goodwill and submitted once annually to an impairment test in accordance with IAS 36. The option of recognising non-controlling interest at fair value (full goodwill method) is not applied.

In determining the cost of an acquisition, certain components of the purchase price are recognised at fair value at the time of initial consolidation. Later deviations from this value are recognised in profit or loss. In the revised IFRS 3, transaction costs are no longer recognised as the cost of acquisition but are immediately recognised directly in profit or loss.

In the 2010 financial year, T€ 74,503 in goodwill arising from capital consolidation were recognised as assets and impaired in the amount of T€ 49,536 (see the information regarding the initial consolidation of Viamont DSP a.s., Ústí nad Labem).

Negative goodwill stemming from capital consolidation is recorded directly through profit or loss.

In a step acquisition, assets and liabilities are recognised at fair value at the acquisition date. Already existing interests have to be revalued at fair value through profit and loss. The goodwill is determined at the time of acquisition.

Value differences resulting from the acquisition or sale of investments in subsidiaries without the acquisition or loss, respectively, of a controlling interest are recognised in full directly in equity. The revised IAS 27 no longer permits the recognition of goodwill.

The same principles of capital consolidation are applied to investments included under the equity method as in the case of consolidated companies, whereby the respective last available financial statements serve as the basis for the equity method. A goodwill of T€ 0 (previous year: T€ 1,702) results from the first-time application of the equity method of the newly acquired companies.

Within the framework of debt consolidation, outstanding trade receivables, loans and other receivables are offset with the corresponding liabilities and provisions of the subsidiaries included in the consolidated financial statements.

Expenses and revenues from intra-group transactions have been eliminated. Results incurred from intra-group transactions that are recognised in the non-current and current assets have been eliminated if they are material.

Non-controlling interests in equity and profits of companies controlled by the parent company are shown separately in the consolidated financial statements.

The necessary tax deferrals are made for consolidation procedures.

THE FOLLOWING LIST SHOWS THE CONSOLIDATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

AUSTRIA		NOMINAL CAPITAL T€/TATS	DIRECT STAKE %
„A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH“, Spittal an der Drau		35	100.00
„DOMIZIL“ Bauträger GmbH, Vienna		727	100.00
„Filmforum am Bahnhof“ Errichtungs- und Betriebsgesellschaft m.b.H., Vienna	TATS	3,000	100.00
„SBS Strabag Bau Holding Service GmbH“, Spittal an der Drau		35	100.00
„Wiener Heim“ Wohnbaugesellschaft m.b.H., Vienna		741	100.00
„Wohngarten Sensengasse“ Bauträger GmbH, Vienna		35	55.00
ABR Abfall Behandlung und Recycling GmbH, Schwadorf		37	100.00
Asphalt & Beton GmbH, Spittal an der Drau		36	100.00
AUSTRIA ASPHALT GmbH & Co OHG, Spittal an der Drau	TATS	500	100.00
Bau Holding Beteiligungs AG, Spittal an der Drau		48,000	100.00
Baukontor Gaaden Gesellschaft m.b.H., Gaaden		36	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG, Loosdorf	TATS	3,000	100.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H., Spittal an der Drau	TATS	2,000	100.00
BLT Baulogistik und Transport GmbH, Vienna		36	100.00
BMTI-Baumaschinentechnik International GmbH, Trumau		1,454	100.00
BrennerRast GmbH, Vienna		35	100.00
BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H., Spittal an der Drau		37	100.00
Bug-AluTechnic GmbH, Vienna		5,000	100.00
Center Communication Systems GmbH, Vienna		727	100.00
Diabaswerk Saalfelden Gesellschaft m.b.H., Saalfelden am Stein.Mee		363	100.00
Eckstein Holding GmbH, Spittal an der Drau		73	100.00
EFKON AG, Raaba		12,234	75.59
ERMATEC Maschinen Technische Anlagen Gesellschaft m.b.H., Vienna		1,897	100.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, Eggendorf		1,192	100.00
Fachmarktzentrum Arland Errichtungs- und Vermietungsgesellschaft mbH, Vienna	TATS	500	100.00
Goldeck Bergbahnen GmbH, Spittal an der Drau		363	100.00
ILBAU GmbH, Vienna		36	100.00
Ilbau Liegenschaftsverwaltung GmbH, Spittal an der Drau		4,500	100.00
ILBAU MANAGEMENT GMBH, Vienna		35	100.00
InfoSys Informationssysteme GmbH, Spittal an der Drau		363	94.90
Innsbrucker Nordkettenbahnen Betriebs GmbH, Innsbruck		35	51.00
KAB Straßensanierung GmbH & Co KG, Spittal an der Drau		133	50.60
Kanzel Steinbruch Dennig Gesellschaft mit beschränkter Haftung, Gratkorn	TATS	500	75.00
Leitner Gesellschaft m.b.H., Hausmening	TATS	4,800	100.00
M5 Beteiligungs GmbH, Vienna		70	100.00
M5 Holding GmbH, Vienna		35	100.00
Mineral Abbau GmbH, Spittal an der Drau		36	100.00
Mischek Systembau GmbH, Vienna		1,000	100.00
Mobil Baustoffe GmbH, Gemeinde Reichenfels		50	100.00
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H., Spittal an der Drau	TATS	1,000	51.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH, Lavant i. Osttirol		36	80.00
Raststation A 6 GmbH, Vienna	TATS	500	100.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H., Linz		291	100.00
SF Bau vier GmbH, Vienna		35	100.00
Stadtbaumeister Architekt Franz Böhm GmbH, Vienna		36	100.00
Storf Hoch- und Tiefbaugesellschaft m.b.H., Reutte		727	100.00
STRABAG AG, Spittal an der Drau		12,000	100.00
STRABAG Anlagentechnik GmbH, Thalgau		1,000	100.00
STRABAG Bau GmbH, Vienna		1,800	100.00

AUSTRIA		NOMINAL CAPITAL T€/TATS	DIRECT STAKE %
STRABAG Energietechnik GmbH & Co KG formerly h s energieanlagen gmbh & co kg, Vienna		35	100.00
Strabag Liegenschaftsverwaltung GmbH, Linz		4,500	100.00
STRABAG Property and Facility Services GmbH, Vienna		35	100.00
STRABAG SE, Villach		114,000	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH, Vienna		37	100.00
Züblin Baugesellschaft m.b.H., Vienna	TATS	35,000	100.00
Züblin Holding GesmbH, Vienna		55	100.00
Züblin Spezialtiefbau Ges.m.b.H., Vienna		1,500	100.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
„GfB“ Gesellschaft für Bauwerksabdichtungen mbH, Kobern-Gondorf		205	100.00
Alpines Hartschotterwerk Georg Kässbohrer & Sohn GmbH & Co. KG, Senden		1,310	100.00
Baumann & Burmeister GmbH, Halle/Saale		51	100.00
Bauträgergesellschaft Olande mbH, Hamburg		25	51.00
Bauunternehmung Ohneis Gesellschaft mit beschränkter Haftung, Straubing	TDEM	100	100.00
BBS Baustoffbetriebe Sachsen GmbH, Hartmannsdorf	TDEM	30,000	100.00
becker bau GmbH u. Co. KG, Bornhöved		3,100	100.00
BHG Bitumenhandelsgesellschaft mbH, Hamburg		26	100.00
BITUNOVA GmbH & Co. KG, Hamburg		1	100.00
Blees-Kölling-Bau GmbH, Cologne	TDEM	2,500	100.00
BMTI-Baumaschinentechnik International GmbH, Cologne		307	100.00
BRVZ Bau- Rechen- und Verwaltungszentrum GmbH, Cologne		30	100.00
CLS Construction Legal Services GmbH, Cologne		25	100.00
Deutsche Asphalt GmbH, Cologne		28	100.00
Donnersberger Höfe Ost GmbH, Düsseldorf		25	65.00
Donnersberger Höfe West GmbH, Düsseldorf		25	65.00
DYWIDAG Bau GmbH, Munich		26	100.00
DYWIDAG International GmbH, Munich		5,000	100.00
DYWIDAG-Holding GmbH, Cologne		500	100.00
E S B Kirchhoff GmbH, Langenargen		1,500	100.00
Eberhard Pöhner Unternehmen für Hoch- und Tiefbau GmbH, Bayreuth		30	100.00
Eberhardt Bau-Gesellschaft mbH, Berlin	TDEM	300	100.00
ECS European Construction Services GmbH, Mörfelden-Walldorf		225	100.00
Ed. Züblin AG, Stuttgart		20,452	57.26
Eduard Hachmann Gesellschaft mit beschränkter Haftung, Lunden		520	100.00
EFKON Germany GmbH, Berlin		25	100.00
Eichholz Eivel GmbH, Berlin		25	100.00
ETG Erzgebirge Transportbeton GmbH, Freiberg		290	60.00
F. Kirchhoff AG, Leinfelden-Echterdingen		23,319	100.00
F. Kirchhoff Straßenbau GmbH & Co. KG, Leinfelden-Echterdingen		13,010	100.00
F. KIRCHHOFF SYSTEMBAU GmbH, Münsingen		2,000	100.00
Fahrleitungsbau GmbH, Essen		1,550	100.00
Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH & Co.KG, Oststeinbek		25	51.00
Forum Mittelrhein Koblenz Kultur GmbH & Co. KG, Hamburg		25	51.00
Gebr. von der Wettern Gesellschaft mit beschränkter Haftung, Cologne	TDEM	5,000	100.00
Georg Börner Dach und Straße GmbH, Bad Hersfeld		26	100.00
Griproad Spezialbeläge und Baugesellschaft mbH, Cologne	TDEM	400	100.00
HEILIT Umwelttechnik GmbH, Düsseldorf		2,000	100.00
Heilit+Woerner Bau GmbH, Munich		18,000	100.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
Helmus Straßen-Bau-Gesellschaft mbH & Co. KG, Vechta		3,068	100.00
Hermann Kirchner Bauunternehmung GmbH, Bad Hersfeld		15,000	100.00
Hermann Kirchner Hoch- und Ingenieurbau GmbH, Bad Hersfeld		2,500	100.00
Hermann Kirchner Projektgesellschaft mbH, Bad Hersfeld		1,280	100.00
Ilbau GmbH Deutschland, Berlin		4,700	100.00
Ilbau Liegenschaftsverwaltung GmbH, Dahlwitz-Hoppegarten	TDEM	15,000	100.00
Josef Möbius Bau-Aktiengesellschaft, Hamburg		6,833	100.00
Josef Riepl Unternehmen für Ingenieur- und Hochbau GmbH, Regensburg		900	100.00
JUKA Justizzentrum Kurfürstenanlage GmbH, Cologne		25	100.00
Kalksteinwerk Eigenrieden GmbH, Rodeberg		154	100.00
Kirchhoff Asphaltmischwerke GmbH & Co. KG, Leinfelden-Echterdingen		1,000	100.00
Kirchner & Völker Bauunternehmung GmbH, Erfurt		520	90.00
Kirchner Holding GmbH, Bad Hersfeld		9,220	100.00
Leonhard Moll Hoch- und Tiefbau GmbH, Munich		51	100.00
Leonhard Moll Tiefbau GmbH, Munich		25	100.00
LIMET Beteiligungs GmbH & Co. Objekt Köln KG, Cologne		10	94.00
LIMET Beteiligungs GmbH, Cologne	TDEM	50	100.00
MAV Mineralstoff - Aufbereitung und - Verwertung GmbH, Krefeld		600	50.00
MAV Mineralstoff - Aufbereitung und Verwertung Lünen GmbH, Lünen		250	100.00
Mineral Baustoff GmbH & Co. KG, Cologne		10,000	100.00
Mineral Baustoff Verwaltungs GmbH, Cologne		25	100.00
MOBIL Baustoffe GmbH, Munich		100	100.00
Off-Shore Wind Logistik GmbH, Stuttgart	TDEM	100	100.00
Ooms-Ittner-Hof GmbH, Cologne	TDEM	1,000	100.00
POßÖGEL & PARTNER STRAßEN- UND TIEFBAU GMBH HERMSDORF/THÜR., St. Gangloff		77	100.00
Preusse Baubetriebe Gesellschaft mit beschränkter Haftung, Hamburg		1,050	100.00
Preusse Baubetriebe und Partner GmbH & Co. KG Halberstadt, Halberstadt		520	100.00
Projekt Elbpark GmbH & Co. KG, Cologne		10	100.00
Protecta Gesellschaft für Oberflächenschutzschichten mit beschränkter Haftung, Düsseldorf		256	100.00
Pyhrn Concession Holding GmbH, Cologne		38	100.00
Rimex Gebäudemanagement GmbH, Ulm		51	70.00
ROBA Transportbeton GmbH, Cologne		520	100.00
Robert Kieserling Industriefußboden Gesellschaft mit beschränkter Haftung, Hamburg		1,050	100.00
SAT Straßensanierung GmbH, Horhausen		30	100.00
SBR Verwaltungs-GmbH, Kehl/Rhein		7,001	100.00
SF-Ausbau GmbH, Freiberg		600	100.00
STRABAG AG, Cologne		104,780	93.63
STRABAG Asset GmbH, Cologne		2,661	100.00
STRABAG Beton GmbH & Co. KG, Berlin	TDEM	2,000	100.00
STRABAG Facility Management GmbH, Nürnberg		30	100.00
Strabag International GmbH, Cologne	TDEM	5,000	100.00
STRABAG Offshore Wind GmbH, Cuxhaven	TDEM	50	100.00
STRABAG Pipeline- und Rohrleitungsbau GmbH, Regensburg		50	100.00
STRABAG Projektentwicklung GmbH, Cologne	TDEM	20,000	100.00
STRABAG Property and Facility Services GmbH, Münster		5,000	100.00
STRABAG Rail Fahrleitungen GmbH, Berlin		600	100.00
STRABAG Rail GmbH, Lauda-Königshofen		25	100.00
STRABAG Real Estate GmbH, Cologne		30,000	100.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
STRABAG Sportstättenbau GmbH, Dortmund	TDEM	200	100.00
STRABAG Umweltanlagen GmbH, Dresden		2,000	100.00
STRABAG Unterstützungskasse GmbH, Cologne		26	100.00
Stratebau GmbH, Regensburg	TDEM	8,000	100.00
TPA Gesellschaft für Qualitätssicherung u.Innovation GmbH, Cologne		511	100.00
TSS Splitt- und Schotterwerke Thüringen Beteiligungs GmbH, Bad Langensalza	TDEM	50	100.00
TSS Technische Sicherheits-Systeme Gesellschaft mit beschränkter Haftung, Cologne	TDEM	270	100.00
Xaver Bachner GmbH, Straubing	TDEM	500	100.00
Z-Bau GmbH, Magdeburg		100	100.00
Züblin Gebäudetechnik GmbH, Erlangen		25	100.00
Züblin International GmbH, Stuttgart		2,500	100.00
Züblin Projektentwicklung GmbH, Stuttgart	TDEM	5,000	100.00
Züblin Spezialtiefbau GmbH, Stuttgart	TDEM	6,000	100.00
Züblin Stahlbau GmbH, Hosena		1,534	100.00
Züblin Umwelttechnik GmbH, Stuttgart		2,000	100.00
Züblin Wasserbau GmbH, Berlin	TDEM	500	100.00

ALBANIA	NOMINAL CAPITAL TALL	DIRECT STAKE %
Trema Engineering 2 sh p.k., Tirana	545,568	51.00

AZERBAIJAN	NOMINAL CAPITAL TUSD	DIRECT STAKE %
„Strabag Azerbaijan“ L.L.C., Baku	260	100.00

BELGIUM	NOMINAL CAPITAL T€	DIRECT STAKE %
N.V. STRABAG Belgium S.A., Antwerpen	18,059	100.00
N.V. STRABAG Benelux S.A., Antwerpen	6,863	100.00

BULGARIA	NOMINAL CAPITAL TLEW	DIRECT STAKE %
STRABAG EAD, Sofia	13,313	100.00
TPA EOOD, Sofia	5	100.00

CHILE	NOMINAL CAPITAL TCLP	DIRECT STAKE %
Züblin International Chile Ltda., Santiago	7,909	100.00

CHINA	NOMINAL CAPITAL TCNY	DIRECT STAKE %
Shanghai Changjiang-Züblin Construction&Engineering Co.Ltd., Shanghai	29,312	75.00

DENMARK	NOMINAL CAPITAL TDKK	DIRECT STAKE %
KMG - KLIPLEV MOTORWAY GROUP A/S, Copenhagen	500	100.00
Züblin A/S, Trige	1,000	100.00

INDIA	NOMINAL CAPITAL TINR	DIRECT STAKE %
EFKON INDIA LIMITED, Mumbai Maharashtra	50,000	100.00
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai Maharashtra	20,000	74.00

ITALY	NOMINAL CAPITAL T€	DIRECT STAKE %
Adanti S.p.A., Bologna	5,526	100.00

CANADA	NOMINAL CAPITAL TCAD	DIRECT STAKE %
Strabag Inc., Toronto	3,000	100.00

CROATIA	NOMINAL CAPITAL THRK	DIRECT STAKE %
BRVZ d.o.o., Zagreb	20	100.00
CESTAR d.o.o., Slavonski Brod	1,100	74.90
M.A. d.o.o., Split	71	100.00
MINERAL IGM d.o.o., Zapuzane	10,681	100.00
Pomgrad Inzenjering d.o.o., Split	25,534	100.00
PZC SPLIT d.d., Split	18,810	93.85
Strabag d.o.o., Zagreb	48,230	100.00
STRABAG-HIDROINZENJERING d.o.o, Split	144	100.00
TPA odrzavanje kvaliteta i inovacija d.o.o., Zagreb	20	100.00

LIBYA	NOMINAL CAPITAL TLYD	DIRECT STAKE %
Al-Hani General Construction Co., Tripoli	20,000	60.00

MALAYSIA	NOMINAL CAPITAL TMYR	DIRECT STAKE %
Züblin International Malaysia Sdn. Bhd., Kuala Lumpur	4,100	100.00

MONTENEGRO	NOMINAL CAPITAL T€	DIRECT STAKE %
„Crnagoraput“ AD, Podgorica, Podgorica	18,936	50.99

NETHERLANDS	NOMINAL CAPITAL T€	DIRECT STAKE %
STRABAG BV, Vlaardingen	450	100.00
Züblin Nederland BV, Vlaardingen	500	100.00

OMAN	NOMINAL CAPITAL TOMR	DIRECT STAKE %
STRABAG OMAN L.L.C., Muscat	1,000	100.00

PAKISTAN	NOMINAL CAPITAL TPKR	DIRECT STAKE %
TolLink Pakistan (Private) Limited, Islamabad	2,520	60.00

POLAND	NOMINAL CAPITAL TPLN	DIRECT STAKE %
„HEILIT+WOERNER“ Budowlana Sp.z o.o., Breslau	16,140	100.00
A2 Strada Sp.z o.o., Warsaw	428	100.00
BHG Sp.z o.o., Warsaw	500	100.00
Bitunova Sp.z o.o., Warsaw	1,800	100.00
BMTI Polska Sp.z o.o., Pruszkow	2,000	100.00
BRVZ Sp.z o.o., Warsaw	500	100.00
Hermann Kirchner Polska Sp.z o.o., Lodz	1,100	100.00
Mineral Polska Sp.z o.o., Strzelin	9,361	100.00
Kopalnie Melafiru w Czarnym Borze Sp.z o.o., Czarny Bor	9,700	99.96
PL-BITUNOVA Sp.z o.o., Bierawa	2,700	95.00
Polski Asfalt Sp.z o.o., Breslau	60,000	100.00
Polskie Kruszywa Sp.z o.o., Breslau	920	100.00
Przedsiebiorstwo Budownictwa Ogólnego i Uslug Technicznych Slask Sp.z o.o., Katowice	295	60.98
SAT Sp.z o.o., Olawa	4,171	100.00
STRABAG Sp.z o.o., Warsaw	11,800	100.00
TPA INSTYTUT BADAN TECHNICZNYCH Sp.z o.o., Pruszków	600	100.00
Züblin Sp.z o.o., Poznan	7,765	100.00

PORTUGAL	NOMINAL CAPITAL T€	DIRECT STAKE %
Zucotec - Sociedade de Construcoes Lda., Lisbon	200	100.00

QATAR	NOMINAL CAPITAL TRIY	DIRECT STAKE %
Strabag Qatar W.L.L., Qatar	200	100.00

ROMANIA	NOMINAL CAPITAL TRON	DIRECT STAKE %
ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ S.A., Cluj-Napoca	64,061	95.56
Bitunova Romania SRL, Bucharest	16	100.00
BRVZ SERVICII & ADMINISTRARE SRL, Bucharest	278	100.00
Carb SA, Brasov	10,909	99.47
DRUMCO SA, Timisoara	12,957	70.00
Strabag srl, Bucharest	43,519	100.00
TPA Societate pentru asigurarea calitatii si inovatii SRL, Bucharest	0	100.00
Züblin Construct s.r.l., Bucharest	4,580	100.00

RUSSIA	NOMINAL CAPITAL TRUB	DIRECT STAKE %
SAO BRVZ Ltd, Moscow	313	100.00
Strabag z.a.o., Moscow	14,926	100.00

SAUDI ARABIA	NOMINAL CAPITAL TSAR	DIRECT STAKE %
Dywidag Saudi Arabia Co. Ltd., Jubail	10,000	100.00

SWEDEN	NOMINAL CAPITAL TSEK	DIRECT STAKE %
Oden Anläggningsentreprenad AB, Stockholm	15,975	100.00
STRABAG Projektutveckling AB, Stockholm	1,000	100.00
STRABAG Scandinavia AB, Stockholm	50	100.00
Züblin Scandinavia AB, Sollentuna	100	100.00

SWITZERLAND	NOMINAL CAPITAL TCHF	DIRECT STAKE %
BMTI GmbH, Erstfeld	20	100.00
BRVZ Bau-, Rechen- und Verwaltungszentrum AG, Erstfeld	100	100.00
Egolf AG Strassen- und Tiefbau, Weinfelden	3,500	100.00
Meyerhans AG Amriswil, Amriswil	2,500	100.00
Meyerhans AG, Strassen- und Tiefbau Uzwil, Uzwil	100	100.00
STRABAG AG, Zurich	8,000	100.00

SERBIA	NOMINAL CAPITAL TRSD	DIRECT STAKE %
„PUTEVI“ A.D. CACAK, Cacak	155,477	85.02
Preduzece za puteve „Zajecar“ a.D.Zajecar, Zajecar	265,015	93.29
STRABAG Beograd d.o.o., Belgrade	7,554	100.00
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd, Novi Beograd	401	100.00
Vojvodinaput-Pancevo a.d. Pancevo, Pancevo	4,196	82.07

SLOVAKIA	NOMINAL CAPITAL T€	DIRECT STAKE %
BRVZ s.r.o., Bratislava	33	100.00
C.S. BITUNOVA spol. s.r.o., Zvolen	1,195	100.00
Errichtungsgesellschaft Strabag Slovensko s.r.o., Bratislava-Ruzinov	7	100.00
KSR - Kamenolomy SR, s.r.o., Zvolen	25	100.00
OAT spol. s.r.o., Bratislava	199	100.00
SLOVASFALT, spol.s.r.o., Bratislava	9,222	100.00
STRABAG - ZIPP Development s.r.o., Bratislava	664	100.00
STRABAG s.r.o., Bratislava	66	100.00
TPA Spolocnost pre zabezpecenie kvality a inovacie s.r.o., Bratislava	7	100.00
Viedenksa brana s.r.o., Bratislava	25	100.00
ZIPP BRATISLAVA spol. sr.o., Bratislava	133	100.00

SLOVENIA	NOMINAL CAPITAL T€	DIRECT STAKE %
BRVZ center za racunovodstvo in upravljanje d.o.o., Ljubljana	9	100.00
GRADBENO PODJETJE IN KAMNOLOM GRASTO d.o.o., Ljubljana	337	99.85
STRABAG gradbene storitve d.o.o., Ljubljana	9	100.00

SOUTH AFRICA	NOMINAL CAPITAL T€	DIRECT STAKE %
TOLLINK (SA), Pretoria	166	100.00

CZECH REPUBLIC	NOMINAL CAPITAL TCZK	DIRECT STAKE %
BHG CZ s.r.o., Ceské Budejovice	200	100.00
BMTI CR s.r.o., Brno	100	100.00
BOHEMIA ASFALT, s.r.o., Sobeslav	10,000	100.00
Bohemia Bitunova, spol s.r.o., Jihlava	100	100.00
BRVZ s.r.o., Prague	1,000	100.00
Dalnicni stavby Praha, a.s., Prague	136,000	100.00
FRISCHBETON s.r.o., Prague	20,600	100.00
JHP spol. s.r.o., Prague	20,000	100.00
KAMENOLOMY CR s.r.o., Ostrava - Svinov	106,200	100.00
MiTTaG spol. s.r.o., Brno	10,100	100.00
Na belidle s.r.o., Prague	100	100.00
OAT s.r.o., Prague	4,000	100.00
SAT s.r.o., Prague	1,000	100.00
Strabag a.s., Prague	1,119,600	100.00
STRABAG konstrukce s.r.o., Chrudim	2,580	100.00
STRABAG Property and Facility Services a.s., Prague	46,800	100.00
TPA CR, s.r.o., Beroun	1,000	100.00
Viamont DSP a.s., Usti nad Labem	180,000	100.00
ZIPP PRAHA, s.r.o., Prague	17,100	100.00
Züblin stavebni spol s.r.o., Prague	100,000	100.00

UKRAINE	NOMINAL CAPITAL TUAH	DIRECT STAKE %
Chustskij Karier, Zakarpatska	3,279	95.96
Zezelivskij karier TOW, Zezelev	13,130	99.36

HUNGARY	NOMINAL CAPITAL THUF	DIRECT STAKE %
AKA Zrt., Budapest	24,000,000	100.00
ASIA Center Kft., Budapest	1,830,080	100.00
BHG Bitumen Kft., Budapest	3,000	100.00
Bitunova Kft., Budapest	50,000	100.00
BMTI Kft., Budapest	5,000	100.00
BRVZ Kft., Budapest	1,545,000	100.00
Frissbeton Kft., Budapest	100,000	100.00
H-TPA Kft., Budapest	113,000	100.00
KÖKA Kft., Budapest	761,680	100.00
Magyar Aszfalt Kft., Budapest	3,600,000	100.00
MASZ M6 Kft., Budapest	10,000	100.00
NOSTRA Cement Kft., Budapest	68,017,000	100.00
OAT Kft., Budapest	25,000	100.00
SAT Útjavító Kft., Budapest	268,000	100.00
STR Lakasepitö Kft., Budapest	352,000	100.00
STRABAG Property and Facility Services Zrt., Budapest	20,000	51.00
Strabag Zrt., Budapest	2,100,000	100.00
STRABAG-MML Kft., Budapest	500,000	100.00
Szentesi Vasutepitö Kft, Budapest	189,120	100.00
Treuhandbeteiligung H	10,000	85.00
Züblin K.f.t, Budapest	3,000	100.00

UNITED ARAB EMIRATES	NOMINAL CAPITAL TAED	DIRECT STAKE %
STRABAG ABU DHABI LLC, Abu Dhabi	150	100.00
Züblin Ground and Civil Engineering LLC, Dubai	1,000	100.00

CURRENCY TRANSLATION

The group currency is the euro. The financial statements for foreign companies are converted into euro according to the functional currency concept (IAS 21). In all companies this is the respective local currency.

The most important currencies are listed under item 26: financial instruments along with their average exchange rates and their exchange rate on the balance sheet date.

All balance sheet items are converted at the closing rate at the balance sheet date. Expense and income items are converted at the average annual rate.

In the course of capital consolidation, currency translation differences of T€ 43,329 (previous year: T€ -7,515) are recognised directly in equity in the financial year with no effect on the operating result. The currency translation differences between the closing rate for the balance sheet and the average rate for the income statement are allocated to equity.

The recognition of forward exchange operations directly in equity (hedging) increased the retained earnings excluding deferred taxes by T€ 28,036 (previous year: increase of T€ 52,034).

Restatements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) were not necessary.

ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Acquired intangible assets and property, plant and equipment are recognised at their initial costs or costs of production less depreciation and impairment. Both the direct and the appropriate parts of overhead costs for the self-constructed plants are included in the production costs. Interest on borrowings is recognised for significant qualifying assets which were produced or acquired after 1 January 2009.

Development costs are capitalised if the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for internal use or sale and if it can demonstrate the intent to complete the intangible asset and use or sell it. The group must also demonstrate that the intangible asset will generate probable future economic benefits, that it has adequate resources to complete the asset and that it is able to reliably measure the expenditure attributable to the asset during its development. The construction costs for these assets comprise all construction costs directly attributable to the construction process as well as production-related overheads. Financing costs are capitalised for significant qualified assets for which construction or acquisition began after 1 January 2009. The capitalised development costs are amortised and depreciated according to the straight-line method over the period for which revenues from the respective project are expected.

Goodwill and intangible assets without a determinable useful life are subject to an annual impairment test in accordance with IAS 36 based on which the impairment is undertaken.

Within the scope of the impairment test cash-generating units are identified and assigned them a goodwill value. If the book value of a cash-generating unit including its goodwill exceeds the highest attainable value, an impairment loss must be recognised.

Other intangible and tangible assets are amortised and depreciated according to the straight-line method over their estimated useful lives. If there is an indication that an asset may be impaired and if the present value of the future cash surpluses is lower than the carrying value, then the assets recoverable amount must be caculated in accordance with IAS 36.

The following useful lives were assumed in the determination of the rate of depreciation/amortisation:

	USEFUL LIVE IN YEARS
Intangible assets	
Property rights/Utilisation rights	3–50
Software	2–5
Patents, licences	3–10

Continuation

Property, plant and equipment	USEFUL LIVE IN YEARS
Buildings	10–50
Investment property	10–35
Investments in third-party buildings	5–40
Machinery	3–21
Office equipment/furniture and fixtures	3–15
Vehicles	4–12

Subsidies and investment allowances of public bodies are deducted from the respective asset value and depreciated according to the useful life.

Land and real estate which are held in order to gain rental income and/or to rise in value have been stated as investment property in accordance with IAS 40. The amount reported and the evaluation are made in accordance with the cost model. Investment property is recognised at cost and depreciated within the straight-line method. If the present value of the future cash flows is lower than the carrying value, then an impairment to the lower fair value in accordance with IAS 36 is made. The fair value of this investment property is stated separately. This is determined according to recognised methods such as the derivation of the current market price of comparable real estate or the discounted cash-flow method.

Leasing contracts on assets on which all opportunities and risks essentially lie with the company are treated as finance leases. The fixed assets underlying these leasing agreements are capitalised at the present value of the minimum payments at the beginning of leasing relations and depreciated over its useful life or over shorter contract terms. These are offset by the liabilities arising from future leasing payments, whereby the former are recognised at the present value of the outstanding obligations at the balance sheet.

In addition there are leasing agreements for property, plant and equipment which are regarded as operating leases. Leasing payments resulting from these contracts are recognised as expenditure.

FINANCIAL ASSETS

In accordance with IAS 28, investments in associates are recognised using the equity method as long as they are not immaterial. For purpose of transition to IFRS, the financial statements of the major companies evaluated in accordance with the equity method are to be adapted to IFRS in terms of uniform accounting policies.

Subsidiaries which are not consolidated due to immateriality and other investments which are not reported using the equity method are reported at historical cost or with the fair value in accordance with IAS 39 in as far as this value can be reliably determined.

Interest-bearing loans are, as long as no impairments are necessary, reported at nominal value. Interest-free or low-interest-bearing loans are discounted to their present value.

Securities classified as available for sale are initially valued according to acquisition costs and later recognised at fair value. Fair value changes are in principle recognised directly in equity and only recognised in the consolidated income statement upon disposal of the security. The permanent impairment of securities classified as available for sale is recorded through profit or loss.

DEFERRED TAXES

Deferred taxes are measured using the balance sheet liability method for all differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value at the individual companies. Furthermore, any realisable tax advantage from existing losses carried forward will be included in the calculation. Exceptions to this comprehensive tax deferral are balances from non-tax-deductible goodwill.

Deferred tax assets may only be recognised if the associated tax advantage is likely to be realisable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal.

INVENTORIES

Inventory costs include cost of purchase and production and are required to be stated at the lower of cost and net realisable value.

Production costs include all direct costs as well as appropriate parts of overhead arising in the production. Distribution costs, as well as costs for general administration, are not included in the production costs. Interest on borrowing related to production is recognised for significant inventories which are to be classified as qualifying assets and which were produced or acquired after 1 January 2009.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

Service concession arrangements which provide an absolute contractual right to receive payment are shown separately. All receivables from concession arrangement are accounted for under the special balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payment to be made. The annual accumulation amount is recognised in other operating income, where it is balanced with the interest expense form related non-recourse financing.

The hedging transaction embedded in the concession arrangements are carried at fair value and shown in the item receivables from concession arrangements.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are evaluated at their nominal value less impairment for realisable individual risks. Graduated impairment is formed according to risk groups in order to take general loan risks on customer receivables into consideration.

Non-interest bearing and low-interest-bearing receivables are discounted. Foreign currency receivables are evaluated on the balance sheet date at the valid exchange rate.

In the case of receivables from construction contracts, the results are realised according to the percentage of completion method (IAS 11). The output volume actually attained by the balance sheet date serves as a benchmark for the degree of completion. If future results cannot be reliably determined because of uncertainties in the future construction progress, construction contracts are recognised at cost. Impending losses from the further construction process are accounted for by means of appropriate depreciation.

If the costs incurred plus recognised profits exceed the payments received for it, then this is shown on the assets side under receivables from construction contracts. Vice versa, this is reported on the liabilities side under liabilities from construction contracts.

The results, in the case of construction contracts which are carried out in consortia, are realised according to the percentage of completion method in accordance with the degree of completion on the balance sheet date. Impending losses arising from further construction work are accounted for by means of appropriate depreciation. Receivables from or liabilities to consortia include the proportional contract result as well as capital contributions, in- and out-flows of cash and charges resulting from services.

NON FINANCIAL RECEIVABLES

Non-financial assets are measured at cost less extraordinary depreciation.

OTHER FINANCIAL RECEIVABLES

Financial assets classified as loans and receivables are carried at amortised cost less impairment losses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all liquid assets which at the date of acquisition or investment have a remaining term of less than three months. Cash and cash equivalents are measured at amortised cost.

PROVISIONS

Provisions for severance payments are created as a result of statutory regulations. The group is obliged to pay a one-off severance payment to employees of domestic subsidiaries if their employment began before 1 January 2003.

The level of this payment depends on the number of years at the company and amount due at the time of severance and comes to between 2 and 12 monthly salaries. A provision is made for this obligation.

The provision for severance payments are calculated according to the projected unit credit method by using actuarial expertise. Here the future claim over the length of employment of the employees is collected while taking any future pay rises into consideration. The present value of the already earned partial-claims on the reporting date is recognised as the provision.

Pension provisions are calculated according to the projected unit credit method (IAS 19). This method determines the discounted post-employment benefit obligation acquired up to the balance sheet date. Due to the commitment of fixed pensions, it is not necessary to consider expected future salary rises as part of the actuarial parameters.

The effect in value of the change to these assumptions is recognised as actuarial gains and losses and is fully and directly recognised in equity. Service costs are recognised in the employee benefits expense, interest costs in the allocation of provisions in the financial result.

Old-age-part-time indemnity payments are determined according to the same actuarial principles as the pension provisions.

The conditions applied to calculate the severance and pension provisions for discounting, pay rises and fluctuation vary from country to country depending on the economic situation. Life expectancy is calculated according to the respective country's mortality tables.

The other provisions take into consideration all realisable risks and uncertain obligations. They are recognised at the respective amount, which is necessary at the balance sheet date according to commercial judgement in order to cover future payment obligations, realisable risks and uncertain obligations within the group. Hereby the respective amount is recognised, which arises as the most probable on careful examination of the facts. Long-term provisions are, in as far as they are not immaterial, entered into the accounts at their discounted discharge amount on the balance sheet date. The discharge amount also includes the cost increases to be considered on the reporting date. Provisions which arise from the obligation to recultivate gravel sites are allocated according to the rate of utilisation.

NON-FINANCIAL LIABILITIES

Non-financial liabilities reported under other liabilities are carried at the repayment amount. The overpaid amounts from construction contracts are qualified as non-financial liabilities.

FINANCIAL LIABILITIES

Liabilities are basically recognised at the repayment amount. Foreign currency liabilities are evaluated at the closing rate at the balance sheet date. Interest-free liabilities, especially those from finance lease liabilities, are accounted at the present value of the repayment obligation.

Costs related to the issue of corporate bonds are capitalised in the year of issue and deducted over the term.

CONTINGENT LIABILITIES

Contingent liabilities are present or possible future obligations which are not reflected in the balance sheet as liabilities either because an outflow of resources is not probable. The amount of the contingent liabilities reported corresponds to the amount of existing guarantees outstanding on balance sheet date.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are employed exclusively to mitigate risks arising from movements in currency exchange rates and interest rates. The utilisation of financial derivatives is subject to internal guidelines and controls.

All derivative financial instruments are accounted for at fair value in accordance with IAS 39 and reported under other financial receivables or other financial liabilities.

Derivative financial instruments are measured on the basis of inter-bank conditions and, if necessary, the loan margin applicable for STRABAG or stock exchange price, under application of the buying and selling rate on the balance sheet date. Where stock exchange prices are not used, the fair value is calculated by means of actuarial valuation methods.

Gains and losses from derivative financial instruments designated as qualified hedging instruments within the framework of a fair value hedge, or for which no qualified hedge relationship in accordance with IAS 39 could be established and which therefore do not qualify for hedge accounting, are recognised with an effect on income in the consolidated income statement.

Results from derivative financial instruments for which a cash flow hedge has been formed and whose effectiveness has been established are carried in equity with no effect on income up to the date of realisation of the hedge transaction. Any potential changes in results due to the ineffectiveness of these financial instruments are recognised in the income statement with an immediate effect on income. The critical-term-match method is used to determine the prospective effectiveness. The retrospective effectiveness is determined by applying the dollar-offset method.

REVENUE RECOGNITION

Revenues from the construction contracts are realised according to the percentage-of-completion method. The output volume actually attained at the balance sheet date serves as a benchmark for the degree of completion.

Revenues from the sale of proprietary projects, from trade to and services for consortia, from other services and from the sale of construction materials and bitumen are realised with the transfer of power to dispose and the related opportunities and risks and/or with the rendering of the services.

Revenue in the amount of € 400.3 million, which is to be seen as purely transitory due to consortial structures, was offset against the corresponding expenses for the first time in the 2010 financial year.

ESTIMATES

Estimations and assumptions which refer to the amount and recognition of the assets and liabilities accounted, the income and expenditure as well as the statement of contingent liabilities are necessary for the preparation of the consolidated financial statement according to IFRS and essentially concern the assessment of building projects until completion, in particular the amount of the realisation of profits, the accounting and evaluation of provisions, accounting of concession arrangements and the impairment test of goodwill and other assets. In the case of future-oriented assumptions and estimations on the balance sheet date, the realistically expected development of the global and branch-related environment are taken into account with regard to the expected future business development at the time of the preparation of the consolidated financial statements. In the case of developments in the underlying conditions which deviate from the assumptions and which are beyond the control of the management board, the amount which actually results can deviate from the estimated values. In the event such a development occurs, the assumptions and, if necessary, the carrying values of the affected assets and liabilities are adjusted to the latest information. During the preparation of the consolidated financial statements, there were no signs which indicate the necessity to significantly change the underlying assumptions and estimations.

NOTES ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

(1) REVENUE

The revenue of T€ 12,381,537 (previous year: T€ 12,551,928) is attributed in particular to revenue from construction contracts, revenue from own projects, trade to and services for consortia, as well as other services and proportionally acquired profits resulting from consortia. Revenue from construction contracts including the realised part of profits according to the level of completion of the respective contract (percentage of completion method) amount to T€ 10,678,801 (previous year: T€ 10,440,344).

Revenue according to business fields and regions are represented individually in the segment reporting.

Revenue provides only an incomplete picture of the output volume achieved in the financial year. Additionally, therefore, the total output volume of the group is represented, which includes the proportional output of consortia and participation companies:

	2010 € MLN.	2009 € MLN.
Germany	**5,051**	**5,380**
Austria	**1,907**	**1,981**
Poland	**1,352**	**993**
Czech Republic	**867**	**786**
Hungary	**580**	**832**
Slovakia	427	480
Russia	251	282
Romania	165	161
other CEE countries	216	288
Rest of CEE	**1,059**	**1,211**
Switzerland	370	378
Benelux	284	221
Scandinavia	248	199
other European countries	256	276
Rest of Europe	**1,158**	**1,074**
Middle East	295	350
The Americas	246	162
Africa	136	168
Asia	126	84
Rest of World	**803**	**764**
Total output volume	**12,777**	**13,021**

(2) OTHER OPERATING INCOME

The other operating income includes revenue from letting and leasing in the amount of € 25.0 million (previous year: € 27.9 million), insurance compensation and indemnification in the amount of € 42.9 million (previous year: € 44.2 million), and exchange rate differences in the amount of € 25.4 million (previous year: € 39.9 million) as well as gains from the disposal of fixed assets without financial assets in the amount of € 48.0 million (previous year: € 37.1 million).

Interest income from concession arrangements which is included in other operating income is represented as follows (see also notes on item 17):

	2010 T€	2009 T€
Interest income	72,862	72,914
Interest expense	-37,591	-40,511
Total	**35,271**	**32,403**

(3) RAW MATERIALS, CONSUMABLES AND SERVICES USED

	2010 T€	2009 T€
Raw materials, consumables	3,205,991	3,016,313
Services used	5,012,364	5,430,591
	8,218,355	**8,446,904**

Services used are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, machine rentals and third-party repairs.

(4) EMPLOYEE BENEFITS EXPENSE

	2010 T€	2009 T€
Wages	899,274	939,144
Salaries	1,437,870	1,410,881
Social security and related costs	406,467	408,580
Expenses for severance payments and contributions to employee provident fund	28,426	31,369
Expenses for pensions and similar obligations	7,995	11,531
Other social expenditure	20,901	21,817
	2,800,933	**2,823,322**

The expenses for severance payment and contributions to the employee provident fund and expenses for pensions and similar obligations include the expenses for service costs and indemnity claims resulting from old-age-part-time claims in the business year. The proportion of interest included in the expenses for severance payments as well as for pensions and similar obligations are recognised in the financial result.

Expenses from defined contribution plans amounted to T€ 8,017 (previous year: T€ 7,266).

The **average number of employees** with the proportional inclusion of all participation companies is as follows:

	2010	2009
Salaried employees	32,053	31,261
Labourers	41,547	44,287
	73,600	**75,548**

(5) OTHER OPERATING EXPENSES

The other operating expenses of T€ 1,030,190 (previous year: T€ 932,918) mainly include general administrative costs, travel and advertising costs, insurance premiums, proportional transfer of losses from consortia, impairment of receivables, the balance of allocations to and utilisation of provisions, legal and advisory costs, rental and lease costs and losses on the disposal of assets (excluding financial assets). Other taxes amounting to T€ 48,215 (previous year: T€ 46,146) are included.

The other operating expenses include losses from exchange rate differences in the amount of € 63.3 million (previous year: € 84.8 million).

Spending on research and development arose in various special technical proposals, in connection with concrete competitive projects and in the introduction of building processes and products into the market, and was therefore recognised in full in the income statement.

(6) SHARE OF PROFIT OR LOSS OF ASSOCIATES

	2010 T€	2009 T€
Income from investments in associates	34,811	16,915
Expenses arising from investments in associates	-2,425	-29,630
	32,386	**-12,715**

(7) NET INVESTMENT INCOME

	2010 T€	2009 T€
Investment income	31,390	30,543
Expenses arising from investments	-9,286	-13,454
Gains on the disposal and write-up of investments	2,100	1,906
Impairment of investments	-6,560	-9,140
Losses on the disposal of investments	-2,571	-1,036
	15,073	**8,819**

(8) DEPRECIATION AND AMORTISATION EXPENSE

Depreciations and impairments are represented in the development of property, plant and equipment and intangible assets. In the year under review impairments on intangible assets and on property, plant and equipment to the amount of T€ 22,215 were made (previous year: T€ 21,030). Impairment on goodwill amounted to T€ 49,536 (previous year: T€ 25,401). The impairment of goodwill involves Viamont DSP a.s. with T€ 14,000 (see the information regarding the initial consolidation of Viamont DSP a.s.), the impairment of communications firms with T€ 15,000 as well as goodwill impairment of transportation infrastructure companies in Germany and Eastern Europe.

(9) NET INTEREST INCOME

	2010 T€	2009 T€
Interests and similar income	78,709	78,332
Interests and similar charges	-98,386	-98,219
Net interest income	**-19,677**	**-19,887**

Included in interest and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 22,498 (previous year: T€ 25,199), security impairment losses of T€ 1,806 (previous year: T€ 1,587) as well as currency losses of T€ 17,919 (previous year: T€ 10,765).

Included in interests and similar income are gains from exchange rates amounting to T€ 11,541 (previous year: T€ 8,698).

(10) INCOME TAX EXPENSE

Income tax includes taxes paid in the individual companies or owed on income, as well as deferred taxes and the payments of additional tax payments resulting from tax audits:

	2010 T€	2009 T€
Current taxes	175,749	95,791
Deferred taxes	-84,853	-17,441
	90,896	**78,350**

The following tax components are recognised directly in equity in the statement of comprehensive income:

	2010 T€	2009 T€
Change in hedging reserves	-4,610	-11,071
Actuarial gains/losses	5,221	6,392
Total	**611**	**-4,679**

The reasons for the difference between the Austrian corporate income tax rate of 25 % valid in 2010 and the actual consolidated tax rate are as follows:

	2010 T€	2009 T€
Profit before tax	**279,274**	**262,961**
Theoretical tax expenditure 25%	69,818	65,741
Differences to foreign tax rates	-6,751	-7,934
Change in tax rates	0	3,078
Non-tax-deductible expenses	13,426	13,642
Tax-free earnings	-16,235	-13,926
Tax effects of result from associates	-6,057	4,424
Depreciation of goodwill/capital consolidation	12,577	6,486
Additional tax payments	5,643	-2,785
Change of valuation adjustment on deferred tax assets	21,645	6,779
Others	-3,170	2,845
Recognised income tax	**90,896**	**78,350**

(11) EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the consolidated profit or loss by the weigthed average number of ordinary shares.

As there are not stock options at the STRABAG Group, the diluted earnings per share equal the basic earnings per share.

	2010	2009
Profit or loss attributable to equity holders of the parent (consolidated profit/loss) in T€	174,857	161,457
Weighted number of shares outstanding during the year	114,000,000	114,000,000
Earnings per share in €	**1.53**	**1.42**

NOTES ON ITEMS IN THE CONSOLIDATED BALANCE SHEET

(12) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The composition of and changes in intangible assets, goodwill, and property, plant and equipment is shown separately in consolidated statement of fixed assets.

No borrowing costs were capitalised for property, plant and equipment, or for intangible assets in the year under report, as significant qualifying assets were not produced or acquired after 1 January 2009.

GOODWILL

The goodwill at the balance sheet date is composed as follows:

	31.12.2010 T€	31.12.2009 T€
STRABAG AG, Cologne	178,803	178,803
Polski Asfalt Group	61,960	60,005
Viamont DSP a.s., Usti nad Labem	54,873	0
Acquisitions Germany	49,431	53,941
Acquisitions Eastern Europe	22,121	29,214
ODEN Anläggningsentreprenad AB, Stockholm	16,837	14,725
EFKON Group (incl. Center Communications Systems GmbH)	15,466	30,466
Ed. Züblin AG, Stuttgart	14,938	14,938
Gebr. von der Wettern Group	12,800	16,800
Acquisitions Austria	12,634	8,199
Acquistions other Western Europe	11,343	10,263
Josef Möbius Bau-Aktiengesellschaft, Hamburg	10,165	10,165
FRISCHBETON s.r.o.	7,112	6,733
	468,483	**434,252**

The goodwill is submitted to an impairment test once a year. For impairment testing, the recoverable value of a cash-generating unit is compared with its corresponding book value.

The cash-generating unit basically corresponds to the acquired legal unit or units which profit from the synergy potential of the business combination.

The recoverable value is the fair value or value in use determined from the discounted future cash-flows.

This value is identified on the basis of the current budgeting of the internal reporting, as approved by the management board, which is based on past experiences and expectations concerning the future development of the market. The detailed planning period comprises at least 4 years and can be extended if this would allow a better depiction of the future cash-flows. The last detailed planning year forms the basis for the calculation of the perpetuities as long as applicable legislation and legal requirements do not limit the usability of the cash-generating unit to a shorter period of time.

The discount rate for the future cash-flows is identified while taking into account segment- and country-specific risks and growth rates. The discount interest rates range from 7.0 % to 11.1 % before taxes (previous year: 7.7 % to 11.4 %).

The comparison of the book values with the highest attainable values of the cash-generating entities determined by the annual impairment test showed a need for goodwill impairment of T€ 49,536 (previous year: T€ 25,401).

CAPITALISED DEVELOPMENT COSTS

At the balance sheet date, development costs in the amount of T€ 16,567 (previous year: T€ 16,729) were capitalised as intangible assets. In the 2010 financial year, development costs in the amount of T€ 14,048 were incurred, of which T€ 5,596 (previous year: T€ 1,530) were capitalised.

LEASING

Due to existing finance leasing contracts, the following book values are included in property, plant and equipment assets on the balance sheet date:

	31.12.2010 T€	31.12.2009 T€
Property leasing	34,235	47,208
Machinery leasing	37,760	37,417
	71,995	**84,625**

Offset against these are liabilities arising from the present value of leasing obligations amounting to T€ 62,892 (previous year: T€ 75,383).

The terms of the finance leases for property are between 4 and 20 years, while those for machines are between two and eight years.

The following payment obligations will arise from financial leases in subsequent financial years:

	PRESENT VALUES		MINIMUM PAYMENTS	
	31.12.2010 T€	31.12.2009 T€	31.12.2010 T€	31.12.2009 T€
Term up to one year	17,970	14,892	20,567	18,892
Term between one and five years	29,594	34,621	35,205	40,103
Term over five years	15,328	25,870	17,754	24,773
	62,892	**75,383**	**73,526**	**83,768**

In addition to the finance leases, there are also operating leases for the utilisation of technical equipment and machinery. The expenses from these contracts are recognised in the income statement. The payments made for the financial year 2010 amount to T€ 112,210 (previous year: T€ 121,300).

Payment obligations arising from operating lease agreements in subsequent business years are represented as follows:

	31.12.2010 T€	31.12.2009 T€
Term up to one year	66,640	68,054
Term between one and five years	125,558	133,599
Term over five years	51,189	62,489
	243,387	**264,142**

RESTRICTIONS ON PROPERTY, PLANT AND EQUIPMENT/PURCHASE OBLIGATIONS

On the balance sheet date there were € 174.8 million (previous year: € 122.3 million) in contractual commitments for acquisition of property, plant and equipment which were not considered in the financial statement.

Restrictions exist for non-current assets in the amount of T€ 23,596 (previous year: T€ 19,795).

(13) INVESTMENT PROPERTY

The development of investment property is shown in the consolidated statement of fixed assets. As of 31 December 2010, the fair value of the investment property basically corresponds to the carrying value.

The rental income from investment property in the 2010 financial year amounted to T€ 13,734 (previous year: T€ 15,803) and direct operating expenses totalling T€ 15,875 (previous year: T€ 13,824). Additionally, gains from asset disposals in the amount of T€ 5,372 (previous year: T€ 15,075) were achieved.

(14) FINANCIAL ASSETS

Detailed information on the group's investments (shares of more than 20 %) can be found in the list of subsidiaries, associated companies and investments, which is included in the annual financial report.

The development of the financial assets in the financial year was as follows:

	BALANCE AS OF 1.1.2010 T€	CURRENCY TRANSLATION T€	CHANGE IN SCOPE OF CONSOLIDATION T€	ADDITIONS T€	TRANSFERS T€	DISPOSAL T€	IMPAIRMENT T€	BALANCE AS OF 31.12.2010 T€
Investments in associates	131,949	0	-50,714	35,274	31	-28,607	0	87,933
Investments in subsidaries	73,569	-12	5,180	11,345	4,404	-3,476	-4,987	86,023
Loans to subsidiaries	10,283	0	0	2,415	0	-12,850	315	163
Other investment	111,903	216	-6,324	10,824	-4,435	-5,986	-1,663	104,535

Continuation	BALANCE AS OF 1.1.2010 T€	CURRENCY TRANSLA-TION T€	CHANGE IN SCOPE OF CONSOLI-DATION T€	ADDITIONS T€	TRANSFERS T€	DISPOSAL T€	IMPAIRMENT T€	BALANCE AS OF 31.12.2010 T€
Loans to participation companies	12,702	0	0	10	0	-791	645	12,566
Securities	27,765	68	17	19,492	0	-323	2,702	49,721
Other loans	4,611	0	0	135	0	-439	-59	4,248
	372,782	**272**	**-51,841**	**79,495**	**0**	**-52,472**	**-3,047**	**345,189**

The following table provides an overview of the financial information (100 %) for associates and for companies which were reported applying the equity method of accounting in accordance with IAS 31.38 (Joint Ventures):

	2010 T€	2009 T€
Total assets	2,270,560	2,210,401
Total liabilities	1,897,108	1,879,312
Revenue	472,295	450,079
Profit for the period	18,448	22,648

(15) DEFERRED TAXES

Temporary differences in amounts stated in the IFRS financial statements and the respective tax amounts stated affect the tax accruals and deferrals recognised in the balance sheet as follows:

	31.12.2010		31.12.2009	
	ASSETS T€	LIABILITIES T€	ASSETS T€	LIABILITIES T€
Property, plant and equipment and intangible assets	6,403	-64,595	4,589	-65,301
Financial assets	192	-6,345	38	-4,615
Inventories	7,135	-12,786	4,481	-12,531
Trade and other receivables	7,548	-136,028	17,719	-154,439
Provisions	181,588	0	130,327	0
Liabilities	8,112	0	9,784	-662
Tax loss carryforward	173,983	0	150,604	0
Deferred tax assets/liabilities	**384,961**	**-219,754**	**317,542**	**-237,548**
Netting out of deferred tax assets and liabilities of the same tax authorities	-170,612	170,612	-183,558	183,558
Deferred taxes netted out	**214,349**	**-49,142**	**133,984**	**-53,990**

Deferred taxes on losses carried forward were capitalised as these can probably be offset with future taxable profits.

The Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) requires a tax-effective impairment of investments to be claimed over a period of seven years. The deferred tax assets on loss carryforwards contain open one-seventh payments in the amount of € 34.6 million (previous year: € 31.4 million).

No deferred tax assets were made for differences in book value on the assets side and tax losses carried forward of € 630.1 million (previous year: € 610.9 million), as their effectiveness as final tax relief is not sufficiently assured.

No deferred tax assets in accordance with Section 12 of the Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) were made for open one-seventh payments in the amount of € 130.0 million (previous year: € 52.3 million).

(16) INVENTORIES

	31.12.2010 T€	31.12.2009 T€
Raw materials, auxiliary supplies and fuel	324,654	293,161
Finished goods and buildings	60,743	57,938
Unfinished goods and buildings	216,377	201,046
Development land	77,547	73,984
Payments made	26,400	29,574
	705,721	**655,703**

In the financial year, impairment in the amount of T€ 336 (previous year: T€ 3,877) was recognised on inventories excluding materials, auxiliary supplies and fuel. T€ 64,826 (previous year: T€ 76,193) of the inventories excluding raw materials, auxiliary supplies and fuel were reported with the net realisable value.

(17) RECEIVABLES AND OTHER ASSETS

RECEIVABLES FROM CONCESSION ARRANGEMENTS

STRABAG has a 100 % interest in the Hungarian M5 Motorway Concession Company, AKA Alföld Koncesszios Autopalya Zrt., Budapest (AKA).

In the concession agreement with the Hungarian state, AKA committed to develop, plan, finance and to build and operate the M5 motorway. The motorway itself is the property of the state; all vehicles and equipment necessary for motorway operation are to be transferred to the state free of charge following the end of the concession period.

In exchange, AKA will regularly receive an availability fee, independent of transit volume, from the Hungarian state for making the motorway available to the public. AKA bears the operator's risk of motorway closure and non-compliance of contractually agreed roadway criteria.

The route totals 156.5 km and was built in three phases. The concession period runs until 2031. A one-time extension for up to 17.5 years is possible.

All services provided under this concession arrangement are accounted for under the separate balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payment to be made by the state. The annual accumulation amount is recognised in other operating income.

A part of the availability fee consists of interest adjustment payments of the Hungarian state. As a result, the state bears the interest risk from the financing of AKA. These interest adjustment payments represent an embedded hedging transaction which is measured separately in accordance with IAS 39.11. Presentation is made as a cash flow hedge; as a result, changes in the fair value of the interest rate swap are recognised directly in equity.

The positive market value of the interest rate swap in the amount of T€ 12,818 (previous year: T€ 31,440) is also recognised as long-term receivables from concession arrangements.

Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 715,099 (previous year: T€ 757,080), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in other operating income.

The STRABAG consortium KMG – Kliplev Motorway Group was awarded the tender for Denmark's first PPP project. The consortium will plan and build 26 km of the E51 motorway from Kliplev to Sønderborg as well as 18 km of side roads and seven interchanges and will operate the road over a period of 26 years from completion. The total investment volume amounts to € 148 million. Following the planned completion in the spring of 2012, the road will be sold to the state. The operation will then be paid for by regular payments from the state. The interim financing of the construction works includes non-recourse financing in the amount of T€ 4,786 (previous year: T€ 0).

Receivables and other assets are comprised as follows:

	31.12.2010 TOTAL T€	31.12.2010 THEREOF CURRENT T€	31.12.2010 THEREOF NON-CURRENT T€	31.12.2009 TOTAL T€	31.12.2009 THEREOF CURRENT T€	31.12.2009 THEREOF NON-CURRENT T€
Receivables from concession arrangements	**988,352**	**19,477**	**968,875**	**956,540**	**18,008**	**938,532**
Trade receivables						
Receivables from construction contracts	5,019,411	5,019,411	0	5,245,042	5,245,042	0
Advances received	-4,071,486	-4,071,486	0	-4,580,005	-4,580,005	0
	947,925	947,925	0	665,037	665,037	0
Other trade receivables	1,329,336	1,265,296	64,040	1,383,241	1,321,831	61,410
Advances paid to subcontractors	115,164	115,164	0	88,668	88,668	0
Receivables from consortia	220,594	220,405	189	326,053	326,053	0
	2,613,019	**2,548,790**	**64,229**	**2,462,999**	**2,401,589**	**61,410**
Other financial assets						
Receivables from subsidiaries	118,132	117,815	317	96,170	96,170	0
Receivables from participation companies	99,632	98,464	1,168	86,071	85,647	424
Other financial assets	259,541	224,248	35,293	184,250	151,944	32,306
	477,305	**440,527**	**36,778**	**366,491**	**333,761**	**32,730**
Non-financial assets	**142,304**	**138,260**	**4,044**	**126,524**	**121,126**	**5,398**

The non-financial assets contain income tax receivables in the amount of T€ 42,005 (previous year: T€ 48,262).

The **receivables from construction contracts** in progress at the balance sheet date are represented as follows:

	31.12.2010 T€	31.12.2009 T€
All contracts in progress at balance sheet date		
Costs incurred to balance sheet date	9,839,604	8,941,388
Profits arising to balance sheet date	433,499	359,893
Accumulated losses	-225,886	-217,794
Less receivables recognised under liabilities	-5,027,806	-3,838,445
	5,019,411	**5,245,042**

Receivables from construction contracts amounting to T€ 5,027,806 (previous year: T€ 3,838,445) are recognised in liabilities, as advances received exceed the receivables.

As usual in the industry, the customer has the contractual right to retain part of the total amount of the invoice. These retentions are, however, redeemed as a rule by security (bank or group guarantees).

In the reporting period, impairment on other trade receivables developed as follows:

	31.12.2010 T€	31.12.2009 T€
Other trade receivables before impairment	**1,452,111**	**1,493,691**
Impairment as of 1.1.	**110,450**	**105,241**
Currency translation	878	-119
Changes in scope of consolidation	827	92
Allocation/utilisation	10,620	5,236
As of 31.12.	**122,775**	**110,450**
Book value of other trade receivables	**1,329,336**	**1,383,241**

(18) CASH AND CASH EQUIVALENTS

	31.12.2010 T€	31.12.2009 T€
Securities	34,362	73,717
Cash on hand	2,736	2,818
Bank deposits	1,915,354	1,706,416
	1,952,452	**1,782,951**

(19) ASSETS HELD FOR SALE

This item involves the property, plant and equipment assets of the Hungarian cement factory.

On 25 May 2010, Lafarge and STRABAG signed the agreement founding Lafarge Cement CE Holding GmbH with headquarters in Austria. Lafarge will bring its cement plants at Mannersdorf (A), Retznei (A), Čížkovice (CZ) and Trbovlje (SI) into the holding company, while STRABAG will contribute the plant it is currently building in Pécs (H).

Lafarge will hold a 70 % interest in the new company, while STRABAG will take 30 %. The joint cement holding was approved by cartel authorities in February 2011.

In place of the property, plant and equipment assets, the equity investment in the joint cement holding will be contained in the Transportation Infrastructures segment in the following periods.

The measurement was made taking into consideration the expected synergies from the joint venture.

(20) EQUITY

The fully paid-in share capital amounts to € 114,000,000 and is split into 113,999,997 no-par bearer shares and 3 registered shares.

The management board was authorised, with the approval of the supervisory board, to increase the share capital of the company by up to € 57,000,000 by 19 June 2014, in several tranches if necessary, by issuing up to 57,000,000 registered no-par shares for cash or contributions in kind (approved capital). In the case of capital increase through contributions in kind, the partial or full exclusion of the shareholders' subscription rights is possible.

The exercise, issue price and conditions of issue shall be determined with the approval of the supervisory board. The supervisory board was authorised to determine the necessary changes to the Articles of Association required upon the issuance of shares from the approved capital.

The following resolutions were passed at the Annual General Meeting of 18 June 2010:

The existing authorisation to buy back own shares as per resolution by the Annual General Meeting of 19 June 2009 was cancelled.

The management board was authorised to acquire bearer or registered no-par shares of the company on the stock market or over the counter to the extent of up to 10 % of the share capital during a period of 12 months from the day of the resolution at a minimum price per share of € 1.00 and a maximum price per share of € 34.00. The purpose of the acquisition may not be to trade with own shares. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary or third parties acting on behalf of the company.

The management board can decide to acquire shares on the stock exchange but must inform the supervisory board following decision to do so. Over-the-counter purchases require prior approval by the supervisory board.

The management board was further authorised, for a period of five years from this resolution, to sell or assign its own shares, with approval by the supervisory board, in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary or third parties acting on behalf of the company.

Retained earnings include differences arising from currency translation, statutory and mandatory reserves, financial instrument changes recorded directly in equity (including hedging reserves), as well as changes in equity from actuarial gains/losses from the calculation of provisions for personnel. The retained earnings also include the profit for the period as well as the result brought forward from previous periods of STRABAG SE and its consolidated subsidiaries, as far as these were not eliminated by the capital consolidation.

Details as to the equity of STRABAG SE are represented in the statement of changes in equity.

Long-term economic success, within the context of responsibility to our shareholders, customers, employees, suppliers, subcontractors and the company itself, is the primary entrepreneurial objective of the STRABAG Group. Working to pursue these goals, recognising opportunities and risks before and as they arise, and responsibly taking these into consideration safeguards the continuity of the group and protect the interests of the shareholders.

To guarantee the continuity of the company, the management and responsible employees assure that there is a balanced relationship between opportunities and risks during the section of projects and assess the individual risks against the background of the overall company risk.

The group equity ratio target was defined at between 20 % and 25 % during the IPO of STRABAG SE in October 2007. The equity capital ratio is calculated from the book value of the equity as of 31 December divided by the balance sheet sum as of 31 December. The equity contains all parts of the equity according to the balance sheet: share capital, capital reserves, retained earnings and non-controlling interests.

The group equity ratio as of 31 December 2010 amounted to 31 % (previous year: 32 %). With this equity base, the STRABAG Group will be able to participate increasingly in tenders for Public Private Partnership (PPP) projects. It means that the necessary funds for a participation in equity capital are available and that the related change in the balance sheet total will be manageable.

If the group is awarded the tender for large-scale projects, or if a strategically suitable acquisition is made, the equity ratio could briefly fall below the set minimum. In this case, the company reserves the right to adjust the dividend payments to the shareholders or to issue new shares.

(21) PROVISIONS

	BALANCE AS OF 1.1.2010 T€	CURRENCY TRANSLATION T€	CHANGES IN SCOPE OF CONSOLIDATION T€	ADDITIONS T€	DISPOSALS T€	IMPAIRMENT T€	BALANCE AS OF 31.12.2010 T€
Provisions for severance payments	**70,479**	**311**	**-1,339**	**4,069**	**0**	**4,164**	**69,356**
Provisions for pensions	**364,161**	**16**	**-198**	**41,856**	**569**	**30,472** [1]	**374,794**
Provisions for taxes	**64,327**	**1,323**	**133**	**109,857**	**1,192**	**51,703**	**122,745**
Other provisions:							
Construction-related provisions	475,551	4,332	2,469	288,240	16,177	164,671	589,744
Personnel-related provisions	250,632	2,868	-477	160,417	3,335	149,804	260,301 [2]
Other provisions	222,883	2,718	-7,623	184,216	26,103	154,273	221,818
	949,066	**9,918**	**-5,631**	**632,873**	**45,615**	**468,748**	**1,071,863**
	1,448,033	**11,568**	**-7,035**	**788,655**	**47,376**	**555,087**	**1,638,758**

The short-term provisions include provisions for taxes as well as other provisions in the amount of T€ 588,065 (previous year: T€ 516,080). The long-term provisions amounting to T€ 927,948 (previous year: T€ 867,626) mainly include severance provisions, pension provisions and provisions for guarantees.

1) Thereof reclassification of plan assets in the amount of T€ 6,260
2) Thereof deducted plan assets in the amount of T€ 15,817 (previous year: T€ 0)

Provisions for **severance payments** show the following development:

	2010 T€	2009 T€
Present value of the defined benefit obligation as of 1 January	**70,479**	**65,631**
Changes in scope of consolidation	-1,339	2,688
Current service costs	2,561	3,248
Interest costs	3,203	3,435
Severance payments	-4,164	-6,051
Actuarial gains/losses	-1,384	1,528
Present value of the defined benefit obligation as of 31 December	**69,356**	**70,479**

The provisions for pensions are formed for obligations from the right to future pension payments and current payments to present and past employees and their dependents. The obligations primarily refer to retirement pensions. The individual commitments are generally determined according to the employment conditions of the employee at the time of the commitment (et al. length of service, salary of employee). Basically no new commitments have been awarded since 1999.

The company pension scheme consists of a non-fund-financed, defined benefit pension plan. In the case of defined benefit pension systems, the company is obliged to fulfil payment commitments to present and past employees. There are no defined contribution plans in the form of financing by relief funds outside the group.

The amount of the provision is calculated using actuarial methods based on biometric tables of Klaus Heubeck (Germany) or the AVÖ 2008-P (Austria). This is based on a discounting rate of 5.00 % (previous year: 5.50 %) for provisions for severance payments and pensions and a salary increase of 2.25 % respectively 2.00 % for severance payments (previous year: 2.25 %). For future pension increases, a rate of escalation is set dependent on the contractual adaptation terms.

With reference to the company agreement concerning the old-age-part-time settlement, which had initially affected the operative German companies in the STRABAG Group in 2000, further additional obligations for retirement indemnity payments incurred. These obligations have been transferred to the STRABAG Unterstützungskasse GmbH, Cologne. The old-age-part-time indemnity payments are determined using the same basic principles as for the pension provisions. They are included in the group as a result of the consolidation of the STRABAG Unterstützungskasse GmbH, Cologne.

The development of the **provisions for pensions** is shown below:

	2010 T€	2009 T€
Present value of the defined benefit obligation as of 1 January	**364,161**	**405,856**
Changes in scope of consolidation	-198	237
Current services costs	3,542	3,065
Interest costs	19,295	21,764
Pension payments[1)]	-24,212	-24,962
Actuarial gains/losses	18,466	20,182
Transfer of obligations to pension funds	0	-61,981
Reclassification of plan assets	-6,260	0
Present value of the defined benefit obligation as of 31 December[2)]	**374,794**	**364,161**

The accumulated actuarial gains and losses for defined pension benefit plans and severance provisions, which were recognised directly in equity, as of 31 December 2010 amounted to T€ 32,471 (previous year: T€ 15,389).

The experience adjustments to pension and severance provisions are represented as follows:

	31.12.2010 T€	31.12.2009 T€	31.12.2008 T€	31.12.2007 T€	31.12.2006 T€
Present value of the defined benefit obligation	69,356	70,479	65,631	61,175	59,566
Present value of the defined benefit obligation (pension provision)	385,824	364,161	406,157	293,730	287,290
Fair value of plan assets	-11,030	0	-301	-194	-4,709
Budgeted deficit	**444,150**	**434,640**	**471,487**	**354,711**	**342,147**

1) Thereof change of plan assets T€ 4,770 (previous year: T€ 301)
2) Thereof deducted plan assets T€ 11,030 (previous year: T€ 0)

Continuation	31.12.2010 T€	31.12.2009 T€	31.12.2008 T€	31.12.2007 T€	31.12.2006 T€
Experience adjustments of severance provision	-1,384	1,528	1,214	583	3,587
Experience adjustments of pension provision	18,466	20,182	-21,927	-3,015	-933
Experience adjustments	**17,082**	**21,710**	**-20,713**	**-2,432**	**2,654**

The **provisions for taxes** mainly comprise current income taxes.

OTHER PROVISIONS

The construction-related provisions include other warranty obligations, costs of the contract execution and subsequent costs of invoiced contracts, as well as impending losses from projects pending which are not accounted for elsewhere. The personnel-related provisions essentially include anniversary bonus obligations, contributions to occupational accident funds as well as costs of the old-age-part-time scheme and personnel downsizing measures. Other provisions include provisions for damages and litigations and restructuring.

(22) LIABILITIES

	31.12.2010			31.12.2009		
	TOTAL T€	THEREOF CURRENT T€	THEREOF NON-CURRENT T€	TOTAL T€	THEREOF CURRENT T€	THEREOF NON-CURRENT T€
Financial liabilities						
Bonds	345,000	75,000	270,000	320,000	75,000	245,000
Bank borrowings	1,146,739	147,877	998,862	1,109,435	144,623	964,812
Liabilities from finance leases	62,892	17,970	44,922	75,383	14,892	60,491
Other liabilities	4,521	0	4,521	4,344	0	4,344
	1,559,152	**240,847**	**1,318,305**	**1,509,162**	**234,515**	**1,274,647**
Trade payables						
Receivables from construction contracts[1)]	-5,027,806	-5,027,806	0	-3,838,445	-3,838,445	0
Advances received	5,873,000	5,873,000	0	4,153,349	4,153,349	0
	845,194	845,194	0	314,904	314,904	0
Other trade payables	2,067,350	2,024,119	43,231	2,068,877	2,028,866	40,011
Payables to consortia	198,446	198,446	0	291,475	291,475	0
	3,110,990	**3,067,759**	**43,231**	**2,675,256**	**2,635,245**	**40,011**
Other financial liabilities						
Payables to subsidiaries	66,723	65,545	1,178	48,939	48,939	0
Payables to participation companies	20,199	19,691	508	18,904	18,750	154
Other financial liabilities	348,371	326,210	22,161	398,812	330,876	67,936
	435,293	**411,446**	**23,847**	**466,655**	**398,565**	**68,090**
Non-financial liabilities	**356,384**	**355,381**	**1,003**	**361,430**	**360,363**	**1,067**

In order to secure liabilities to banks, real securities amounting to T€ 123,350 (previous year: T€ 87,087) have been booked.

1) The prepayment exceeding the receivables from construction contracts shown here are qualified as non-financial.

(23) CONTINGENT LIABILITIES

The company has accepted the following guarantees:

	31.12.2010 T€	31.12.2009 T€
Guarantees without financial guarantees	12,633	6,787

(24) OFF-BALANCE SHEET TRANSACTIONS

In the construction industry, it is customary and necessary to provide various types of guarantees to secure the contractual obligations. These guarantees are usually issued by banks or credit insurers and most commonly comprise bid, contract performance, prepayment and warranty guarantees. In the event these guarantees are called upon, the relevant banks have a contractual right of recourse against the group. The risk that such guarantees are utilised and that a right of recourse arises materialises only if the primary contractual obligations are not properly performed.

Obligations and possible risks from such guarantees are recognised in the balance sheet as provisions or liabilities.

Not included in the balance sheet or the contingent liability as of 31 December 2010 are fulfilment guarantees in the amount of € 2.0 billion (previous year: € 1.8 billion) of which an outflow of resources is unlikely.

As is customary in the industry, STRABAG SE shares liability with the other partners of consortia and joint ventures in which companies of the STRABAG Group hold a share interest.

(25) NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The representation of the cash-flow statement was made according to the indirect method and separated into the cash-flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects of changes in consolidation were eliminated and represented in the cash-flow from investing activities.

The **cash and cash equivalents** are composed as follows:

	31.12.2010 T€	31.12.2009 T€
Securities	34,362	73,717
Cash on hand	2,736	2,818
Bank deposits	1,915,354	1,706,416
	1,952,452	**1,782,951**

The cash and cash equivalents include deposits abroad in the amount of T€ 7,584 (previous year: T€ 7,466), subject to the restriction that they may only be transferred to another country following official completion of the construction order. Of the cash and cash equivalents, T€ 21,674 (previous year: T€ 5,334) are pledged as collateral (see also item 26).

(26) FINANCIAL INSTRUMENTS

A financial instrument is a contract that results in a financial asset at one enterprise and a financial liability or equity instrument at another. Financial assets include especially cash and cash equivalents, trade receivables and other receivables and derivatives. Financial liabilities are obligations to pay cash or other financial assets. These include especially financial liabilities such as bank borrowing, bonds, liabilities arising from financial leasing and trade payables. Initial recognition is carried out in principle using settlement date accounting.

The **financial instruments** as of the balance sheet date were as follows:

	MEASUREMENT CATEGORY ACCORDING TO IAS 39	31.12.2010 CARRYING VALUE T€	31.12.2010 FAIR VALUE T€	31.12.2009 CARRYING VALUE T€	31.12.2009 FAIR VALUE T€
ASSETS					
Valuation at historical costs					
Loans to subsidiaries	L&R	163	163	10,283	10,283
Loans to participation companies	L&R	12,566	12,566	12,702	12,702
Other loans	L&R	4,248	4,248	4,611	4,611
Trade receivables	L&R	2,613,019	2,613,019	2,462,999	2,462,999
Receivables from concession arrangements	L&R	975,534	975,534	925,100	925,100
Other financial assets	L&R	473,359	473,359	362,028	362,028
Non-financial assets	no FI	142,304		126,524	
Cash and cash equivalents	L&R	1,918,090	1,918,090	1,709,234	1,709,234
		6,139,283	**5,996,979**	**5,613,481**	**5,486,957**
Valuation at fair value					
Investments in subsidiaries	AfS	86,023	86,023 [1)]	73,569	73,569 [1)]
Other investments	AfS	104,535	104,535 [1)]	111,903	111,903 [1)]
Securities	AfS	49,721	49,721	27,765	27,765
Cash and cash equivalents	AfS	34,362	34,362	73,717	73,717
Derivatives		16,764	16,764	35,903	35,903
		291,405	**291,405**	**322,857**	**322,857**
LIABILITIES					
Valuation at historical costs					
Financial liabilities	FLaC	-1,559,152	-1,547,733	-1,509,162	-1,498,367
Trade payables	FLaC	-2,265,796	-2,265,796	-2,360,352	-2,360,352
Liabilities from construction contracts	no FI	-845,194		-314,904	
Other financial liabilities	FLaC	-395,630	-395,630	-344,475	-344,475
Non-financial liabilities	no FI	-356,384		-361,430	
Derivatives		-39,663	-39,663	-122,180	-122,180
		-5,461,819	**-4,248,822**	**-5,012,503**	**-4,325,374**
Total		**968,869**	**2,039,562**	**923,834**	**1,484,441**
Measurement categories					
Loans and receivables (L&R)		5,996,979	5,996,979	5,486,957	5,486,957
Available for sale (AfS)		274,641	274,641	286,954	286,954
Financial liabilities at amortised costs (FLaC)		-4,220,578	-4,209,159	-4,213,989	-4,203,194
Derivatives		-22,899	-22,899	-86,277	-86,277
No financial instruments		-1,059,274		-549,810	
Total		**968,869**	**2,039,562**	**923,834**	**1,484,440**

1) Investments in subsidiaries and other investments amounting to T€ 179,202 (previous year: T€ 179,019) are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.

The fair value measurement at 31 December 2010 for financial instruments measured at fair value was done as follows:

	VALUATION AT MARKET VALUE T€	VALUATION USING INPUT TAKEN FROM OBSERVABLE MARKET DATA T€	OTHER VALUATION METHODS T€	TOTAL T€
ASSETS				
Investments in subsidiaries	0	0	86,023	86,023
Other investments	0	0	104,535	104,535
Securities	49,720	0	0	49,720
Cash and cash equivalents	34,362	0	0	34,362
Derivatives	0	16,764	0	16,764
Total	**84,082**	**16,764**	**190,558** 1)	**291,404**
LIABILITIES				
Derivatives	0	-39,663	0	-39,663
Total	**0**	**-39,663**	**0**	**-39,663**

The fair value measurement at 31 December 2009 for financial instruments measured at fair value was done as follows:

	VALUATION AT MARKET VALUE T€	VALUATION USING INPUT TAKEN FROM OBSERVABLE MARKET DATA T€	OTHER VALUATION METHODS T€	TOTAL T€
ASSETS				
Investments in subsidiaries	0	0	73,569	73,569
Other investments	0	0	111,903	111,903
Securities	27,765	0	0	27,765
Cash and cash equivalents	73,717	0	0	73,717
Derivatives	0	35,903	0	35,903
Total	**101,482**	**35,903**	**185,472** 2)	**322,857**
LIABILITIES				
Derivatives	0	-122,180	0	-122,180
Total	**0**	**-122,180**	**0**	**-122,180**

Cash and cash equivalents, trade receivables and other receivables have for the most part short remaining terms. Accordingly, their book values on the balance sheet date approximate their fair value. The fair value of non-current financial assets corresponds to the present value of the related payments under consideration of the prevailing market parameters.

Trade payables and other financial liabilities typically have short terms; their book values approximate the fair value. The fair value of bonds, bank borrowing and liabilities arising from financial leasing are measured at the present value of the payments associated with them under consideration of the relevant applicable market parameters as far as market values were not available.

T€ 21,674 (previous year: T€ 5,334) of the cash and cash equivalents, T€ 3,506 (previous year: T€ 3,489) of the securities and T€ 10,112 (previous year: T€ 10,554) of the other financial instruments were pledged as collateral for liabilities.

The non-recourse liabillities related to the concession receivable are hedged using the income from the concession receivable.

1) Investments in subsidiaries and other investments amounting to T€ 179,202 are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.
2) Investments in subsidiaries and other investments amounting to T€ 179,019 are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.

The net income effects of the financial instruments according to valuation category are as follows:

	L&R 2010 T€	AfS 2010 T€	FLaC 2010 T€	DERIVATIVES 2010 T€	L&R 2009 T€	AfS 2009 T€	FLaC 2009 T€	DERIVATIVES 2009 T€
Interest	60,323	0	-58,200	0	64,244	0	-60,721	0
Interest from receivables from concession arrangements	72,862	0	-30,206	-7,385	72,914	0	-31,910	-8,601
Result from securities	0	966	0	0	0	1,022	0	0
Impairment losses	-33,985	-653	0	-2,677	-33,348	-8,794	0	0
Disposal losses/profits	0	-554	0	0	0	3,496	0	0
Gains from derecognition of liabilities and payments of written off receivables	9	0	6,099	0	185	0	9,413	0
Net income recognised in profit or loss	**99,209**	**-241**	**-82,307**	**-10,062**	**103,995**	**-4,276**	**-83,218**	**-8,601**
Value changes recognised directly in equity	0	-1,183	0	15,743 [1)]	0	0	0	44,351
Net income	**99,209**	**-1,424**	**-82,307**	**5,681**	**103,995**	**-4,276**	**-83,218**	**35,750**

Dividends and expenses from investments shown in the net investment income are part of the operating income and therefore not part of the net income of financial instruments. Impairment losses, reversal of impairment losses, disposal gains and disposal losses of loans & receivables (L&R) and of financial liabilities amortised at cost (FLaC) are carried in other income or other expenses.

Impairment losses, reversal of impairment losses, disposal gains and disposal losses of the financial instruments available for sale are carried in the net investment income if they are investments in subsidiaries or other investments, otherwise in net interest.

Derivative instruments are used exclusively to hedge existing risks resulting from changes in currency and interest rates. The use of derivative financial instruments in the group is subject to the appropriate approval and control procedures. The connection to a mainstay business is a must, trading is not permissible.

PRINCIPLES OF RISK MANAGEMENT

The STRABAG Group is subject to credit, market and liquidity risks related to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financially oriented activities.

The basics of the financial policy are set by the management board and monitored by the supervisory board. The implementation of the financial policy and responsibility for the risk management are the domain of the group treasury. Certain transactions require prior approval by the board of management, which is regularly informed as to the scope and amount of the current risk exposure.

INTEREST RATE RISK

The financial instruments bear variable interest rates on the assets side, on the liabilities side there are both variable and fixed interest obligations. The risk of financial instruments bearing variable interest rates consists of increasing interest charges and sinking interest revenue resulting from an unfavourable change in market interest rates. Fixed interest obligations mainly result from the tranches of the bonds issued by STRABAG SE amounting to a total of € 325 million.

1) Excluding derivatives from associated companies in the amount of T€ 19,302

As of 31 December 2010, following hedging transactions in connection with concession arrangements existed:

	31.12.2010		31.12.2009	
	NOMINAL VALUE T€	MARKET VALUE T€	NOMINAL VALUE T€	MARKET VALUE T€
Interest rate swaps	880,082	12,419	757,080	31,440
		12,419		**31,440**

The amount of bank deposits and bank borrowings according to currency – giving the average interest rate at balance sheet date – is represented as follows:

BANK DEPOSITS

	CARRYING VALUE 31.12.2010 T€	WEIGHTED AVERAGE INTEREST RATE 2010 IN %
EUR	982,736	0.88
PLN	491,551	3.27
CZK	178,923	0.46
Others	262,144	1.11
Total	**1,915,354**	**1.53**

BANK BORROWINGS

	CARRYING VALUE 31.12.2010 T€	WEIGHTED AVERAGE INTEREST RATE 2010 IN %
EUR	1,043,270	2.76
Others	103,469	4.50
Total	**1,146,739**	**2.92**

Had the interest rate level at 31 December 2010 been higher by 100 basis points, then the result would have been higher by T€ 10,961 (previous year: T€ 8,209) and the equity at 31 December 2010 would have been higher by T€ 48,227 (previous year: T€ 50,881). Had the interest rate level been lower by 100 basis points, this would have meant a correspondingly lower equity and profit before tax. The calculation is made based on the level of interest-bearing financial assets and liabilities at 31 December. Tax effects from interest rate changes were not considered.

CURRENCY RISK

Due to the decentralised structure of the group, characterised by local companies in the respective countries, mainly closed currency positions appear in the balance sheet. Loan financing and investments were predominantly made by the group companies in the respective country's local currency. Receivables and liabilities from business activities mainly offset each other in the same currency.

The remaining currency risk mainly results when the currency of the order deviates from the functional currency of the subsidiary.

This involves in particular orders in Eastern Europe and the CIS states which are concluded in EUR. The planned proceeds are received in the currency of the order while a substantial part of the associated costs are made in the local currency.

In order to limit the remaining currency risk and secure the calculation, derivative financial instruments, above all forward exchange operations, were transacted. As of 31 December 2010, the following hedging transactions existed for the underlying transactions mentioned below:[1)]

CURRENCY	EXPECTED CASH FLOWS 2011 T€	EXPECTED CASH FLOWS 2012 T€	EXPECTED CASH FLOWS TOTAL T€	POSITIVE MARKET VALUE OF THE HEDGING TRANSACTION T€	NEGATIVE MARKET VALUE OF THE HEDGING TRANSACTION T€
HUF	27,770	0	27,770	1,438	-1,952
PLN	475,007	48,075	523,082	4,646	-7,239
Others	18,229	0	18,229	0	-240
Total	**521,006**	**48,075**	**569,081**	**6,084**	**-9,431**

1) Not entirely represented as Hedge Accounting

As of 31 December 2009, the following hedging transactions existed for the underlying transactions mentioned below:

CURRENCY	EXPECTED CASH FLOWS 2010 T€	EXPECTED CASH FLOWS 2011 T€	EXPECTED CASH FLOWS TOTAL T€	POSITIVE MARKET VALUE OF THE HEDGING TRANSACTION T€	NEGATIVE MARKET VALUE OF THE HEDGING TRANSACTION T€
HUF	6,391	0	6,391	91	-1,176
PLN	204,000	7,000	211,000	4,373	-35,433
Total	**210,391**	**7,000**	**217,391**	**4,464**	**-36,609**

Of the derivative financial instruments classified as cash-flow hedges as of 31 December 2009, T€ -30,680 (previous year: T€ -53,143) were shifted from equity and recognised in the consolidated income statement in the 2010 financial year. The resulting deferred tax expense amounted to T€ 7,670 (previous year: tax income of T€ 13,286).

The other liabilities contain a foreign currency derivative in the amount of T€ 28,521 (previous year: T€ 84,523).

Development of the important **currencies in the group**:

CURRENCY	EXCHANGE RATE 31.12.2010 1 € =	AVERAGE 2010 1 € =	EXCHANGE RATE 31.12.2009 1 € =	AVERAGE 2009 1 € =
HUF	277.9500	276.5075	270.4200	281.4375
CZK	25.0610	25.2631	26.4730	26.4956
HRK	7.3830	7.2949	7.3000	7.3444
CHF	1.2504	1.3700	1.4836	1.5076

Essentially, the Polish zloty, the Czech crown and the Hungarian forint are affected by revaluation (devaluation). A 10 % revaluation of the euro over all other currencies at 31 December 2010 would mean an increase in equity by T€ 9,136 (previous year: decrease by T€ 19,981) and an increase in profit before tax T€ 9,136 (previous year: decrease T€ 17,432). A devaluation compared to all other currencies would result in a corresponding decrease in equity (previous year: increase) and a decrease of profit before tax.

The calculation is based on original and derivative foreign currency holdings in non-functional currency as of 31 December as well as underlying transactions for the next 12 months. The effect on tax resulting from changes in currency exchanges rates was not taken into consideration.

CREDIT RISK

The maximum risk of default of the financial assets on the balance sheet date was T€ 4,335,932 (previous year: T€ 4,026,863) and corresponds to the book values presented in the balance sheet. Thereof T€ 2,613,019 (previous year: T€ 2,462,999) involve trade receivables. Receivables from construction contracts and related to consortia involve ongoing construction projects and are therefore not yet payable for the most part. Of the remaining trade receivables in the amount of T€ 1,329,336 (previous year: T€ 1,383,241), less than 1 % are overdue and not written down.

The risk for receivables from clients can be rated as low, due to the wide dispersion, a constant creditworthiness check and the presence of the public sector as an important employer.

The risk of default for other primary financial instruments shown on the assets side can also be regarded as low, as the contract partners are exclusively financial institutions with the highest level of creditworthiness.

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 42,754 (previous year: T€ 41,368).

Financial assets are written down item by item if the book value of the financial assets is higher than the present value of the future cash-flows. This can be triggered by financial difficulties, insolvency of the client, breach of contract or significant default of payment. The write-down is composed of many individual items of which none, seen alone, is significant. In addition to the estimation of the creditworthiness risk, the relevant country risk is also taken into consideration. Graduated valuation adjustments are formed according to risk groups to take into consideration general credit risks.

LIQUIDITY RISK

Liquidity for the STRABAG SE Group means not only solvency in the strict sense but also the availability of the necessary financial margin for mainstay business through sufficient aval lines.

To guarantee financial flexibility, liquidity reserves are kept in the form of cash and credit lines for cash and aval loans. The STRABAG SE Group keeps bilateral credit lines with banks and a syndicated aval credit line in the amount of € 2.0 billion. The overall line for cash and aval loan amounts to € 6.2 billion.

The medium- and long-term liquidity needs have so far been covered by the issue of corporate bonds as well. From 2005 to 2008 every year a tranche of € 75 million each with a term to maturity of five years was issued. In May 2010, STRABAG issued a further bond in the amount of € 100 million with a term of 5 years. The annual coupon interest of the bond amounts to 4.25 %. The corporate bond from the year 2005 in the amount of € 75 million was paid in June 2010. Depending on the market situation and the appropriate need, further bonds are planned.

The following payment obligations arise from the financial liabilities (interest payments based on interest rate as of 31 December and redemption) for the subsequent years:

PAYMENT OBLIGATIONS AS OF 31 DECEMBER 2010

	CARRYING VALUES 31.12.2010 T€	CASH-FLOWS 2011 T€	CASH-FLOWS 2012-2015 T€	CASH-FLOWS AFTER 2015 T€
Financial liabilities:				
Bonds	345,000	93,211	302,458	0
Bank borrowings	1,146,739	197,803	538,032	602,386
Liabilities from financial leasing	62,892	20,567	35,205	17,754
Other liabilities	4,521	0	4,800	0
	1,559,152	**311,581**	**880,495**	**620,140**

PAYMENT OBLIGATIONS AS OF 31 DECEMBER 2009

	CARRYING VALUES 31.12.2009 T€	CASH-FLOWS 2010 T€	CASH-FLOWS 2011-2014 T€	CASH-FLOWS AFTER 2014 T€
Financial liabilities:				
Bonds	320,000	92,148	274,079	0
Bank borrowings	1,109,435	180,817	469,910	674,087
Liabilities from financial leasing	75,383	18,892	41,728	23,148
Other liabilities	4,344	0	4,800	0
	1,509,162	**291,857**	**790,517**	**697,235**

The trade payables and the other liabilities (see item 22) essentially lead to cash outflows in line with the maturity at the amount of the book values.

(27) SEGMENT REPORTING

The rules of IFRS 8 Operating Segments apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (Management Approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

Internal reporting at STRABAG is based on the dedicated management board functions Building Construction & Civil Engineering, Transportation Infrastructure, Special Divisions & Concessions and the Central Business Units, which – as has previously been the case – represent the group's segments. The settlement between the single segments is made at arm's-length prices.

From 1 January 2010, STRABAG is grouping its activities in non-European markets which had previously been handled under the segments Building Construction & Civil Engineering and Transportation Infrastructures in the Special Divisions & Concessions segment. For the purposes of comparison, the previous year's figures were adjusted to the new structure.

The segment reporting comprises the following business fields:

Building Construction & Civil Engineering
In the field of Building Construction, both classical building services as well as turnkey building projects are executed as part of the mainstay business. The range of construction services in this field includes housing; commercial and industrial facilities such as shopping centres, business parks, office buildings, hotels, airports and railway stations; public buildings such as hospitals, universities, schools and other public buildings; the production of prefabricated elements; and steel-girder and facade construction.

In particular medium-sized and large-scale projects – predominantly for private clients – form the core of the business activities. Regional organisational units work the respective local markets and are active as self-contained and independent profit centres.

Civil Engineering activities include the construction of bridges and power plants. Environmental engineering activities – including the construction of landfills, waste treatment plants, and waste water collection and treatment systems, as well as the regeneration of polluted soils and industrial sites – are handled by the Civil Engineering business field as well.

Transportation Infrastructures
This business field covers mainly asphalt and concrete road construction in the group's relevant country markets. Other services encompassed by the Road Construction division include the remaining activities attributable to civil engineering, e.g. earth moving, sewer engineering and pipeline construction, smaller and medium-sized engineering-related concrete structures, and paving. The Road Construction segment further comprises the construction of large-area works such as runways and taxiways, landing fields for airports, reloading and parking facilities, sport and recreation facilities and railway structures.

The production of asphalt, concrete and other construction materials, as well as bitumen trading, are important parts of the Road Construction segment as well. The construction materials business includes a dense network of asphalt and concrete mixing facilities, as well as excellent access to raw materials (in particular gravel pits and quarries).

Unlike is the case with projects handled by the Civil Engineering division, the services in this business field are carried out by smaller, local organisational units working a limited, regional market as independent profit centres.

Special Divisions & Concessions
This segment comprises tunnelling, specialty foundation engineering, project developments and other construction-related services such as property and facility management. Since 1 January 2010, the segment also includes the non-European operational project business of all divisions.

The range of Tunnelling services includes the construction of road and railway tunnels as well as underground galleries and chambers with various technology. Tunnelling work is done employing both cyclical and continuous driving. Projects around the world are managed and executed by central organisational units.

The concessions business field encompasses those project development contracts around the world which include all integrated services such as financing, operation, marketing and utilisation, as well as the usual construction services, within the framework of a value-added chain in an overall project. Services include infrastructure projects (e.g. traffic, energy), as well as building projects for office and commercial properties or hotels.

Other
This segment comprises the central business units and central staff units, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management and more.

SEGMENT REPORTING FOR THE FINANCIAL YEAR 2010

	BUILDING CONSTRUCTION AND CIVIL ENGINEERING 2010 T€	TRANSPORTATION INFRASTRUCTURES 2010 T€	SPECIAL DIVISIONS & CONCESSIONS 2010 T€	OTHER T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 2010 T€	TOTAL 2010 T€
Output Volume	**4,279,067**	**5,809,939**	**2,517,845**	**170,149**		**12,777,000**
Revenue	**3,975,839**	**5,691,964**	**2,671,855**	**41,879**	**0**	**12,381,537**
Inter-segment revenue	141,672	64,871	0	846,260		
EBIT	**153,766**	**183,583**	**-15,542**	**873**	**-23,729**	**298,951**
-thereof share of profit or loss of associates	0	30,653	1,733	0	0	32,386
Interest and similar income	0	0	0	78,709	0	78,709
Interest expense and similar charges	0	0	0	-98,386	0	-98,386
Profit before tax	**153,766**	**183,583**	**-15,542**	**-18,804**	**-23,729**	**279,274**
Investments in property, plant and equipment, and in intangible assets	0	0	0	553,843	0	553,843
Depreciation and amortisation	6,893	27,643	19,691	381,515	0	435,742
-thereof extraordinary depreciation and amortisation	6,893	27,643	15,000	22,215	0	71,751

SEGMENT REPORTING FOR THE FINANCIAL YEAR 2009

	BUILDING CONSTRUCTION AND CIVIL ENGINEERING 2009 T€	TRANSPORTATION INFRASTRUCTURES 2009 T€	SPECIAL DIVISIONS & CONCESSIONS 2009 T€	OTHER T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 2009 T€	TOTAL 2009 T€
Output Volume	**4,427,158**	**5,708,486**	**2,715,921**	**169,449**		**13,021,014**
Revenue	**4,059,433**	**5,605,806**	**2,849,865**	**36,824**	**0**	**12,551,928**
Inter-segment revenue	105,106	268,886	4,628	793,627		
EBIT	**124,441**	**142,947**	**34,464**	**1,506**	**-20,510**	**282,848**
-thereof share of profit or loss of associates	0	16,059	-28,774	0	0	-12,715
Interest and similar income	0	0	0	78,332	0	78,332
Interest expense and similar charges	0	0	0	-98,219	0	
Profit before tax	**124,441**	**142,947**	**34,464**	**-18,381**	**-20,510**	**262,961**
Investments in property, plant and equipment, and in intangible assets	0	0	0	508,725	0	508,725
Depreciation and amortisation	3,000	22,401	6,940	369,059	0	401,400
-thereof extraordinary depreciation and amortisation	3,000	22,401	0	21,030	0	46,431

RECONCILIATION OF THE SUM OF THE SEGMENT EARNINGS TO PROFIT BEFORE TAX ACCORDING TO IFRS FINANCIAL STATEMENTS

Income and expense in the internal reporting are essentially shown in accordance with IFRS. An exception is income taxes, including those applicable to deferred tax, which are not considered in the internal reporting.

The basis for the internal reporting is formed by all subsidiaries. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform 100 % with EBIT in regards to profit before tax in the consolidated financial statements in terms of the investment result.

Other minor differences result from the other consolidation entries.

Reconciliation of the internal reporting to IFRS Financial Statements is allocated as follows:

	2010 T€	2009 T€
Investment income	-17,927	-13,072
Other consolidations	-5,802	-7,438
Total	**-23,729**	**-20,510**

BREAKDOWN OF REVENUE BY GEOGRAPHIC REGION

	2010 T€	2009 T€
Germany	5,113,787	5,334,036
Austria	2,114,846	2,496,432
Other Europe	4,515,675	4,204,796
Other World	637,229	516,664
Total	**12,381,537**	**12,551,928**

Presentation of revenue by region is done according to the company's registered place of business.

(28) NOTES ON RELATED PARTIES

The core shareholders of STRABAG SE are the Haselsteiner-Group, as well as the Raiffeisen-Holding NÖ-Wien Group, the UNIQA Group and Rasperia Trading Limited, owned by Russian businessman Oleg Deripaska.

The core shareholder Rasperia Trading Limited holds one registered share. The company sold its previous interest of 25 % to the other core shareholders. On 30 November 2010, Rasperia bought back 17 % of the shares and the option to purchase the remaining 8 % was extended until July 2014. The syndicate agreement remains unchanged, with Rasperia remaining part of the syndicate.

Arm's-length finance and insurance transactions exist with the Raiffeisen-Holding NÖ-Wien Group and the UNIQA Group.

BASIC ELEMENT

The Basic Element Group, a group with numerous industrial holdings, among other things in the area of construction, raw materials and infrastructure, is owned by Russian businessman Oleg Deripaska. A cooperating agreement lays out the principles for joint operating cooperation in Russia and the CIS states between the STRABAG SE Group and the Basic Element Group.

STRABAG was hired in 2008 to renovate Adler International Airport together with Russian construction company Renaissance Construction. The contract has a volume of € 62 million. Adler International Airport is part of the airport business of Basic Element. This project generated revenue in the amount of € 6 million in the 2010 financial year (previous year: € 36 million). On the balance sheet date of 31 December 2010, STRABAG SE had receivables in the amount of € 3 million (previous year: € 4 million). The completion took place in 2010.

Russian construction company Glavstroy Corporation, a member of the Basic Element Group, commissioned STRABAG to build the Olympic village in Sochi, Russia. The order includes the construction of residences and hotels ahead of the 2014 Winter Olympics and has a value of about € 350 million. The contract, which was signed in 2010, is still pending the final financing of the project. The construction works are due to begin in 2011 and are scheduled for completion in 2013.

To consolidate and expand the business in Russia, STRABAG made an advance payment of € 70 million for a 26 % stake in the leading Russian road construction company Transstroy, part of the diversified industrial holding Basic Element. STRABAG will take the time for a thorough due diligence of Transstroy, which posted revenues of RUB 39 billion in 2009, before the parties agree on a transaction and on the final purchase price. The advance payment is reported under other financial assets.

IDAG

IDAG Immobilienbeteiligung u. Development GmbH is entirely held by private foundations whose beneficiaries are the Haselsteiner Group and the Raiffeisen-Holding NÖ-Wien Group. It is the business purpose of IDAG Immobilienbeteiligung u. -Development GmbH to develop property and to participate in property projects.

STRABAG's office buildings in Vienna and Graz are held in the real estate portfolio of subsidiaries of IDAG Immobilienbeteiligung u. -Development GmbH. The buildings are let to and in part sublet by STRABAG SE at the usual market conditions. Rental costs arising from both buildings in the 2010 financial year amounted to T€ 7,191 (previous year: T€ 7,249). Other services in the amount of T€ 1,317 (previous year: T€ 0) were obtained from the IDAG Group.

Furthermore, revenues of about € 2.2 million (previous year: about € 6.0 million) were made with IDAG Immobilienbeteiligung u. –Development GmbH in the 2010 financial year. At the balance sheet date of 31 December 2010, the STRABAG SE Group had receivables from rental deposits amounting to around € 18.8 million (previous year: € 18.0 million) from IDAG Immobilienbeteiligung u. -Development GmbH.

ASSOCIATES

In September 2003, Raiffeisen evolution project development GmbH, a joint project development company, was founded together with R.B.T. Beteiligungsgesellschaft m.b.H, "URUBU" Holding GmbH (both Raiffeisen group) and UNIQA Beteiligungs-Holding GmbH.

Raiffeisen evolution project development GmbH bundles project developments in building construction activities of the shareholders (excluding Germany and Benelux). STRABAG SE is employed in the construction work on the basis of arm's-length contracts. In 2010 revenues of about € 21.5 million (previous year: € 13.0 million) were made.

The shareholders of the Raiffeisen evolution project development GmbH have basically agreed to proportionally accept any obligations arising from the project developments.

The business relationships to the other associates can be presented as follows:

	2010 T€	2009 T€
Work and services performed	27,929	444,966
Work and services received	22,736	36,310
Receivables at 31.12.	13,450	25,271
Liabilities at 31.12.	13	2,969

The business relations to the management board members and the first management level (management in key positions) whose family members and companies which are controlled by the management in key positions or decisively influenced by them are represented as follows:

	2010 T€	2009 T€
Work and services performed	6,662	4,586
Work and services received	2,504	4,509
Receivables at 31.12.	4,841	2,537
Liabilities at 31.12.	229	199

(29) NOTES ON THE MANAGEMENT AND SUPERVISORY BOARDS

MANAGEMENT BOARD

Dr. Hans Peter HASELSTEINER (Chairman)
Ing. Fritz OBERLERCHNER (Vice Chairman)
Dr. Thomas BIRTEL
Dipl.-Ing. Roland JURECKA (until 31.12.2010)
Dr. Peter KRAMMER
Mag. Wolfgang MERKINGER (until 31.8.2010)
Mag. Hannes TRUNTSCHNIG
Dipl.-Ing. Siegfried WANKER (since 1.1.2011)

SUPERVISORY BOARD

Dr. Alfred GUSENBAUER (Chairman, since 18.6.2010)
Univ. Prof. DDr. Waldemar JUD (Chairman, until 18.6.2010)
Mag. Kerstin GELBMANN (since 18.6.2010)
Mag. Erwin HAMESEDER (Vice Chairman)
Andrei ELINSON
Dr. Gerhard GRIBKOWSKY (unti 18.6.2010)
Dr. Gottfried WANITSCHEK
Ing. Siegfried WOLF

Dipl.-Ing. Andreas BATKE (works council)
Miroslav CERVENY (works council)
Magdolna P. GYULAINÉ (works council)
Wolfgang KREIS (works council)
Gerhard SPRINGER (works council)

The total salaries of the management board members in the financial year amount to T€ 7,798 (previous year: T€ 8,669). The severance payments for management board members amount to T€ 531 (previous year: T€ 55).

The remunerations for the supervisory board members in the amount of T€ 135 (previous year: T€ 135) are included in the expenses. Neither the management board members nor the supervisory board members of STRABAG SE received advances or loans.

(30) OTHER NOTES

The expenses for the auditor, KPMG Austria GmbH, incurred in the financial year amount to T€ 1,130 (previous year: T€ 1,107) of which T€ 1,052 (previous year: T€ 1,042) were for the audit of the consolidated financial statements and T€ 78 (previous year: T€ 65) for other services.

(31) EVENTS AFTER THE BALANCE SHEET DATE

Since the middle of January 2011, political unrest has been spreading throughout the Arab world, starting in Tunisia and Egypt. In February, the unrest reached Libya, where opposition forces have been engaged in a bloody fight with forces loyal to the government since the uprising began (last update: end of March 2011).

STRABAG operates in several Arab countries and has had an order volume in the triple-digit million euros in Libya since 2008. The orders mainly involve large infrastructure projects, including the construction of the airport motorway in the Libyan capital of Tripoli as well as the modernisation of the urban infrastructure in Tajura, east of Tripoli.

In order not to put any of our workers in danger, the approximately 70 European employees in Libya and some 1,000 foreign workers were safely brought out of the country. The construction sites were closed and the equipment was secured as much as possible. STRABAG will take inventory and assess the situation once this is possible without danger. Only then can possible damage be identified and a decision be made as to how to proceed. At the moment, it remains unclear when respectively to what extent the work can be resumed.

It appears that parts of the STRABAG construction camps in Libya have been burnt down and that equipment and vehicles have been stolen. There also is the risk that guarantees which STRABAG had placed for the construction contracts will be drawn.

There is partial insurance to cover these risks. Because of the politically unstable situation, however, it remains unclear to what extent there is legal recourse to claim this coverage. STRABAG does not expect any noteworthy impact on results for 2011.

Villach, 8 April 2011

Board of Management

Dr. Hans Peter Haselsteiner
Chairman of the Management Board
Responsibilities for Central Staff Units,
BMTI 01, BRVZ 02, TPA 04, BLT 05 Central Division and
technical Responsibilities for Building Construction & Civil Engineering
of Russia and Neighbouring Countries

Ing. Fritz Oberlerchner
Vice Chairman
Technical Responsibilities for Transportation Infrastructures

Dr. Thomas Birtel
Commercial Responsibilities for
Building Construction & Civil Engineering

Dr. Peter Krammer
Technical Responsibilities for Building Construction & Civil Engineering
(excluding Russia and Neighbouring Countries)

Mag. Hannes Truntschnig
Commercial Responsibilities for Transportation Infrastructures,
Special Divisions & Concessions

DI Siegfried Wanker
Technical Responsibilities for Special Divisions
& Concessions (since 1 January 2011)

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements[1)] give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Villach, 8 April 2011

Board of Management

Dr. Hans Peter Haselsteiner
Chairman of the Management Board
Responsibilities for Central Staff Units,
BMTI 01, BRVZ 02, TPA 04, BLT 05 Central Division and
technical Responsibilities for Building Construction & Civil Engineering
of Russia and Neighbouring Countries

Ing. Fritz Oberlerchner
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Technical Responsibilities for Transportation Infrastructures

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Mag. Hannes Truntschnig
Commercial Responsibilities for Transportation Infrastructures,
Special Divisions & Concessions

DI Siegfried Wanker
Technical Responsibilities for Special Divisions
& Concessions (since 1 January 2011)

1) The annual financial statements are included in the annual financial report.

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying **consolidated financial statements** of

STRABAG SE,
Villach,

for the **year from 1 January to 31 December 2010**. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2010, the consolidated income statement/consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2010 and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND FOR THE ACCOUNTING SYSTEM

The company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the group as of 31 December 2010 and of its financial performance and its cash flows for the year from 1 January to 31 December 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

REPORT ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to statutory provisions, the management report for the group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the company's position. The auditor's report also has to contain a statement as to whether the management report for the group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Linz, 8 April 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Ernst Pichler
Wirtschaftsprüfer

Mag. Peter Humer
Wirtschaftsprüfer

(Austrian Chartered Accountants)

This report is a translation of the original report in German, which is solely valid.

Publication of the consolidated financial statements together with our auditor's opinion may only be made if the consolidated financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

FINANCIAL CALENDAR

Annual Report 2010	**Thu., 28 April 2011**
Publication	7:30 am
Financial Press Conference	10:00 am
Investor and Analyst Telephone Conference	2:00 pm

Interim Report January–March 2011	**Tue., 31 May 2011**
Publication	7:30 am
Investor and Analyst Telephone Conference	2:00 pm

Notice of Annual General Meeting	13 May 2011
Shareholding confirmation record date	31 May 2011
Annual General Meeting 2011	**Fri., 10 June 2011**
Beginning	10:00 am
Location: Austria Center Vienna, Bruno-Kreisky-Platz 1, 1220 Vienna	
Ex-dividend date	**Fri., 17 June 2011**
Payment date for dividend	**Mon., 20 June 2011**

Semi-annual report 2011	**Wed., 31 August 2011**
Publication	7:30 am
Investor and Analyst Telephone Conference	2:00 pm

Interim Report January–September 2011	**Wed., 30 November 2011**
Publication	7:30 am
Investor and Analyst Telephone Conference	2:00 pm

All times are CET/CEST
Please find the roadshow schedule on the website www.strabag.com -> Investor Relations -> Financial Calendar

GLOSSARY

at-equity consolidation	Method of consolidation of companies, in which STRABAG has a stake between 20 % and 50 %
ATX (Austrian Traded Index)	The index of leading shares of the Vienna Stock Exchange (Wiener Börse)
Book value per share	Book value of equity/number of shares
CAGR (Compound Annual Growth Rate)	Mean growth rate on an annualised basis
Capital Employed	Total of group equity capital and interest-bearing debt capital
Cash-flow	A measure of cash being received and spent in a business. The cash-flow amount is largely calculated as the sum of retained profit carried forward, taxes on profits and income, write-offs and changes to non-current provisions.
CEE	Central and Eastern Europe
Code of Ethics	Values and principles which reflect the company's policy and which are kept by employees and management
Compliance Guidelines	Recognition of the importance of and compliance with all relevant laws as well as with internal and external rules, guidelines and standards
Corporate Governance	A code of conduct for publicly listed companies. Corporate governance comprises all guidelines which maximise transparency and control in order to avoid conflicts of interest.
Corporate Social Responsibility	Voluntary compliance with a set of rules for sustainable corporate management
Directors' Dealings	Transactions with company securities by company directors or officers
Earnings per share	Net income after minorities/number of shares
EBIT	Net income before interests and income tax expense
EBIT Margin	The ratio of EBIT to revenue in percent
EBITDA	Net income before interests and income tax expense, depreciation and amortisation
EBITDA Margin	The ratio of EBITDA to revenue in percent
Equity ratio	Book value of equity/balance sheet total
Free cash-flow	Cash-flow available for distribution among all the security holders of a company after deducting capex (purchase of property, plant, equipment and intangible assets).
Gearing Ratio	Net debt/group equity capital
IFRS	Financial reporting standards and interpretations adopted by the International Accounting Standards Board (IASB)
Joint Venture	A contractual agreement joining together two or more parties for the purpose of executing a particular business enterprise
Net Debt	Financial liabilities less non-recourse debt + severance and pension provisions less cash and cash equivalents
öCGK	Austrian Corporate Governance Codex
Order backlog	Future revenues from contracts signed to a specific date, less works already accomplished
Payout ratio	Dividends/net income per share
PPP (Public Private Partnerships)	Project which is funded and operated through a partnership of private-sector companies and public-sector institutions
Risk management	An approach to recognise potential risks to the company and develop strategies to manage these risks
ROCE (Return on Capital Employed)	Net income + interest on debt-interest tax shield (25 %)/(average group equity + interest-bearing debt)
ROE (Return on Equity)	Net income/equity

HOW WE MEASURED UP: OUR KEY PERFORMANCE INDICATOR

OUR MARKET POSITIONS

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COVERAGE OF RAW MATERIAL NEEDS USING OWN RESOURCES

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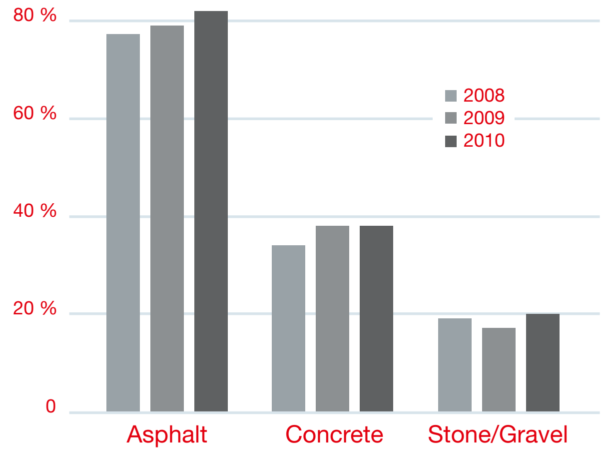

INVESTING IN PUBLIC PRIVATE PARTNERSHIPS

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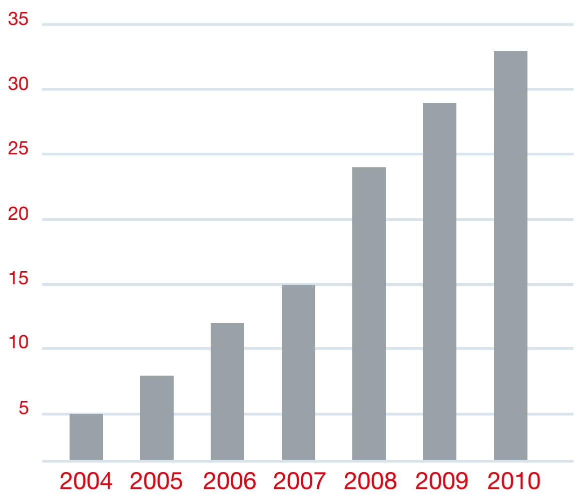

EBIT MARGIN AND EQUITY RATIO

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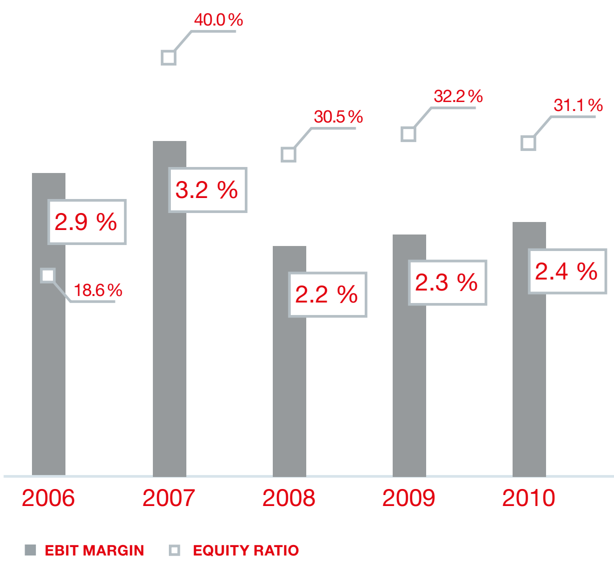

FOR FURTHER QUESTIONS PLEASE REFER TO OUR INVESTOR RELATIONS DEPARTMENT:

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www.strabag.com

This Annual Report is also available in German.
In case of discrepancy the German version prevails.

OWNER AND PUBLISHER

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Many of the projects contained in this financial report were carried out in consortia.
We hereby extend a warm "thank you" to all our partners.

Creative support during the preparation of the Annual Report 2010: pkp BBDO
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