



BUILDING ON IDEAS

CONSOLIDATED FINANCIAL
STATEMENTS FOR 2017/18



Hungary, Szombathely: Haladás sports complex, soccer stadium

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RANGE OF SERVICES

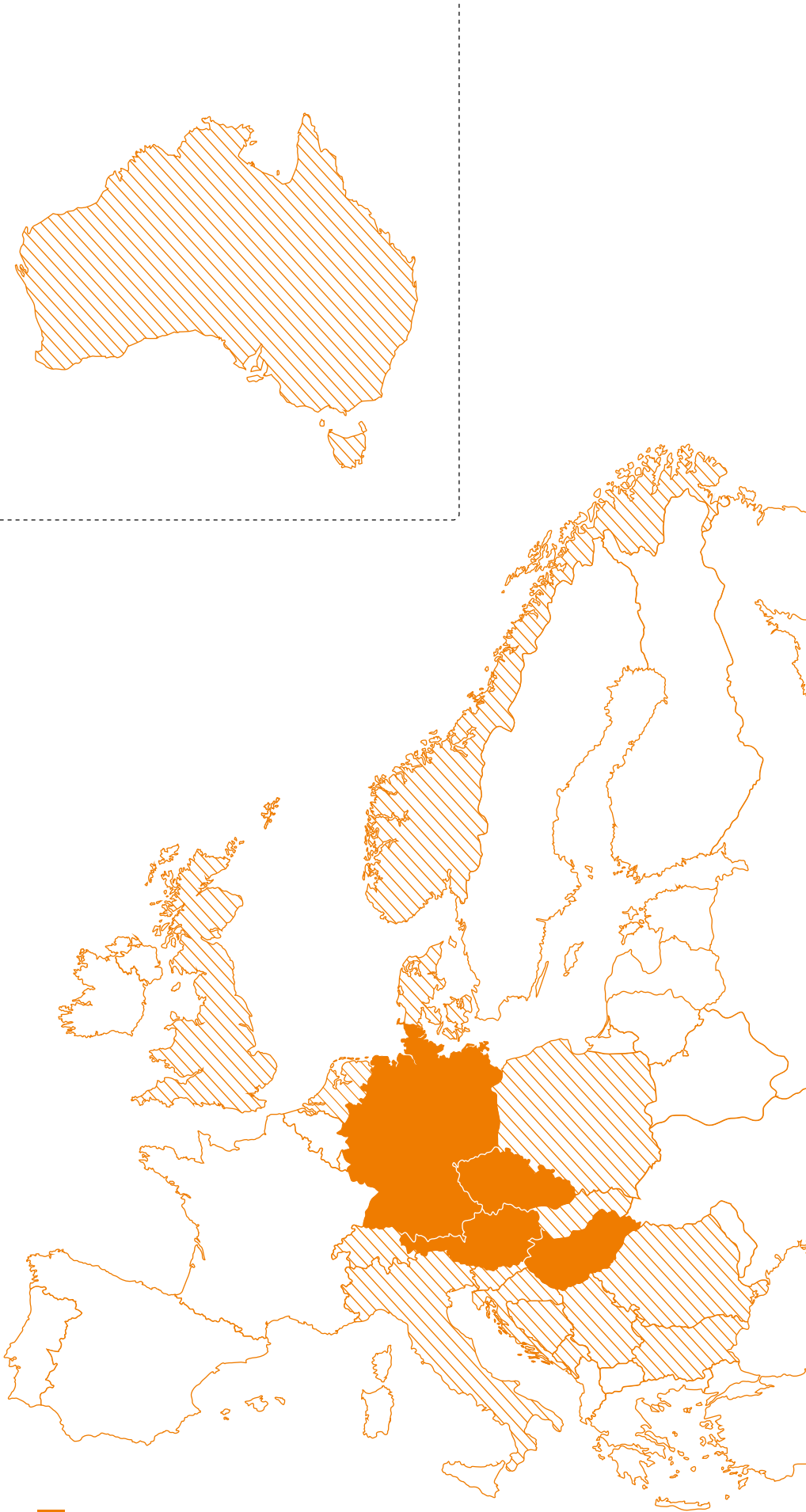
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FINANCIAL STATEMENTS FOR 2017/18

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- Core market
- Other countries



CONSTRUCTION OUTPUT: EUR 2,376 million (+17.44% YEAR-ON-YEAR)

EBT: EUR 78 million (+13.78% YEAR-ON-YEAR)

ORDER BACKLOG: EUR 3,117 million (+56.60% YEAR-ON-YEAR)

Management from left to right:
Dipl.-Ing. Walter Pertl · Adolf Scheuchenpflug · Dipl.-Ing. Karl Weidlinger · Peter Gal

TWO THOUSAND EIGHTEEN

FOREWORD BY THE MANAGEMENT

Dear Madam or Sir!

The financial year 2017/18 was one of the best in the history of our company. Amidst a good economic climate, SWIETELSKY continued its successful economic progress. Growth was consequently achieved in all important markets and the construction output could be increased by 17.44% year-on-year. The order backlog rose by 56.6% to EUR 3.12 billion, achieving an all-time high despite the on-schedule execution of large long-term projects. Although there was a sharp rise in the balance sheet total attributable to cash and cash equivalents, the equity ratio remained at a very good level of 27.3%.

We were especially pleased with the increases in profitability. Earnings before tax (EBT) grew by 13.78%. With an EBIT margin of 3.7%, we were able to show a very good performance for the industry. We continue to pay great attention to our capital structure and the economical use of our financial resources. Furthermore, the financial year was characterised by high investments in property, plant and equipment. As before, we are focusing on our diversification strategy as well as our management approach to promote the entrepreneurial skills of our employees. Anticipating future challenges, digitisation is another topic we want to increasingly tackle. In the current financial year 2018/19, we can expect a further percentage increase in the double-digits in construction output as well as profitability of at least 3% based on the EBIT margin.

RANGE OF SERVICES

A nighttime photograph of a cityscape. On the left, a modern building with a grid-like facade is illuminated with bright blue light. In the center, a river reflects the city lights. In the background, a large, multi-story building with a red roof is visible. The sky is a deep blue.

OVERVIEW

ROAD AND BRIDGE CONSTRUCTION

CIVIL ENGINEERING

RAILWAY CONSTRUCTION

TUNNEL CONSTRUCTION

BUILDING CONSTRUCTION

VISION

An aerial photograph showing a modern, multi-lane bridge crossing a wide river. The bridge has a light-colored deck and green metal railings. The surrounding landscape is lush with green fields and dense forests. The river reflects the sky and the surrounding greenery. The text 'ROAD AND BRIDGE CONSTRUCTION' is overlaid in large, white, bold letters on the lower left side of the image.

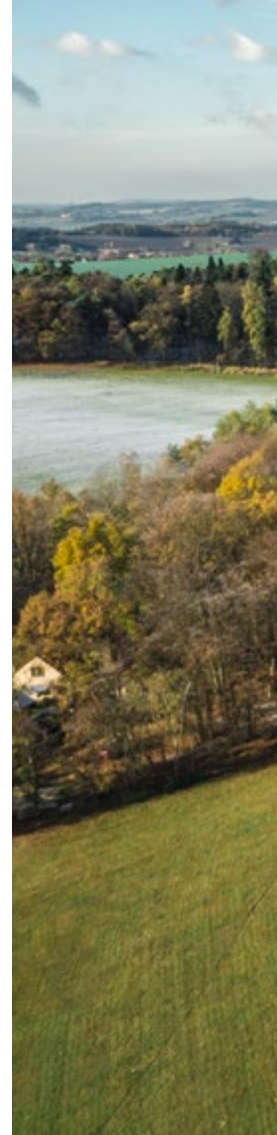
ROAD AND BRIDGE CONSTRUCTION

SWIETELSKY BUILDS ON COHESIVE KNOWLEDGE

Czech Republic, Podivín/Lednice: road 422



Austria, Linz: Vöest bridge



Modern road and bridge construction today requires high-tech expertise in all project phases. The mobility of people and the growing urban zones represent major challenges for planners. The ever-growing need for optimised infrastructure solutions in the city and countryside can be fulfilled with rapid design and implementation. SWIETELSKY expertly plans and converts public areas and meets the demanding list of requirements in road and air traffic.

ROAD / MOTORWAY / AIRPORT / AGRICULTURAL ROAD / CAR PARK DESIGN / TOWN SQUARE DESIGN / ELEVATED HIGHWAY CONSTRUCTION / BRIDGE CONSTRUCTION AND REPAIR

We have been shaping the development in road and bridge construction for more than 80 years and are creating an optimised urban and rural infrastructure implementing our know-how.



Czech Republic, Hvězdovice/ Ostředek: D1 modernisation - section 03



Czech Republic, Podivín/Lednice: road 422



Germany, Ornautal: motorway A94, Ornautal Bridge



RAILWAY CONSTRUCTION

SWIETELSKY PUTS INFRASTRUCTURE ON RAILS

Austria, Vienna/St. Pölten/Wagram: railway construction



Austria, Linz: railway construction

Rail traffic represents an energy-efficient and environmentally-friendly way of transporting major loads quickly and cost-effectively. In the future, logistics and public traffic will still rely on the railway to quickly transport people and goods from one place to another in comfort and safety. As a specialist in railway construction, SWIETELSKY realises the infrastructure of modern railway and civil engineering projects in Europe and Australia with its wealth of experience, its own rail transportation company and the latest equipment.

**PLATFORM CONSTRUCTION / PLATFORM CONVERSION / GROUND REHABILITATION /
FIXED RAILS / UNDERGROUND TUNNEL / TRAM LINE CONSTRUCTION**



With the expansion of the urban and rural rail network, we will be providing for environmentally conscious and cost-efficient transportation of people and goods.



Australia, Hunter Valley: tamping operations



England, Liverpool: track relaying



Austria, Vienna: track construction



BUILDING CONSTRUCTION

SWIETELSKY BUILDS WITH VISION

Hungary, Szeged: ELI-ALPS Research Institute



Austria, Linz: Promenadengalerien

Building construction includes planning, building and renovating buildings of all sizes and for a wide variety of requirements, from residential buildings to industrial operations.

Solid foundations are a crucial element for realising construction projects of all scales. Reliability, absolute professionalism and economic resilience are attributes that customers value in the work of SWIETELSKY and on which we have been building for years. The diversity of our projects requires flexibility in finding solutions, a skill that allows us to carry out our work to the utmost satisfaction of our customers. From airport terminals to housing and residential developments, we plan, build, renovate and sell a wide range of construction projects as a main contractor at agreed prices and on agreed dates.

CONSTRUCTION / CONVERSION / REPAIRS / SINGLE-FAMILY HOMES / HOTELS / OFFICE BUILDINGS / HOUSING AND RESIDENTIAL DEVELOPMENT / INDUSTRIAL CONSTRUCTION / CIVIL ENGINEERING / DEVELOPER PROJECTS / MAIN CONTRACTOR CONSTRUCTION



Austria, Feldkirch: residential building



Czech Republic, Česká Lípa: Docter Optics, new construction



Austria, Schwechat: OMV office building



CIVIL ENGINEERING

SWIETELSKY DRAWS ON PROFOUND TECHNICAL KNOW-HOW

Austria, Ischgl: Palinkopf valley station



Croatia, Omiš: construction of rockfall protection and rock networking



Germany, Aiging bei Traunstein: gravel pit

In civil engineering we manage innovative and economical projects which make optimal use of the environment and space in underground or in the mountains.

SWIETELSKY strives to use resources carefully in all construction projects. In addition to the health and safety of our employees, the environment is ultimately the most precious thing to be considered and preserved as a priority in a building project. Even in the complex field of civil engineering, SWIETELSKY ensures the best possible use of space and the environment with the latest technology. Both below ground and in mountainous areas, we use our cross-sector knowledge to produce innovative, economical and ecological solutions.

DEMOLITION / BLASTING OPERATIONS / EARTHMOVING / SLOPE STABILISATION / TEST DRILLING AND BORING / PIPING / SEWER CONSTRUCTION AND REHABILITATION / LANDFILL / UNDERGROUND CABLE NETWORK ENGINEERING / HYDRAULIC ENGINEERING / SEWAGE PLANT CONSTRUCTION / POWER PLANT CONSTRUCTION / SPECIAL CIVIL AND UNDERGROUND CONSTRUCTION



Austria, Steyregg: clearing and slope stabilisation



Austria, Bad Aussee-Obertraun: check dam

TUNNEL CONSTRUCTION

SWIETELSKY UNDERSTANDS BUILDING PROJECTS

Germany, Stuttgart: Alb ascent



Germany, Stuttgart: Alb ascent, rail project

SWIETELSKY is a specialist in all types of civil engineering projects. Railway and road tunnels do not just shorten routes and enable more effective mobility, they also increase the value of alpine areas as living space by reducing noise pollution and shifting traffic underground. Underground tunnels enable environmentally-friendly and cost-efficient mobility in urban areas. Thanks to many years' experience implementing projects, we bring efficient solutions to fruition in all areas of tunnel construction and where needed ensure the restoration of plant functionality.

**RAILWAY TUNNEL / ROAD TUNNEL / UNDERGROUND TUNNEL /
GALLERIES, CAVERNS AND SHAFTS / REPAIRS**



Austria, Semmering: Semmering Base Tunnel, shaft construction



Austria, Semmering: Semmering Base Tunnel, propulsion



Germany, Stuttgart: Alb ascent, restoration vehicle



In tunnel construction, we bring rail and road traffic underground and ensure shorter distances and better quality of life through noise protection.



VISION

SWIETELSKY ACTS RESPONSIBLY

Germany, Rappbodeltal: Pedestrian suspension bridge over Rappbode Dam



Austria, Vienna: new villas XIX, surroundings



Austria, Zwettl: B38 bypass



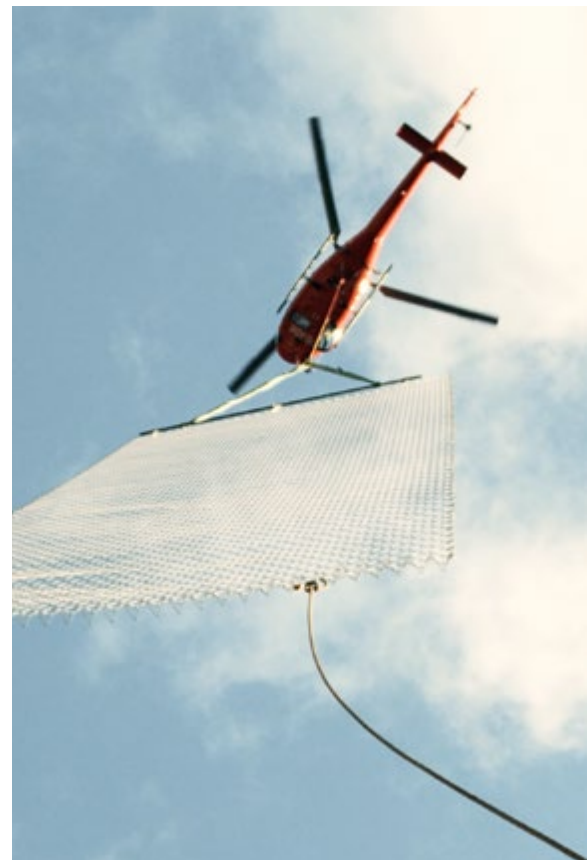
Germany, Rappbode tal: Pedestrian suspension bridge over Rappbode Dam



The construction sector is by nature an energy- and resource-intensive terrain. SWIETELSKY implements conservation, recycling and waste management concepts across all project phases to ensure the use of ecologically-compatible methods and environmentally-friendly equipment. We strive to ensure a continuously growing awareness of the environment and quality on the part of our employees. We regard their independent thinking and acting as the key to success. Constant expansion of our range of services and the willingness of our staff to adapt and further develop skills are responsible for the positive development of the company. Their efficiency, motivation and health is the goal we set ourselves in all decisions.

ECOLOGY AND RESOURCE CONSERVATION / EMPLOYEES / PARTNERSHIP / SUSTAINABILITY

**Personal responsibility
and environmental
and quality awareness
shape our corporate
culture and are the key
to our success.**



Austria, Tyrol: transportation in the mountains

FINANCIAL STATEMENTS FOR 2017/18



CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR 2017/18

| FIGURES IN THOUSAND EUR | Notes | 2017/18 | 2016/17 |
|--|-------|----------------|----------------|
| Revenue | (1) | 2,213,417 | 1,904,973 |
| Changes in inventories | | 22,252 | 9,645 |
| Own work capitalised | | 5,739 | 6,233 |
| Other operating income | (2) | 15,638 | 17,213 |
| Expenses for material and other purchased construction services | (3) | -1,454,727 | -1,204,481 |
| Employee benefits expenses | (4) | -543,444 | -503,421 |
| Other operating expenses | (6) | -149,458 | -144,769 |
| Share of results of associates | (7) | 16,890 | 17,991 |
| Net income from investments | (8) | 226 | 11,552 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | | 126,533 | 114,936 |
| Depreciation and amortisation | (5) | -45,693 | -42,096 |
| Earnings before interest and taxes (EBIT) | | 80,840 | 72,840 |
| Interest and similar income | | 1,786 | 1,862 |
| Interest and similar expenses | | -4,559 | -7,197 |
| Interest income | | -2,773 | -5,335 |
| Other financial result | | 0 | 1,106 |
| Earnings before tax (EBT) | | 78,067 | 68,611 |
| Income tax | (9) | -23,503 | -12,469 |
| Earnings after tax | | 54,564 | 56,142 |
| Attributable to: hybrid capital owners | | 1,323 | 1,330 |
| Attributable to: shareholders of the parent company | | 53,241 | 54,812 |

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR 2017/18

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|---|---------------|---------------|
| Earnings after tax | 54,564 | 56,142 |
| Items that cannot be reclassified in the income statement: | | |
| Changes in Revaluation reserves | 290 | 159 |
| Changes in actuarial gains and losses | -1,286 | -1,795 |
| Deferred taxes on neutral changes in equity | 353 | 477 |
| | -643 | -1,159 |
| Items that can be reclassified in the income statement: | | |
| Differences arising from currency translation | 588 | 207 |
| Changes to IAS 39 - Financial Instruments | 187 | -1,139 |
| Deferred taxes on neutral changes in equity | -46 | 285 |
| | 729 | -647 |
| Other income | 86 | -1,806 |
| Total comprehensive income | 54,650 | 54,336 |
| Attributable to: hybrid capital owners | 1,323 | 1,330 |
| Attributable to: shareholders of the parent company | 53,327 | 53,006 |

CONSOLIDATED BALANCE SHEET

AS OF 31 MARCH 2018

ASSETS

| FIGURES IN THOUSAND EUR | Notes | 31/3/2018 | 31/3/2017 |
|-------------------------------|-------|------------------|------------------|
| Non-current assets | | | |
| Intangible fixed assets | (10) | 10,627 | 11,386 |
| Property, plant and equipment | (10) | 295,952 | 263,015 |
| Investments in associates | (11) | 11,384 | 11,938 |
| Other financial assets | (11) | 18,853 | 17,638 |
| Trade receivables | (13) | 2,323 | 6,775 |
| Other receivables and assets | (13) | 5,384 | 1,525 |
| Deferred taxes | (15) | 7,055 | 7,369 |
| | | 351,578 | 319,646 |
| Current assets | | | |
| Inventories | (12) | 84,073 | 69,208 |
| Trade receivables | (13) | 352,534 | 273,506 |
| Other receivables and assets | (13) | 49,152 | 50,480 |
| Cash and cash equivalents | (14) | 507,767 | 317,251 |
| | | 993,526 | 710,445 |
| | | 1,345,104 | 1,030,091 |



Austria, Vienna: Schönbrunn Zoo, Giraffe House



EQUITY AND LIABILITIES

| FIGURES IN THOUSAND EUR | Notes | 31/3/2018 | 31/3/2017 |
|--------------------------------|-------|------------------|------------------|
| Equity | | | |
| Registered capital | | 7,705 | 7,705 |
| Capital reserves | | 58,269 | 58,269 |
| Hybrid capital | | 30,462 | 30,462 |
| Revaluation reserves | | 10,422 | 10,151 |
| Revenue reserves | | 260,751 | 217,695 |
| | (16) | 367,609 | 324,282 |
| Non-current liabilities | | | |
| Provisions | (17) | 22,875 | 22,005 |
| Financial liabilities | (18) | 78,817 | 137,534 |
| Trade payables | (18) | 26,681 | 23,792 |
| Other liabilities | (18) | 9,377 | 9,220 |
| Deferred taxes | (15) | 18,264 | 10,367 |
| | | 156,014 | 202,918 |
| Current liabilities | | | |
| Provisions | (17) | 90,873 | 74,326 |
| Financial liabilities | (18) | 2,602 | 2,490 |
| Trade payables | (18) | 630,454 | 329,876 |
| Other liabilities | (18) | 97,552 | 96,199 |
| | | 821,481 | 502,891 |
| | | 1,345,104 | 1,030,091 |

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR 2017/18

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|--|----------------|----------------|
| Earnings after tax | 54,564 | 56,142 |
| Deferred taxes | 8,667 | 4,366 |
| Non-cash effective results: | | |
| From associates | 554 | 930 |
| From initial consolidations | 0 | 357 |
| Depreciation/reversals of write-downs | 45,925 | 42,528 |
| Change in non-current provisions | -416 | -231 |
| Gains/losses on disposal of non-current assets | -2,192 | -3,145 |
| Consolidated cash flow from results | 107,102 | 100,947 |
| Changes to the items: | | |
| Inventories | -14,918 | -2,246 |
| Trade receivables, receivables from construction contracts and project consortiums | -73,804 | 12,895 |
| Intra-group receivables and receivables from other non-current investees and investors | 2,758 | 4,005 |
| Other receivables and assets | -3,159 | 4,861 |
| Current provisions | 16,136 | -6,339 |
| Trade payables, construction contracts and project consortiums | 302,671 | 38,720 |
| Intra-group liabilities and liabilities to other non-current investees and investors | 1,641 | -326 |
| Other liabilities | -556 | -1,047 |
| Consolidated cash flow from operating activities | 337,871 | 151,470 |



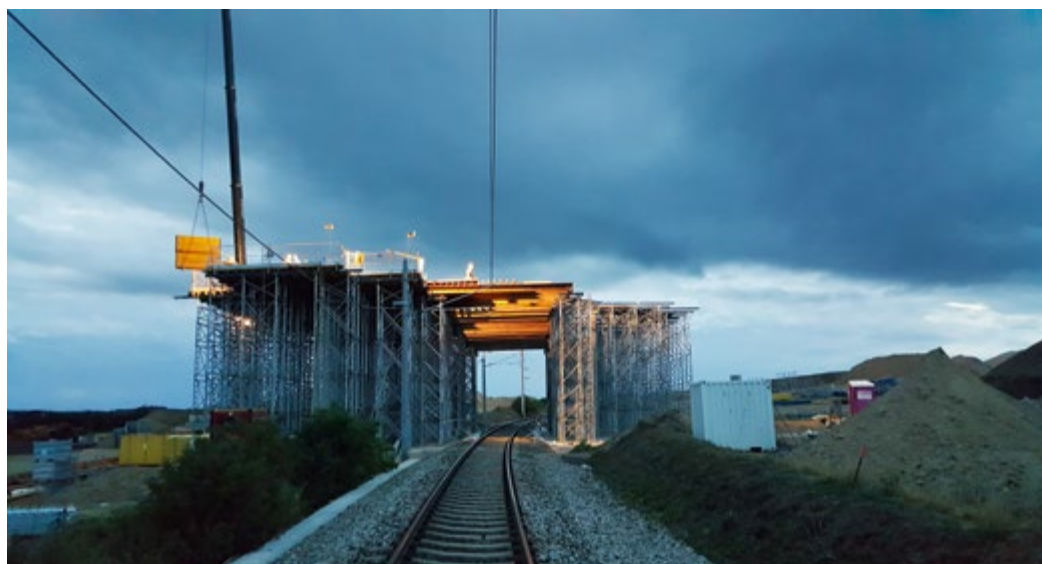
Germany, Stuttgart: Alb ascent, excavation of the tunnel floor

| FIGURES IN THOUSAND EUR | Notes | 2017/18 | 2016/17 |
|--|-------|----------------|----------------|
| Investments | | -84,777 | -82,782 |
| Gains/losses on disposal of non-current assets | | 2,192 | 3,145 |
| Disposals of non-current assets (carrying value) | | 6,178 | 9,863 |
| Changes in scope of consolidation | | 0 | -1,851 |
| Consolidated cash flow from investing activities | | -76,407 | -71,625 |
| Changes in bonded debts | | -55,536 | 59 |
| Changes in liabilities to banks | | -1,225 | -7,464 |
| Changes in liabilities from finance leases | | -989 | -868 |
| Changes in group financing | | -6,625 | 2,575 |
| Paid hybrid coupon | | -1,323 | -1,330 |
| Distributions | | -10,000 | -35,000 |
| Consolidated cash flow from financing activities | | -75,698 | -42,028 |
| Consolidated cash flow from operating activities | | 337,871 | 151,470 |
| Consolidated cash flow from investing activities | | -76,407 | -71,625 |
| Consolidated cash flow from financing activities | | -75,698 | -42,028 |
| Net change in liquid funds | | 185,766 | 37,817 |
| Liquid funds at the beginning of the period | | 315,329 | 275,821 |
| Currency translation adjustment relating to liquid funds | | -174 | 1,691 |
| Liquid funds at the end of the period | (19) | 500,921 | 315,329 |

DEVELOPMENT OF EQUITY

FROM 1 APRIL 2016 TO 31 MARCH 2018

| FIGURES IN THOUSAND EUR | Registered capital | Capital reserves | Hybrid capital |
|---|--------------------|------------------|----------------|
| As of 1 April 2016 | 7,705 | 58,269 | 30,462 |
| Earnings after tax | 0 | 0 | 0 |
| Differences arising from currency translation | 0 | 0 | 0 |
| Changes in revaluation reserves | 0 | 0 | 0 |
| Changes to IAS 39 - Financial Instruments | 0 | 0 | 0 |
| Changes in actuarial gains and losses | 0 | 0 | 0 |
| Deferred taxes on neutral changes in equity | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 |
| Paid hybrid coupon | 0 | 0 | 0 |
| Distributions | 0 | 0 | 0 |
| Status on 31 March 2017 = Status on 1 April 2017 | 7,705 | 58,269 | 30,462 |
| Earnings after tax | 0 | 0 | 0 |
| Differences arising from currency translation | 0 | 0 | 0 |
| Changes in revaluation reserves | 0 | 0 | 0 |
| Changes to IAS 39 - Financial Instruments | 0 | 0 | 0 |
| Changes in actuarial gains and losses | 0 | 0 | 0 |
| Deferred taxes on neutral changes in equity | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 |
| Paid hybrid coupon | 0 | 0 | 0 |
| Distributions | 0 | 0 | 0 |
| As of 31 March 2018 | 7,705 | 58,269 | 30,462 |



Austria, Weinviertel: S3 Weinviertler Schnellstraße, bridge construction

| Revaluation reserves | Revenue reserves | Currency translation | Group equity | Non-controlling interests | Total |
|----------------------|------------------|----------------------|--------------|---------------------------|---------|
| 9,894 | 204,105 | -4,159 | 306,276 | 0 | 306,276 |
| 0 | 56,142 | 0 | 56,142 | 0 | 56,142 |
| 69 | 0 | 138 | 207 | 0 | 207 |
| 159 | 0 | 0 | 159 | 0 | 159 |
| 0 | -1,139 | 0 | -1,139 | 0 | -1,139 |
| 0 | -1,795 | 0 | -1,795 | 0 | -1,795 |
| 29 | 733 | 0 | 762 | 0 | 762 |
| 257 | 53,941 | 138 | 54,336 | 0 | 54,336 |
| 0 | -1,330 | 0 | -1,330 | 0 | -1,330 |
| 0 | -35,000 | 0 | -35,000 | 0 | -35,000 |
| 10,151 | 221,716 | -4,021 | 324,282 | 0 | 324,282 |
| 0 | 54,564 | 0 | 54,564 | 0 | 54,564 |
| -51 | 0 | 639 | 588 | 0 | 588 |
| 290 | 0 | 0 | 290 | 0 | 290 |
| 0 | 187 | 0 | 187 | 0 | 187 |
| 0 | -1,286 | 0 | -1,286 | 0 | -1,286 |
| 32 | 275 | 0 | 307 | 0 | 307 |
| 271 | 53,740 | 639 | 54,650 | 0 | 54,650 |
| 0 | -1,323 | 0 | -1,323 | 0 | -1,323 |
| 0 | -10,000 | 0 | -10,000 | 0 | -10,000 |
| 10,422 | 264,133 | -3,382 | 367,609 | 0 | 367,609 |

NOTES

FOR THE FINANCIAL YEAR 2017/18

General principles

SWIETELSKY Baugesellschaft m.b.H., based in 4020 Linz, Edlbacherstraße 10, is the parent company of an international construction group whose business activities are split into five segments: Austria, Germany, Hungary, the Czech Republic and other countries.

Pursuant to Section 245a (2) of the Austrian Business Enterprise Code (UGB), the consolidated financial statements of SWIETELSKY Baugesellschaft m.b.H., Linz, of 31/3/2018 were generated in line with the mandatory provisions of 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) as applicable in the European Union. Additionally, the further duties of disclosure set out in Section 245a (1) UGB have been fulfilled.

In addition to the statement of comprehensive income and the balance sheet, a cash flow statement has been generated in line with IAS 7 and a statement of changes in equity has been prepared (IAS 1). The notes also contain a disclosure of business segments in line with IFRS 8.

In order to improve the clarity of the disclosures, various items in the balance sheet and income statement have been condensed. These items are broken down and explained in more detail in the notes. The income statement has been prepared using the total cost method (nature of expense format).

If not stated otherwise, the consolidated financial statements are set out in thousands of euros (kEUR), which can result in rounding differences. The term employee in the financial statements refers collectively to both male and female employees. Any other gender-specific designations should otherwise also be understood as referring to both sexes.

Amendments to the accounting standards

SWIETELSKY has implemented all mandatory financial reporting standards adopted by the EU. The relevant financial reporting standards to be used for the first time with the start of the financial year on 1 April 2017 have no significant impact on the representation of the assets, finances and results of operations as at 31 March 2018, as the changes were only applicable in isolated cases. There were no changes to the accounting and valuation methods.

| Standards / Interpretationen | | Application date IASB | Application date EU |
|------------------------------|--|-----------------------|---------------------|
| IAS 7 | Statement of cash flows: Disclosure initiative | 1/1/2017 | 1/1/2017 |
| IAS 12 | Income taxes: Recognition of Deferred Tax Assets for unrealised Losses | 1/1/2017 | 1/1/2017 |

FUTURE AMENDMENTS TO THE ACCOUNTING STANDARDS

The following new or modified standards and interpretations already published by the IASB were not yet mandatory for financial years that started on or before 1 April 2017:

| Standards / Interpretationen | | Application date IASB | Application date EU |
|------------------------------|---|-----------------------|---------------------|
| IFRS 9 | Financial instruments | 1/1/2018 | 1/1/2018 |
| IFRS 15 | Revenue from contracts with customers (and amendment) | 1/1/2018 | 1/1/2018 |
| IFRS 2 | Classification and measurement of share-based payment transactions | 1/1/2018 | 1/1/2018 |
| IFRS 4 | Insurance contracts | 1/1/2018 | 1/1/2018 |
| IAS 40 | Transfers of investment property | 1/1/2018 | 1/1/2018 |
| IFRIC 22 | Foreign currency transactions and advance consideration | 1/1/2018 | 1/1/2018 |
| Various | Annual improvements to IFRS 2014-2016 | 1/1/2018 | 1/1/2018 |
| IFRS 9 | Amendments to financial instruments | 1/1/2019 | 1/1/2019 |
| IFRS 16 | Leases | 1/1/2019 | 1/1/2019 |
| IFRS 14 | Regulatory deferral accounts | 1/1/2016 | na |
| IFRIC 23 | Uncertainty over income tax treatments | 1/1/2019 | na |
| IAS 28 | Long-term interests in associates and joint ventures | 1/1/2019 | na |
| Various | Annual improvements to IFRS 2015-2017 | 1/1/2019 | na |
| IAS 19 | Plan amendment, curtailment or settlement | 1/1/2019 | na |
| | Conceptual framework | 1/1/2020 | na |
| IFRS 17 | Insurance contracts | 1/1/2021 | na |
| IFRS 10, IAS 28 | Sale or contribution of assets between an investor and its associate or joint venture | na | na |

The application of the following standards and interpretations in particular is expected to have an effect on the consolidated financial statements:

IFRS 15 specifies how and when an IFRS reporter will recognise revenue. Preparers are also required to provide users of financial statements with more informative, relevant disclosures than in the past. The standard provides a single, principles-based five-step model to be applied to all contracts with customers. This replaces the regulations of IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31.

SWIETELSKY expects only a minimal impact on revenue recognition and balance sheet recognition from the first-time adoption of IFRS 15. The revenue recognition of construction contracts over time will continue to be applicable. The project development activity results in changes in the time of realisation of profit. IFRS 15 now requires proportionate profit recognition for developer projects that have already been sold but not yet completed. Due to the first application as of April 1, 2018, according to the modified retrospective method, equity will increase by around kEUR 5,000, excluding deferred taxes.

IFRS 9 takes a new approach to the categorisation and measurement of financial assets and now only distinguishes between two measurement categories (fair value or amortised cost), based on the business model of the entity or on the characteristics of the contractual cash flows of the financial asset. Impairments are to be measured using a holistic method.

The financial assets of SWIETELSKY are mainly trade receivables, loans, cash and cash equivalents and securities. Because a large portion of trade receivables attributed to ongoing construction projects and for the most part not yet due, the general default risk is classified as low due to the broad diversification of the client base and with the public sector as an important customer group. When measuring on a collective basis (simplified approach) the respective country risk and creditworthiness are used. Non-current financial assets are regarded on a case-by-case basis under consideration of the country risk and the debtor's creditworthiness.

Investments in subsidiaries, joint ventures and associated companies that are not included in the consolidated financial statements and which do not fall under the scope of IFRS 9 will continue to be measured at amortised cost, because they are not material.

Due to the first-time adoption of the aforementioned changes, the equity as of 1 April 2018, excluding deferred taxes, will diminish by a total of less than kEUR 500.

IFRS 16 results in changes in accounting for leases and replaces the previous standard IAS 17 and the related interpretations in accounting for leases (IFRIC 4, SIC-15 and SIC-27). In future, for an asset from a lease, the lessee shall classify a usage right as an asset. Classify the lease as a liability and to continue both values. There is relief for terms under 12 months and for low-value assets. The accounting remains virtually unchanged for the lessor.

As the SWIETELSKY group companies act as lessees for leases, the application of IFRS 16 will have an impact on the consolidated financial statement as described above. At this point, no exact quantitative details can be stated as to the current project status (complete survey of the existing rental contracts in the group).

Due to the application of other new standards and interpretations, it is expected to have only a minor impact on the consolidated financial statements in the future. Early application of the new standards and interpretations is not planned.

Basis of consolidation

Besides SWIETELSKY Baugesellschaft m.b.H., all major domestic and foreign subsidiaries controlled by the parent company have been included in the consolidated financial statements of 31/3/2018.

For control, the following criteria must be met:

- The parent company has power over the investee.
- The returns of the investment are variable.
- The parent company has the ability to use its power over the investee to affect the amount of its returns.
- If there are indicators that at least one of these criteria has changed with regard to the investee, the parent company must reassess whether or not it has control.

- Regardless of the majority of voting rights, power – and therefore control over an investee – can be acquired through other rights and contractual agreements which give the parent company the opportunity to influence the activities that affect the investee's returns.

The basis of consolidation does not include 29 (previous year: 29) companies whose influence on the financial position, cash flows and results of operations of the group are of lesser significance. The volume of turnover of the subsidiaries not included in the basis of consolidation is approximately 1.3%, of the group's revenue.

Companies currently included in the consolidated financial statements can be found in the list of investments. The balance sheet date for all fully consolidated companies is 31 March 2018.

BASIS OF CONSOLIDATION

In the 2017/18 financial year, the basis of consolidation developed as follows:

| | Full consolidation | Equity measurement |
|-----------------------------------|--------------------|--------------------|
| As of 1/4/2017 | 51 | 3 |
| <i>of which foreign companies</i> | 23 | 2 |
| Initial consolidations | 1 | 0 |
| As of 31/3/2018 | 52 | 3 |
| <i>of which foreign companies</i> | 24 | 2 |

Additions to scope of consolidation

In these consolidated financial statements, the following companies were fully consolidated for the first time:

| COMPANY NAME | Direct share | Date of foundation |
|-----------------------------|--------------|--------------------|
| Swietelsky Rail Danmark ApS | 100% | 6/11/2017 |

No significant assets and liabilities were included in the initial consolidation. The company included for the first time in the 2017/18 financial year has contributed kEUR 590 to the group revenue and kEUR 146 to the comprehensive income.

Consolidation methods

The financial statements of the domestic and foreign companies included in the basis of consolidation have been generated using standard accounting and valuation methods. The financial statements of the domestic and foreign group companies have been adapted accordingly; negligible deviations have not been changed.

The capital consolidation was carried out using the acquisition method in accordance with the provisions of IFRS 3. The consideration transferred during the purchase and the identifiable net assets received have been measured at fair value. The resulting goodwill is subjected to an annual impairment test. The income from an acquisition at a price lower than the market value is recognised directly as profit or loss.

With regard to the other non-current equity investments included using the equity method, the same principles are used for capital consolidation as for fully consolidated companies, whereby the last available financial statements are used as the basis of the equity consolidation. Amendments to the IFRS accounting standards are made on the principle of materiality.

As part of the consolidation of debt, trade receivables, loans and other receivables are offset against the corresponding liabilities and provisions between the subsidiaries included in the consolidated financial statements.

Expenses and income from intra-group trade are eliminated. Intercompany profit and loss in the fixed and current assets resulting from intra-group trade is eliminated unless it is of lesser significance. The necessary taxes are deferred for consolidation measures recognised in net profit or loss.

Currency translation

The currency of the group is the euro. Financial statements of foreign companies are translated into euros in line with the concept of functional currency. For all companies this is the currency of the country as the companies run their business independently in financial, economic and organisational terms.

The translation of all balance sheet headings, with the exception of those of the equity, is carried out on the basis of the exchange rate on the balance sheet date. Income and expense items are translated using the average annual exchange rate. Goodwill from the capital consolidation is recognised as assets in the local currency and is also translated using the exchange rate on the balance sheet date.

In the financial year, currency translation differences of kEUR 588 (previous year: kEUR 207) were recorded in other comprehensive income as part of the capital consolidation and reported in the currency translation provision in the equity. Differences resulting from currency translation between the exchange rate on the balance sheet date within the balance sheet and the average exchange rate used in the income statement were also recognised in other comprehensive income and offset against the currency translation provision in the equity.

Revaluations under IAS 29 (Financial Reporting in Hyper-inflationary Economies) were not carried out.

ACCOUNTING AND VALUATION METHODS

OF SWIETELSKY BAUGESELLSCHAFT M.B.H., LINZ

Intangible fixed assets and tangible fixed assets

The goodwill resulting from mergers is subjected to an annual impairment test. In this test, the recoverable amount of a cash-generating unit is compared to the corresponding carrying amount. The cash-generating unit is the acquired legal entity and legal entities that benefit from the potential synergy of the merger, respectively.

As there are not normally market prices for individual entities, the present value of the net cash inflows is used to calculate the fair value less costs of disposal. It is calculated on the basis of current forecasts in internal reports which in turn are based on past experience and expectations in connection with future market developments. The detailed planning period is three years; planning years further in the future will be more heavily weighted. The discount rate for the future cash flows corresponds to the weighted average cost of capital (WACC) after taxes, which is calculated on the basis of a peer group. The costs of capital ranged from 6% to 10%.

Intangible fixed assets and tangible fixed assets are initially recognised at historical cost. The cost model is used for subsequent measurement: Acquisition or production costs less scheduled depreciation and impairment. The revaluation model is used for the land, land rights and buildings asset group, including buildings on third-party land. The comparative approach was used to calculate the fair values. Differences resulting from the revaluation, minus deferred taxes, are offset directly against equity.

Lease contracts on the basis of which the company faces essentially all opportunities and risks associated with the assets are treated as finance leases. They are capitalised

at the lower of the fair value of the asset or the present value of the minimum lease payments. Depreciation occurs as scheduled over the foreseeable useful life or contractual term, whichever is shorter.

Payment obligations from future leasing rates are classified as liabilities. In this regard, the present value of the minimum lease payments must be used. In the following years, lease rates are split into interest and amortisation components in order that the lease obligation constantly bears interest. The interest component is recognised in net profit or loss. Expenses for operating lease contracts are recognised on a linear basis in the income statement across the terms of the contracts in question.

The depreciation of limited-life asset is linear across the asset's foreseeable useful life. If, in connection with assets, indications of impairments arise and if the present values of future cash flows are lower than the carrying amounts, the assets will be written down to the lower fair value under IAS 36.

Expenses for repairs and maintenance work which do not significantly extend the planned useful life of an asset are recognised as expenses in the period in which they arose.

The following assumed useful lives were used when calculating the depreciation rates:

| | |
|---|---------------|
| Intangible fixed assets: | |
| Software and licences | 2 – 4 years |
| Tangible fixed assets: | |
| Buildings | 10 – 50 years |
| Technical equipment and machinery | 2 – 20 years |
| Other equipment, operating and office equipment | 2 – 20 years |



Czech Republic, Mezina: road reconstruction

Financial instruments

A financial instrument is a contract which results in the simultaneous creation of a financial asset for one company and a financial liability or equity instrument for another company. They are first recognised in the balance sheet on the settlement date.

In the SWIETELSKY Group, financial assets include cash and cash equivalents, trade receivables, securities, loans and other financial receivables in particular. Financial liabilities include bonds, liabilities to banks, trade payables, liabilities from finance leases and other financial liabilities in particular.

Non-current financial assets include investments in equity instruments classified as available for sale and interest-bearing loans classified as loans and receivables.

Trade receivables and the financial instruments recognised under other receivables and fixed assets are classified as loans and receivables.

Cash and cash equivalents include all soon-to-be-liquid assets that are due in less than three months as of the date of acquisition or investment. Cash and cash equivalents are measured at their amortised cost. Securities recognised under cash and cash equivalents are classified as available for sale, and cash-in-hand and bank credit are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value on the date of their addition and, as far as a fair value can be reliably determined, at their current fair value in later periods.

The changes in value are recognised in other comprehensive income and are only recognised in the income statement once they crystallise as a result of the disposal of the security. Permanent impairments of securities that were classified as available for sale are recognised in the income statement in other financial results. For debt instruments, reversals of write-downs are recognised in net profit or loss under other financial results and for equity instruments; they are recognised in other comprehensive income and have no effect on net profit or loss. Results from disposal are recognised in the other financial results.

Shares in subsidiaries and investments that are not consolidated or accounted for at equity were measured at historical cost, minus impairments if necessary, as their fair values could not be reliably calculated. These are unquoted equity instruments which are not intended to be

sold. Impairments and results from disposal are recognised in income from non-current investments. A reversal of write-downs is not permissible.

Financial assets classified as loans and receivables are measured at fair value on the date of their addition and at amortised cost in later periods. In so far as they are significant, non-interest-bearing or low-interest-bearing loans are discounted to present value.

In order to account for general credit risks to receivables from customers, valuation allowances tiered by risk groups have been formed. Individual financial assets are written down if the carrying amount of the financial asset is higher than the present value of the future discounted cash flow. Financial difficulties, insolvency, breach of contract and major delays in payment on the part of the customer are indicators for individual valuation allowances. Additionally, valuation allowances categorised by risk groups are carried out in order to account for general credit risks.

Financial liabilities are classified as financial liabilities at amortised cost and include financial liabilities, trade payables and other financial liabilities. Financial liabilities classified as financial liabilities at amortised cost are recognised at fair value minus transaction costs on the date of disbursement. The subsequent measurement is at amortised cost. Any difference between the amount received and the redemption amount is spread over the term using the effective interest method and recognised in other financial results. Non-interest-bearing liabilities, especially those from finance leases, are accounted for using the present value of the repayment obligation.

Foreign currency liabilities are measured using the exchange rate on the balance sheet date.

In the SWIETELSKY Group, derivative financial instruments are used to reduce interest rate risks and foreign currency risks. Under IAS 39, the derivative financial instruments are measured at fair value; attributable transaction costs are recognised in profit or loss.

As part of the subsequent measurement, derivatives are measured at fair value. The resulting changes are recognised in profit or loss. Derivatives are recognised under other receivables or other liabilities. In so far as the requirements for the use of hedge accounting can be met, regulations on accounting for hedging relationships under IAS 39 (hedge accounting) are applied.

Inventories

Inventories are measured at historical cost or at their lower net realisable value.

The historical costs include all direct costs and reasonable portions of the overheads accrued during production/acquisition. Sales costs and the costs of general management are not included in the historical costs.

In accordance with IAS 23, the attributable borrowing costs have been capitalised for inventories classified as qualifying assets.

Receivables from construction contracts

For receivables from construction contracts, an estimation of outcome is carried out using the percentage of completion method set out in IAS 11. The services actually rendered by the balance sheet date serve to define the stage of completion. Expected losses from the later stages of construction are taken into account in full by corresponding devaluations.

If the measured service rendered as part of a construction contract should exceed the prepayments received, it will be recognised as an asset under receivables from construction contracts. If the opposite should happen, the service will be recognised as a liability under trade payables.

The outcomes of construction contracts being carried out in project consortiums are estimated using the percentage of completion method on the basis of the services actually rendered by the balance sheet date. Expected losses from the later stages of construction are taken into account in full by corresponding devaluations and provisions. The receivables and liabilities from and to project consortiums contain capital contributions, cash receipts, cash payments, charges resulting from services and the proportional profit or loss from the contract.

Deferred taxes

The balance sheet liability method is used to calculate the tax accrual for all temporary differences between the carrying amounts of the balance sheet headings in the IFRS consolidated financial statements and the existing tax

values in the various companies. Furthermore, the expected tax benefit from existing loss carryforwards is included in the calculation. Exceptions from this comprehensive tax accrual are differences from non-tax-deductible goodwill as well as temporary differences relating to investments in subsidiaries and associates, as long as the group is able to control the reversal of these differences, yet does not intend to do so.

Deferred tax assets are only accounted for if it is likely that the tax benefit they contain can be realised. The calculation of deferred tax is based on the standard income tax rate in the country in question on the date of the probable reversal of the value difference.

Provisions

Due to the statutory provisions, provisions for severance payments have been made in Austria. Provisions for severance payments are calculated based on actuarial evaluations. In this regard, the probable entitlement over the term of employment of an employee is collected with consideration for salary increases in the future. The present value of the partial entitlement earned by the balance sheet date is accounted for as a provision.

Pension provisions are calculated using the projected unit credit method. In the projected unit credit method, the discounted pension entitlement acquired by the balance sheet date is calculated.

Due to the applicability of IAS 19 (2011), changes to the calculation parameters (actuarial gains and losses) are recognised directly in other comprehensive income, minus deferred taxes.

The other provisions cover all identifiable risks and liabilities whose amounts or grounds are unknown. Essentially, these are provisions for guarantees, expected losses, remaining and subsequent work and process costs. Each is accounted for at the amount judged to be necessary on the balance sheet date in order to cover future payment obligations of the group. In each case, the amount proving to be the most probable after a careful examination of the matter is accounted for.

Unless they are of lesser significance, non-current provisions are recognised at their discounted settlement

value on the balance sheet date. The settlement value also includes the cost increases to be taken into account on the balance sheet date.

Contingent liabilities

Contingent liabilities are potential or existing liabilities for which an outflow of resources is not probable. They are not recognised in the balance sheet. The obligations disclosed under contingent liabilities correspond to the liabilities that exist on the balance sheet date.

Revenue recognition

Revenues from the completion of contracts are continuously recognised using the percentage of completion method. Services actually rendered by the balance sheet date serve to define the stage of completion. Addenda in the sense of construction contracts are services which cannot be billed due to the contractual agreements, as an agreement is yet to be reached with the client in connection with their chargeability and acknowledgement. Whereas costs are immediately recognised in net profit or loss when they are accrued, revenue from addenda is generally only realised after the client provides his written acknowledgement or with payment, if the payment is received before the written acknowledgement.

Revenue from the sale of development projects, trade, services for project consortiums, other services and resulting from the sale of construction materials is recognised upon the transfer of power of disposal and the associated opportunities and risks, or upon the performance of the service.

Estimates and assumptions

Estimates and assumptions concerning the amount and recognition of assets and liabilities on the balance sheet, income and expenses and the disclosure of contingent liabilities are necessary when generating the consolidated financial statements in accordance with IFRS and essentially concern the assessment of construction projects until the end of construction, especially the amount of realised profits, the recognition and measurement of provisions and impairment tests on assets.

For future-based assumptions and estimates on the balance sheet date, prevailing circumstances on the date of the generation of the consolidated financial statements and the realistic future development of global and industry-specific environments are taken into consideration with regard to the expected levels of business in the future. Changes to these general conditions that deviate from assumptions can cause the amounts actually generated to differ from estimated values. In the event of such a development, assumptions and, if necessary, the carrying amounts of the assets and liabilities in question will be adjusted in light of the new knowledge. On the date of the generation of the consolidated financial statements, there are no indications to imply that major changes to fundamental assumptions and estimates are necessary.



Austria, Dornbirn: residential building, Mühlegasse

CONSOLIDATED INCOME STATEMENT

NOTES ON THE ITEMS

(1) Revenue

The revenue of kEUR 2,213,417 (previous year: kEUR 1,904,973) is attributed to revenue from construction contracts, revenue from developer projects, trade to and services for project consortia, as well as other services. The revenue is also broken down by region in the segment report.

The revenue from the completion of contracts, which contain the partial profits recognised over a given period based on the degree of completion of each contract (the percentage of completion method), are kEUR 2,159,060 (previous year: kEUR 1,836,435).

Revenue provides only an incomplete picture of the construction output generated in the financial year. Additionally, therefore, the segment report illustrates the full output of the group which also contains the proportional services of the project consortiums, unconsolidated companies and companies recognised at equity.

(2) Other operating income

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|--|---------------|---------------|
| Profits from the sale of tangible fixed assets | 2,192 | 3,145 |
| Insurance refunds | 5,431 | 3,535 |
| Currency translation gains | 1,553 | 1,785 |
| Furtherances | 1,043 | 3,994 |
| Others under kEUR 1,000 | 5,419 | 4,754 |
| | 15,638 | 17,213 |

(3) Expenses for material and other purchased construction output

The cost of purchased services concerns subcontractors and tradesmen in particular, as well as planning services, equipment rentals and other third-party services:

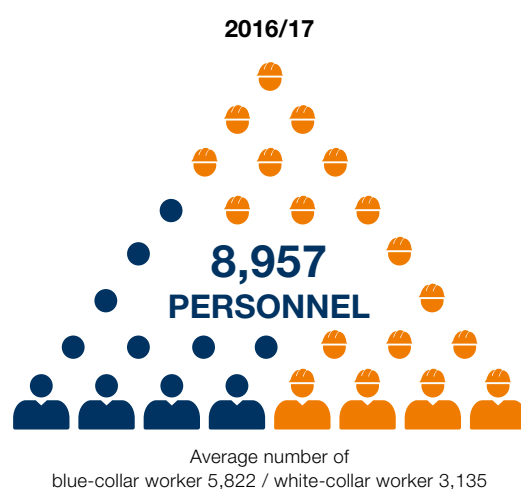
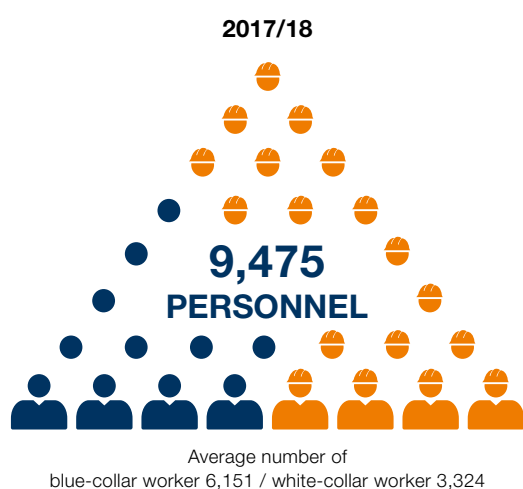
| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|----------------------------|-------------------|-------------------|
| Cost of materials | -501,706 | -434,945 |
| Cost of purchased services | -953,021 | -769,536 |
| | -1,454,727 | -1,204,481 |

(4) Employee benefits expenses

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|--|-----------------|-----------------|
| Wages | -231,154 | -220,769 |
| Salaries | -188,896 | -179,104 |
| Expenses for severance payments and payments into employee welfare funds | -9,783 | -8,875 |
| Post-employment benefit costs | -452 | -659 |
| Expenses for mandatory social security contributions and income-based contributions and compulsory contributions | -105,843 | -88,077 |
| Voluntary social security expenses | -7,316 | -5,937 |
| | -543,444 | -503,421 |

Expenses for severance payments and payments into employee welfare and pension funds contain service costs and interest component of the addition to the provision. The expenses from defined pension schemes are kEUR 8,277 (previous year: kEUR 7,664).

The average number of employees is as follows:



(5) Depreciation and amortisation

Scheduled depreciation and write-downs of intangible fixed assets and tangible fixed assets are set out in the statement of changes in fixed assets. In the financial year, no unscheduled impairments to tangible fixed assets of

were made (previous year: kEUR 1,169). Impairments of goodwill of kEUR 1,126 were recognised (previous year: kEUR 0).

(6) Other operating expenses

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|--------------------------------|-----------------|-----------------|
| Operating taxes | -4,111 | -3,427 |
| Rentals and leases | -35,714 | -36,595 |
| Maintenance and service | -14,066 | -12,161 |
| Insurance expenses | -15,181 | -14,054 |
| Projects, planning, monitoring | -7,800 | -15,051 |
| Vehicle expenses, fleet | -9,499 | -8,398 |
| Travel expenses | -10,478 | -8,897 |
| Advertising, public relations | -14,752 | -9,662 |
| Legal and tax advice, audits | -6,461 | -8,020 |
| Currency translation losses | -1,778 | -1,743 |
| Other provisions | -1,154 | -1,076 |
| Others under kEUR 1,000 | -28,464 | -25,685 |
| | -149,458 | -144,769 |

Expenses for research and development result from a number of specific technical proposals, real projects on the market and the introduction of construction methods and products to the market, and were therefore recognised as expenses in their entirety.

The expenses accrued for the financial year for the group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft total kEUR 333, of which kEUR 299 results from the audit of the consolidated financial statements (including the financial statements of various affiliated companies) and kEUR 34 results from other services.



Hungary, Budapest: renovation Castle Garden Bazaar



(7) Share of results of associates

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|----------------------------------|---------------|---------------|
| Income from associated companies | 2,946 | 2,195 |
| Profit from project consortiums | 14,888 | 16,478 |
| Losses from project consortiums | -944 | -682 |
| | 16,890 | 17,991 |

(8) Net income from investments

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|--|------------|---------------|
| Income from non-current equity investments | 4,175 | 12,953 |
| Losses from non-current equity investments | -3,949 | -1,401 |
| | 226 | 11,552 |

(9) Income tax

Both the taxes on income and deferred taxes paid or owed by the various companies are recognised as taxes on income:

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|-------------------------|----------------|----------------|
| Actual taxes | -14,408 | -7,671 |
| Deferred taxes | -9,095 | -4,798 |
| | -23,503 | -12,469 |

The following tax components are recognised directly in equity in the statement of comprehensive income:

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|--|------------|------------|
| Changes to IAS 39 – Financial Instruments | -46 | 285 |
| Changes in actuarial gains and losses IAS 19 | 321 | 449 |
| Changes to revaluation reserves | 32 | 28 |
| | 307 | 762 |



Croatia, Ploče: motorway

The causes of the difference between the Austrian group tax rate of 25% and the recognised group tax rate are as follows:

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|---|---------------|---------------|
| Earnings before tax | 78,067 | 68,611 |
| Theoretical tax expenditure of 25% | 19,517 | 17,153 |
| Differences to foreign tax rates | -2,456 | -2,162 |
| Tax-neutral expenses and income | 3,208 | -76 |
| Changes in tax rates | 0 | 417 |
| Tax-free investment income / equity measurement of associated companies | -1,760 | -2,127 |
| Changes to estimates of deferred taxes | 741 | -86 |
| Aperiodic effects and other non-temporary differences | 4,253 | -650 |
| Recognised income tax expense | 23,503 | 12,469 |



Austria, Altmannsdorf: residential building

CONSOLIDATED BALANCE SHEET

NOTES ON THE ITEMS

(10) Intangible fixed assets and tangible fixed assets

The composition and development of the intangible fixed assets, goodwill and tangible fixed assets are set out in the consolidated statement of changes in fixed assets.

No borrowing costs were capitalised in the financial year as no major qualifying assets were acquired or produced.

Goodwill

The goodwill on the balance sheet date results from the following mergers:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|---|--------------|---------------|
| CELL-BahnBau Danubia Kft. | 4,458 | 4,458 |
| Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H. | 2,244 | 2,244 |
| Metallbau Wastler GmbH & Co. KG | 701 | 1,827 |
| SWIETELSKY stavebni s.r.o. | 1,157 | 1,157 |
| Swietelsky Baugesellschaft m.b.H., Traunstein | 565 | 565 |
| | 9,125 | 10,251 |

The comparison between the carrying amounts and the recoverable amounts of the cash-generating units as part of the annual impairment test resulted in a goodwill impairment of kEUR 1,126 (previous year: kEUR 0). The recoverable amount of the impaired cash-generating unit amounts to kEUR 3,654.

Tangible fixed assets

The cumulative amount of the revaluations for the asset group of land, land rights and buildings, including buildings on third-party land, is kEUR 12,847 (previous year: kEUR 12,613) on the balance sheet date. The carrying amount that would result from measurement at amortised cost is kEUR 115,436 (previous year: kEUR 115,865).

The tangible fixed assets were revalued based on the independent appraisal of:

| | | | |
|---|------|-----------|-------------|
| Weismann+Pitschmann | from | 20/2/2017 | for Austria |
| HUNGAVENT Pénzügyi és Befektetési Tanácsadó Kft | from | 28/3/2018 | for Hungary |
| SC LOUISIANA SRL | from | 31/3/2018 | for Romania |

Financial leases

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|-------------------------------|--------------|--------------|
| Property | | |
| Acquisition costs | 3,847 | 3,847 |
| Accumulated depreciation | -2,252 | -2,098 |
| Carrying amount | 1,595 | 1,749 |
| Machines and equipment | | |
| Acquisition costs | 7,227 | 7,194 |
| Accumulated depreciation | -5,975 | -5,414 |
| Carrying amount | 1,252 | 1,780 |

In contrast, liabilities from the present value of the finance leases are recognised at kEUR 2,944 (previous year: kEUR 3,975). The terms of the finance leases for property are 25 years and those for machines and equipment are 4–8 years.

The following liabilities will result from these lease contracts in coming financial years:

| FIGURES IN THOUSAND EUR | Present values | | Minimum lease payment | |
|---------------------------------|----------------|--------------|-----------------------|--------------|
| | 31/3/2018 | 31/3/2017 | 31/3/2018 | 31/3/2017 |
| Term up to one year | 1,318 | 1,050 | 1,368 | 1,138 |
| Term between one and five years | 500 | 1,703 | 521 | 1,877 |
| Term over five years | 1,127 | 1,222 | 1,250 | 1,487 |
| | 2,944 | 3,975 | 3,139 | 4,502 |

The reconciliation of minimum leasing payments on the liabilities set to 31 March from finance leases are as follows:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|-------------------------|--------------|--------------|
| Minimum lease payments | 3,139 | 4,502 |
| Interest | -195 | -527 |
| Lease obligation | 2,944 | 3,975 |



Austria, Tyrol: Kitzbühel railway station



Operating leases

Besides the financial lease contracts, operating lease contracts exist for the use of technical equipment and machinery and operating and office equipment. The expenses from these contracts are recognised in net profit or loss. The payments made in the financial year totalled

kEUR 17,775 (previous year: kEUR 19,642). The following liabilities will result from these operating lease contracts in coming financial years:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|---------------------------------|---------------|---------------|
| Term up to one year | 18,397 | 19,193 |
| Term between one and five years | 34,673 | 35,645 |
| Term over five years | 8,451 | 11,850 |
| | 61,521 | 66,687 |

Restrictions on disposition/purchase obligations

No restrictions on disposition or material obligations in connection with the acquisition of tangible fixed assets that are not already accounted for in the consolidated financial statements exist as of the balance sheet date.



Austria, Linz: Promenadengalerien

(11) Non-current financial assets and investments in associates

More detailed information on the group's investments (with shareholdings of over 20%) can be found in the list of investments.

Disclosures on associated companies

Associated companies are not listed on the stock exchange; the summarised financial information (100%) is as follows:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|----------------------------|-----------|-----------|
| Revenue | 98,315 | 98,464 |
| Earnings after tax | 7,095 | 4,136 |
| Other income | 1,424 | -2,335 |
| Total comprehensive income | 8,519 | 1,801 |
| Non-current fixed assets | 89,341 | 28,245 |
| Current fixed assets | 24,894 | 70,156 |
| Non-current liabilities | -71,328 | -39,634 |
| Current liabilities | -23,837 | -41,216 |
| Net assets | 19,070 | 17,551 |



Czech Republic, Ondřejov: road and bridge construction



Disclosures on project consortiums

Within the group, construction project consortiums are classified as joint ventures and their results are recognised under share of results of associates. The table below shows the largest project consortiums for the 2017/18 financial year.

| PROJECT CONSORTIUM | (short) | Share in % |
|------------------------------|-----------|------------|
| Arge Tunnel Alaufstieg | ATA | 21.00 |
| Arge ATCOST 21 | ATCOST | 15.00 |
| Arge Tunnel Fröschnitzgraben | ATF | 50.00 |
| Arge Generali Arena | Arena | 33.33 |
| Arge Umfahrung Zwettl | UF Zwettl | 33.33 |

100% of the financial information has been disclosed.

| FIGURES IN THOUSAND EUR | Revenue | Non-current fixed assets | Current fixed assets | of which liquid capital | Non-current liabilities | Current liabilities |
|-------------------------|---------|--------------------------|----------------------|-------------------------|-------------------------|---------------------|
| ATA | 158,779 | 1,282 | 89,527 | 28,219 | 0 | 90,809 |
| ATCOST | 158,443 | 6,430 | 289,201 | 13,212 | 0 | 295,631 |
| ATF | 72,036 | 44,130 | 61,640 | 3,824 | 0 | 105,770 |
| Arena | 15,352 | 46 | 4,086 | 2,724 | 0 | 4,132 |
| UF Zwettl | 12,724 | 0 | 3,806 | 3,718 | 0 | 3,806 |

From the aforementioned project consortiums in the 2017/18 financial year, kEUR 7,348 was recognised under share of results of associates as results from project consortiums.

The table below shows the largest project consortiums for the 2016/17 financial year.

| PROJECT CONSORTIUM | (short) | Share in % |
|------------------------------|-----------------|------------|
| Arge Tunnel Alaufstieg | ATA | 21.00 |
| Arge ATCOST 21 | ATCOST | 15.00 |
| Arge Tunnel Fröschnitzgraben | ATF | 50.00 |
| Arge Umfahrung Zwettl | UF Zwettl | 33.33 |
| Arge Pistensanierung | Pistensanierung | 30.00 |

100% of the financial information has been disclosed.

| FIGURES IN THOUSAND EUR | Revenue | Non-current fixed assets | Current fixed assets | of which liquid capital | Non-current liabilities | Current liabilities |
|-------------------------|---------|--------------------------|----------------------|-------------------------|-------------------------|---------------------|
| ATA | 136,205 | 2,103 | 60,273 | 9,094 | 0 | 62,376 |
| ATCOST | 147,449 | 12,178 | 241,795 | 13,906 | 0 | 253,973 |
| ATF | 51,015 | 13,038 | 39,873 | 4,052 | 0 | 52,911 |
| UF Zwettl | 19,087 | 0 | 4,093 | 3,076 | 0 | 4,093 |
| Pistensanierung | 10,844 | 0 | 2,586 | 1,691 | 0 | 2,586 |

From the aforementioned project consortiums in the 2016/17 financial year, kEUR 7,313 was recognised under share of results of associates as results from project consortiums.

Services of project consortiums were engaged as follows in the financial year:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|-------------------------|-----------|-----------|
| Services rendered | 229,485 | 117,583 |
| Services received | 2,605 | 22,200 |
| Receivables on 31 March | 37,926 | 42,471 |
| Liabilities on 31 March | 21,161 | 11,692 |

(12) Inventories

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|--|---------------|---------------|
| Raw materials, consumables and supplies | 34,077 | 27,299 |
| Land for developer and construction projects | 48,222 | 40,606 |
| Finished products and goods | 1,774 | 1,303 |
| | 84,073 | 69,208 |

With regard to inventories, no notable valuation allowances were recognised in connection with the net realisable value in the financial year. Borrowing costs in the production of significant qualifying assets were not capitalised, as in the previous year.



Austria, Zwettl: B38 bypass



(13) Trade receivables, other receivables and assets

| FIGURES IN THOUSAND EUR | 31/3/2018 | | | 31/3/2017 | | |
|---|----------------|------------------|----------------------|----------------|------------------|----------------------|
| | Total | of which current | of which non-current | Total | of which current | of which non-current |
| Receivables from construction contracts | 918,746 | 918,746 | 0 | 844,780 | 844,780 | 0 |
| Advances received | -760,771 | -760,771 | 0 | -720,090 | -720,090 | 0 |
| | 157,975 | 157,975 | 0 | 124,690 | 124,690 | 0 |
| Other trade receivables | 158,956 | 156,633 | 2,323 | 113,120 | 106,345 | 6,775 |
| Receivables from project consortiums | 37,926 | 37,926 | 0 | 42,471 | 42,471 | 0 |
| Trade receivables | 354,857 | 352,534 | 2,323 | 280,281 | 273,506 | 6,775 |
| of which financial assets | 354,857 | 352,534 | 2,323 | 280,281 | 273,506 | 6,775 |

Receivables from construction contracts are as follows:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|---|----------------|----------------|
| All contracts not billed by the balance sheet date: | | |
| Expenses accrued by the balance sheet date | 1,523,482 | 1,162,640 |
| Income generated by the balance sheet date | 78,643 | 63,777 |
| Accumulated losses | -28,852 | -21,086 |
| Minus construction contracts with affiliated companies, project consortiums and other non-current investees and investors | -148,010 | -50,904 |
| Minus receivables recognised as liabilities | -506,517 | -309,573 |
| Receivables from construction contracts | 918,746 | 844,780 |

Receivables from construction contracts totalling kEUR 506,517 (previous year: kEUR 309,573) are recognised under liabilities, as the prepayments here exceeded the receivables.

As usual in the construction industry, the customer has the contractual right to retain part of the total amount of the invoice. As a rule these retentions are, however, redeemed by collateral bank or group guarantees.

| FIGURES IN THOUSAND EUR | 31/3/2018 | | | 31/3/2017 | | |
|--|---------------|------------------|----------------------|---------------|------------------|----------------------|
| | Total | of which current | of which non-current | Total | of which current | of which non-current |
| Receivables from affiliated companies | 9,531 | 9,519 | 12 | 14,246 | 14,246 | 0 |
| Receivables from associated companies | 4,061 | 121 | 3,940 | 336 | 336 | 0 |
| Receivables from other non-current investees and investors | 14,330 | 14,330 | 0 | 9,326 | 9,326 | 0 |
| Other receivables and prepaid expenses | 26,614 | 25,182 | 1,432 | 28,097 | 26,572 | 1,525 |
| Other receivables and assets | 54,536 | 49,152 | 5,384 | 52,005 | 50,480 | 1,525 |
| of which financial assets | 40,916 | 35,557 | 5,359 | 33,924 | 32,420 | 1,504 |
| of which non-financial assets | 13,620 | 13,595 | 25 | 18,081 | 18,060 | 21 |

The valuation allowances on other trade receivables were as follows in the financial year:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|--|----------------|----------------|
| As of 1 April | 36,394 | 33,622 |
| Currency translation | 55 | 152 |
| Addition/utilisation/release | 947 | 2,620 |
| As of 31 March | 37,396 | 36,394 |
| Other trade receivables before valuation allowance | 234,278 | 191,985 |
| Valuation allowances | -37,396 | -36,394 |
| Carrying amount on 31 March | 196,882 | 155,591 |

The individual valuation allowances consist of numerous individual items, none of which is considered significant on its own. No significant valuation allowances existed for other financial receivables and other financial assets on the balance sheet date.

(14) Cash and cash equivalents

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|-----------------------------|----------------|----------------|
| Securities | 66,846 | 1,922 |
| Cash-in-hand, bank balances | 440,921 | 315,329 |
| | 507,767 | 317,251 |

(15) Deferred taxes

Due to the currently applicable tax provisions, it can be assumed that differences between the amount of the equity interest and the proportional equity of subsidiaries included in the consolidated financial statements resulting from accumulated profits will essentially remain tax-free. As there is also no intent to sell, under IAS 12.39 no tax deferral was carried out.

Deferred taxes on loss carryforwards were capitalised in so far as they can likely be offset against taxable profits in the future. Tax write-downs on investments must be spread over a period of seven years in accordance with the Austrian Corporation Tax Act (KStG). The deferred taxes on open depreciation (one-seventh) of kEUR 1,333 (previous year: kEUR 1,699) are reported in the deferred tax assets from reserves.



Czech Republic, Velká Polom: village square design



Temporary differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value have the following effects on accrued/deferred taxes recognised in the balance sheet:

| FIGURES IN THOUSAND EUR | 31/3/2018 | | 31/3/2017 | |
|---|---------------|---------------|---------------|---------------|
| | Assets | Liabilities | Assets | Liabilities |
| Intangible fixed assets | 0 | 24 | 0 | 5 |
| Tangible fixed assets | 1,019 | 3,721 | 951 | 3,452 |
| Inventories | 2,070 | 0 | 1,102 | 0 |
| Receivables | 495 | 22,491 | 208 | 17,093 |
| Cash and cash equivalents | 0 | 349 | 244 | 190 |
| | 3,584 | 26,585 | 2,505 | 20,740 |
| Provisions | 11,137 | 50 | 10,565 | 0 |
| Liabilities | 1,462 | 757 | 1,499 | 0 |
| Tax losses carried forward | 0 | 0 | 3,173 | 0 |
| Deferred tax assets and liabilities | 16,183 | 27,392 | 17,742 | 20,740 |
| Offsetting of deferred tax assets and liabilities with the same tax authority | -9,128 | -9,128 | -10,373 | -10,373 |
| Deferred taxes offset | 7,055 | 18,264 | 7,369 | 10,367 |

(16) Equity

The share capital was fully paid and is held by the following shareholders:

| FIGURES IN EUR | |
|----------------------------------|----------------------|
| HPB - Holding GmbH | 3,929,550.005 |
| AlexandraHova GmbH | 1,459,635.202 |
| CatherineHova GmbH | 1,459,635.202 |
| Thumersbacher Geräteverleih GmbH | 856,179.601 |
| | 7,705,000.010 |

In the financial year 2007/08, hybrid bonds with a nominal value of kEUR 70,000 were placed. Interest: 7.75% for the first 5 years, then 3-month EURIBOR plus 5.85%; duration unlimited; listing: Vienna Stock Exchange – corporates prime market segment, trading in the third market – Multilateral Trading Facility (MTF) since 5 May 2016 (before till 4 May 2016 on the regulated OTC market).

The yield from the issuance of the hybrid bond is recognised as a portion of equity as this instrument meets the criteria for equity under IAS 32. In line with this, the coupons to be paid are also recognised as part of the appropriation of net profit. Under IAS 32, they must be recognised after taxes.

Repurchases of the hybrid bond have been made in the nominal value of kEUR 38,594, so far. In accordance with IAS 32.33, the own repurchased equity instruments are deducted from the equity. Fees paid are recognised directly in the equity.

The various components of the equity and the changes they have undergone can be found in the statement of changes in equity.

(17) Provisions

| FIGURES IN THOUSAND EUR | Balance as of 1/4/2017 | Currency translation | Additions | Reversal | Utilisation | Balance as of 31/3/2018 |
|-------------------------------|------------------------|----------------------|---------------|--------------|---------------|-------------------------|
| Provision for: | | | | | | |
| Severance payments | 21,730 | 0 | 2,419 | 0 | 1,553 | 22,596 |
| Pensions | 276 | 0 | 22 | 0 | 19 | 279 |
| Non-current provisions | 22,005 | 0 | 2,441 | 0 | 1,572 | 22,875 |
| Taxes | 6,258 | 7 | 8,911 | 0 | 3,799 | 11,377 |
| Other: | | | | | | |
| Construction-related | 61,718 | 329 | 32,501 | 5,296 | 26,995 | 62,256 |
| Other | 6,350 | 75 | 11,003 | 0 | 189 | 17,240 |
| Current provisions | 74,326 | 411 | 52,415 | 5,296 | 30,983 | 90,873 |
| Total | 96,331 | 411 | 54,856 | 5,296 | 32,555 | 113,748 |



Czech Republic, Rožnov pod Radhoštěm: reconstruction of the existing sports area

The development of the provisions for severance payments is shown below:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|---|---------------|---------------|
| Present value of the defined benefit obligation (DBO) as of 1 April | 21,730 | 18,992 |
| Changes to the basis of consolidation | 0 | 1,039 |
| Service cost | 879 | 808 |
| Interest expense | 385 | 364 |
| Severance payments | -1,689 | -1,253 |
| Actuarial losses realised | 1,291 | 1,780 |
| Present value of the defined benefit obligation (DBO) as of 31 March | 22,596 | 21,730 |

The amount of provisions for severance payments is calculated using actuarial methods on basis of the pension tables set out in AVOE 2008-P (employees). A discount rate of 2.00% (previous year: 1.85%) and a salary-related promise of salary increase of 2.50% (previous year: 2.00%) was used as the basis.

In the financial year 2017/18, all actuarial losses resulted from financial assumptions – none were caused by demographic assumptions. On the balance sheet date, severance payment obligations had a weighted duration of approximately 11 years (previous year: 11 years).

In the following sensitivity analysis, effects of changes in the essential parameters on the carrying amounts are described:

| CHANGES | Parameters | | DBO | |
|-----------------|------------|--------|---------|--------|
| Interest rate | -1.00% | +1.00% | +11.70% | -9.90% |
| Salary increase | -0.50% | +0.50% | -5.10% | +5.50% |

The development of provisions for pensions is shown below:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|---|------------|------------|
| Present value of the defined benefit obligation (DBO) as of 1 April | 276 | 256 |
| Service cost | 15 | 14 |
| Interest expense | 5 | 5 |
| Pension payments | -12 | -14 |
| Actuarial losses realised | -5 | 15 |
| Present value of the defined benefit obligation (DBO) as of 31 March | 279 | 276 |

The amount of provisions for pensions is calculated using actuarial methods on the basis of the pension tables set out in AVOE 2008-P (employees). A discount rate of 2.00% (previous year: 1.85%) and an increase in the pension commitment of 1.00% (previous year: 1.00%) was used as the basis. In the 2017/18 financial year, all actuarial losses resulted from financial assumptions – none were caused by demographic assumptions. On the balance sheet date, the DBO had a weighted duration of approximately 16 years (previous year: 16 years).

The pension provision is formed for obligations from entitlements and ongoing payments to active and former employees and their survivors. Obligations mainly concern

retirement pensions. Individual commitments are normally based on the length of service of the employee on the date of the commitment (including the employee's position and remuneration). No new commitments have been entered into since 1993.

The company pension scheme consists of an unfunded defined-benefit pension system. Defined-benefit pension plans oblige the company to render promised services to active and former employees.

In the following sensitivity analysis, effects of changes in essential parameters on the carrying amounts are described:

| CHANGES | Parameters | | DBO | |
|------------------|------------|--------|---------|---------|
| Interest rate | -1.00% | +1.00% | +17.30% | -13.80% |
| Pension increase | -0.25% | +0.25% | -2.50% | +2.60% |

Construction-related provisions essentially contain provisions for guarantee obligations, contingent losses, obligations from remaining and subsequent work and costs of litigation.

Since May 2017, due to searches of the premises of more than 50 Austrian construction companies, we know that, among others, SWIETELSKY Baugesellschaft m.b.H. has been affected by proceedings carried out by the Austrian Federal Competition Authority and the Central Public Prosecutor's Office for Combating Economic Crimes and Corruption. The action is based on a reasonable suspicion that illegal anticompetitive horizontal agreements allegedly took place in a number of tender procedures between the affected companies. Based on the information currently available, the possibility cannot be ruled out that the suspicion established in the searches, including that relating to SWIETELSKY Baugesellschaft m.b.H., is justified in cases, which are not yet clearly defined. A conviction of SWIETELSKY Baugesellschaft m.b.H. for participation in horizontal price fixing could – if viewed abstractly – have the following consequences for the company: financial penalties in the event of breaches of the ban on cartels; compensation claims of any aggrieved clients on the basis of an anti-trust conviction; in the event of SWIETELSKY employees being convicted, corporate financial penalties on the basis of the Austrian Corporate Responsibility act.

The situation is extremely complex and still only starting to be clarified. Therefore, it is not possible to make any rough or indicative quantification of these breaches and any impending pecuniary consequences for SWIETELSKY Baugesellschaft m.b.H at the present state of knowledge.

In April 2018 another proceeding by the Central Public Prosecutor's Office for Combating Economic Crimes and Corruption became known. The subject of these investigations is primarily the suspicion that predominantly former employees of SWIETELSKY Baugesellschaft m.b.H. may have acted corruptly in connection with Romanian construction projects. Within the framework of the responsibility of legal entities, SWIETELSKY is accused of being associated with their employees' criminal acts. This investigation is in its early stages and it is not possible to predict with reasonable certainty what the outcome of the investigation will be or to quantify – even only roughly or indicatively – the pecuniary consequences for SWIETELSKY at the present state of knowledge.

The estimated costs of legal representation for both proceedings have been considered in provisions.

(18) Liabilities and other liabilities

| FIGURES IN THOUSAND EUR | 31/3/2018 | | | 31/3/2017 | | |
|-----------------------------------|---------------|---------------------|-----------------------------|----------------|---------------------|-----------------------------|
| Financial liabilities: | Total | of which current | of which non- current | Total | of which current | of which non- current |
| Bonds | 74,067 | 0 | 74,067 | 129,603 | 0 | 129,603 |
| Liabilities to banks | 4,408 | 1,285 | 3,123 | 6,446 | 1,441 | 5,005 |
| Liabilities from financial leases | 2,944 | 1,317 | 1,627 | 3,975 | 1,049 | 2,926 |
| | 81,419 | 2,602 | 78,817 | 140,024 | 2,490 | 137,534 |

In the financial year 2010/11, bonds with a nominal value of kEUR 75,000 were placed. Interest of 5.375%; term from April 2010 to April 2017; listed at the Vienna Stock Exchange – corporates prime market segment, third market – Multilateral Trading Facility (MTF) since 5 May 2016 (before till 4 May 2016 on the regulated OTC market). In the financial year 2015/16, bonds were repurchased with a nominal value of kEUR 19,447 (valuated on 23 March 2016).

Another bond with a nominal value of kEUR 85,000 was issued in the 2012/13 financial year, interest of 4.625%; term from October 2012 to October 2019; listed at the Vienna Stock Exchange – corporates prime market segment, third market – Multilateral Trading Facility (MTF) since 5 May 2016 (before till 4 May 2016 on the regulated OTC market). In the financial year 2015/16, bonds were repurchased with a nominal value of kEUR 10,912 (valuated on 23 March 2016).

No physical securities were supplied in order to safeguard liabilities to banks.



Australia, Hunter Valley: tamping operations



| FIGURES IN THOUSAND EUR | 31/3/2018 | | | 31/3/2017 | | |
|--|----------------|---------------------|-----------------------------|----------------|---------------------|-----------------------------|
| Trade payables: | Total | of which current | of which non- current | Total | of which current | of which non- current |
| Receivables from construction contracts | -506,517 | -506,517 | 0 | -309,573 | -309,573 | 0 |
| Advances received | 803,826 | 803,826 | 0 | 388,192 | 388,192 | 0 |
| | 297,309 | 297,309 | 0 | 78,619 | 78,619 | 0 |
| Other trade payables | 338,665 | 311,984 | 26,681 | 263,357 | 239,565 | 23,792 |
| Liabilities to project consortiums | 21,161 | 21,161 | 0 | 11,692 | 11,692 | 0 |
| | 657,135 | 630,454 | 26,681 | 353,668 | 329,876 | 23,792 |
| of which financial liabilities | 657,135 | 630,454 | 26,681 | 353,668 | 329,876 | 23,792 |

| FIGURES IN THOUSAND EUR | 31/3/2018 | | | 31/3/2017 | | |
|---|----------------|---------------------|-----------------------------|----------------|---------------------|-----------------------------|
| Other liabilities: | Total | of which current | of which non- current | Total | of which current | of which non- current |
| Liabilities to affiliated companies | 325 | 325 | 0 | 522 | 522 | 0 |
| Liabilities to associated companies | 1,635 | 1,635 | 0 | 0 | 0 | 0 |
| Liabilities to other non-current investees and investors | 848 | 848 | 0 | 641 | 641 | 0 |
| Other liabilities | 104,121 | 94,744 | 9,377 | 104,256 | 95,036 | 9,220 |
| | 106,929 | 97,552 | 9,377 | 105,419 | 96,199 | 9,220 |
| of which taxes | 9,272 | 9,272 | 0 | 10,943 | 10,943 | 0 |
| of which social security | 3,717 | 3,709 | 8 | 3,847 | 3,838 | 9 |
| of which liabilities and accruals in connection with personnel | 79,168 | 70,302 | 8,866 | 73,030 | 65,315 | 7,715 |
| of which financial liabilities | 12,960 | 12,457 | 503 | 15,276 | 13,780 | 1,496 |
| of which non-financial liabilities | 93,969 | 85,095 | 8,874 | 90,143 | 82,419 | 7,724 |



Austria, Schwechat: OMV office building

NOTES ON THE CASH FLOW STATEMENT

OF SWIETELSKY BAUGESELLSCHAFT M.B.H., LINZ

The cash flow statement was generated using the indirect method, and is separated into cash flows resulting from business, investment and financing activities. The effects of changes to the basis of consolidation have been eliminated and are recognised in the cash flow from investment activities.

(19) Cash and cash equivalents

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|----------------------------------|----------------|----------------|
| Securities (Bundesschatzscheine) | 60,000 | 0 |
| Cash-in-hand, bank balances | 440,921 | 315,329 |
| Liquid funds | 500,921 | 315,329 |
| Other Securities | 6,846 | 1,922 |
| Cash and cash equivalents | 507,767 | 317,251 |

The cash flow from operating activities comprised the following items in the reporting year:

| FIGURES IN THOUSAND EUR | 31/3/2018 | 31/3/2017 |
|---|-----------|-----------|
| Interest paid (including hybrid interest) | 10,651 | 10,946 |
| Interest received (including hybrid interest) | 3,041 | 3,006 |
| Tax paid | 9,445 | 14,416 |

NOTES ON THE FINANCIAL INSTRUMENTS AND ON CAPITAL MANAGEMENT

OF SWIETELSKY BAUGESELLSCHAFT M.B.H., LINZ

The SWIETELSKY Group holds primary financial instruments, essentially non-current financial assets, trade receivables, bank balances, financial liabilities and trade payables. The list of primary financial instruments can be found in the balance sheet.

(20) Financial instruments, financial risk and capital management

Financial assets and liabilities are classified and categorised as follows in accordance with IAS 39 and IAS 17:

ASSETS

| FIGURES IN THOUSAND EUR | Balance sheet item | Category under IAS 39 | Carrying amount 31/3/2018 | Carrying amount 31/3/2017 |
|--|--------------------|-----------------------|---------------------------|---------------------------|
| Assets not measured at fair value: | | | | |
| Shares in affiliated companies | 1) | AfS * | 1,341 | 1,299 |
| Loans to affiliated companies | 1) | AfS * | 394 | 530 |
| Other investments | 1) | AfS * | 14,074 | 13,043 |
| Other loans | 1) | LaR | 3,043 | 2,766 |
| Receivables from construction contracts | 2) | N/A | 157,975 | 124,690 |
| Trade receivables | 2) | LaR | 196,882 | 155,591 |
| Receivables from affiliated companies | 3) | LaR | 9,531 | 14,246 |
| Receivables from associated companies | 3) | LaR | 4,062 | 336 |
| Receivables from other non-current investees and investors | 3) | LaR | 14,330 | 9,326 |
| Other financial receivables | 3) | LaR | 12,993 | 10,016 |
| Cash-in-hand, bank balances | 4) | LaR | 440,921 | 315,329 |
| Assets measured at fair value: | | | | |
| Securities | 4) | AfS | 66,846 | 1,922 |
| Total financial assets (assets) | | | 922,392 | 649,094 |

- 1) Other non-current financial assets
 2) Trade receivables
 3) Other receivables and fixed assets
 4) Cash and cash equivalents

AfS – Available for sale
 LaR – Loans and receivables

* As the equity instruments are unquoted and their fair value can thus not be calculated with a sufficient degree of reliability, they are measured at historical cost.



Czech Republic: road reconstruction



LIABILITIES

| FIGURES IN THOUSAND EUR | Balance sheet item | Category under IAS 39 | Carrying amount 31/3/2018 | Carrying amount 31/3/2017 |
|--|--------------------|-----------------------|---------------------------|---------------------------|
| Liabilities not measured at fair value: | | | | |
| Bonds | 1) | FLaC | 74,067 | 129,603 |
| Liabilities to banks | 1) | FLaC | 4,408 | 6,446 |
| Liabilities from finance leases | 1) | N/A | 2,944 | 3,975 |
| Liabilities from construction contracts | 2) | N/A | 297,309 | 78,619 |
| Trade payables | 2) | FLaC | 359,826 | 275,049 |
| Liabilities to affiliated companies | 3) | FLaC | 325 | 522 |
| Liabilities to associated companies | 3) | FLaC | 1,635 | 0 |
| Liabilities to other non-current investees and investors | 3) | FLaC | 848 | 641 |
| Other financial liabilities | 3) | FLaC | 10,152 | 14,113 |
| Total financial obligations (liabilities) | | | 751,514 | 508,968 |

1) Financial liabilities

2) Trade payables

3) Other liabilities

FLaC - Financial liabilities at amortised cost

The net result from financial instruments by class or IAS 39 category is as follows:

| 2017/18 | | | | | |
|--------------------------------------|--------------|-----------|---------------|----------|---------------|
| FIGURES IN THOUSAND EUR | LaR | AfS | FLaC | AtFVtP&L | Sum |
| Interest and similar income/expenses | 1,759 | 27 | -4,559 | 0 | -2,773 |
| Reversals of write-downs/impairments | 1,002 | 0 | 0 | 0 | 1,002 |
| Fair value measurement | 0 | 0 | 0 | 0 | 0 |
| Results from disposal | 0 | 0 | 0 | 0 | 0 |
| Net result | 2,761 | 27 | -4,559 | 0 | -1,771 |

| 2016/17 | | | | | |
|--------------------------------------|--------------|--------------|---------------|----------|---------------|
| FIGURES IN THOUSAND EUR | LaR | AfS | FLaC | AtFVtP&L | Sum |
| Interest and similar income/expenses | 1,771 | 91 | -7,197 | 0 | -5,335 |
| Reversals of write-downs/impairments | 2,772 | 0 | 0 | 0 | 2,772 |
| Fair value measurement | 0 | 0 | 0 | 0 | 0 |
| Results from disposal | 0 | 1,106 | 0 | 0 | 1,106 |
| Net result | 4,543 | 1,197 | -7,197 | 0 | -1,457 |

AfS - Available for Sale
LaR - Loans and Receivables

FLaC - Financial Liabilities at amortised Cost
AtFVtP&L - At Fair Value through Profit or Loss

Dividends and expenses from investments recognised as investment income are not a component of the net result. Impairments, reversals of write-downs and results from disposal classed as loans and receivables and financial liabilities at amortised cost are recognised in other operating income and other operating expenses.

Principles of financial risk management

The SWIETELSKY Group faces credit, market and liquidity risks in connection with its assets, liabilities and scheduled transactions. The goal of financial risk management is to control and limit these risks.

Principles of financial risk management are defined by the management and monitored by the supervisory board.

The group treasury and the decentralised treasury units are responsible for implementing financial risk management. Individual risks are minimised by means of derivative financial instruments. The use of derivative financial instruments by the group is subject to corresponding approval and control procedures. On 31/3/2018, the balance sheet date, as in the previous year there were no open derivatives.

Interest rate risk

Essentially, interest rate risk results from bank balances and liabilities to banks which are subject to variable interest rates. This is because the risk exists in rising interest costs or falling interest received resulting from an adverse change in market interest rates.

Bank balances subject to variable interest rates

| FIGURES IN THOUSAND EUR | Carrying amount 31/3/2018 | Average interest rate 2017/18 | Carrying amount 31/3/2017 | Average interest rate 2016/17 |
|-------------------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
| EUR | 92,615 | 0.16% | 152,182 | 0.05% |
| HUF | 278,486 | 0.02% | 102,493 | 0.00% |
| RON | 26,080 | 0.01% | 26,462 | 0.00% |
| CZK | 23,122 | 0.01% | 16,150 | 0.06% |
| GBP | 4,812 | 0.10% | 6,904 | 1.15% |
| PLN | 9,396 | 0.33% | 6,565 | 1.00% |
| HRK | 2,702 | 0.01% | 1,356 | 0.09% |
| Other | 3,708 | 0.05% | 3,217 | 0.07% |
| | 440,921 | | 315,329 | |

Liabilities to banks subject to variable interest rates

| FIGURES IN THOUSAND EUR | Carrying amount 31/3/2018 | Average interest rate 2017/18 | Carrying amount 31/3/2017 | Average interest rate 2016/17 |
|-------------------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
| AUD | 4,373 | 3.96% | 6,435 | 4.20% |
| Other | 35 | 0.00% | 11 | 0.00% |
| | 4,408 | | 6,446 | |

If the market interest rate on 31/3/2018 were 50 basis points higher, the earnings after tax and equity would have been kEUR 1,637 (previous year: kEUR 1,158) higher. A drop in the market interest rate by 50 basis points would have caused an equal reduction in earnings after tax and equity.

Calculations were made on the basis of these financial assets and liabilities on the balance sheet date. In doing so, it was implied that the risk on the balance sheet date essentially represents the risk during the financial year. The group tax rate of 25% is used as the tax rate. In the analysis, all other variables – especially exchange rates – are assumed to be constant.

Foreign exchange risk

Essentially, risk results from bank balances, liabilities to banks in foreign currencies and trade payables and receivables in euros in connection with subsidiaries whose functional currencies are not the euro. However, the decentralised structure of the group means that

most foreign currency items are naturally closed because the majority of receivables and liabilities from business activities are recognised in the same currency. The credit financing and assessment of the group companies mainly took place in the currency of the country in question.

Performance of the major group currencies

| CURRENCY | Closing rate 31/3/2018 1 euro = | Average rate of exchange 2017/18 1 euro = | Closing rate 31/3/2017 1 euro = | Average rate of exchange 2016/17 1 euro = |
|----------|---------------------------------------|--|---------------------------------------|--|
| HUF | 312.0000 | 310.2383 | 308.2000 | 310.8658 |
| CZK | 25.3900 | 25.8858 | 27.0300 | 27.0355 |
| GBP | 0.8769 | 0.8816 | 0.8573 | 0.8430 |
| RON | 4.6570 | 4.6073 | 4.5515 | 4.5005 |
| PLN | 4.2100 | 4.2182 | 4.2220 | 4.3587 |
| HRK | 7.4330 | 7.4533 | 7.4370 | 7.4972 |
| NOK | 9.6500 | 9.5324 | 9.1810 | 9.1415 |
| AUD | 1.6008 | 1.5204 | 1.3985 | 1.4564 |
| DKK | 7.4547 | 7.4419 | na | na |

A 10% appreciation or devaluation of the euro on 31/3/2018 would have resulted in a change in earnings after tax and equity of kEUR 2,658 (previous year: kEUR 5,681).

Calculations were carried out on the basis of the portfolio of financial assets and liabilities on the balance sheet date. Foreign exchange risks from euro items in subsidi-

aries whose currencies are not the euro were attributed to the foreign exchange risk of the functional currency of each subsidiary. Differences caused by the translation of financial statements into the group currency as a result of the exchange rates have not been changed. The group tax rate of 25% is used as the tax rate. In the analysis, all other variables – especially interest rates – are assumed to be constant.

Other market price risks

Besides foreign exchange and interest rate risks, the SWIETELSKY Group is exposed to other price risks resulting from financial assets and liabilities, which are however of lesser significance to the group.

Credit risk

Due to the wide dispersion of and ongoing credit checks on our customers, credit risk of receivables from customers can be classified as low. Likewise, the default risk for the other primary financial instruments recognised as assets is to be considered low as the financial partners of the group are all financial institutes with the highest levels of credit-worthiness. The carrying amounts of the financial assets classed as assets represent the maximum default risk.

Receivables from construction contracts of kEUR 157,975 (previous year: kEUR 124,690) and receivables from joint ventures amounting to

kEUR 37,926 (previous year: kEUR 42,471) relate to ongoing construction projects and are therefore largely not yet due. From the other receivables from deliveries and services in the amount of kEUR 158,956 (previous year: kEUR 113,120), only a negligible amount is overdue and not impaired.

Additionally, as is standard in the industry, project consortiums in which companies of the SWIETELSKY Group hold a stake are jointly and severally liable with the other partners and there are bank guarantees, mainly for tender, contractual fulfilment and guarantee obligations and advance payments.

Counter-liabilities for performance guarantees where an outflow of resources is improbable exist to the value of kEUR 80,386 (previous year: kEUR 57,106) on 31/3/2018.

Additionally, a derived credit risk of kEUR 4,917 (previous year: kEUR 2,565) resulting from the liabilities for associated companies and other investments assumed through payment guarantees.



Germany, Ornaual: motorway A94, Ornaual Bridge



Liquidity risks

A major goal of financial risk management in the SWIETELSKY Group is to ensure liquidity and financial flexibility at all times. For this purpose, a liquidity reserve has been organised in the form of unused credit lines (cash and guarantee credit), and in the form of cash reserves if necessary, at creditworthy banks. Most of

these unused credit lines have a term of up to 12 months and are continuously prolonged.

The group's liquidity needs in the medium and long terms are ensured by the issuance of corporate bonds and bank loans.

The following contractually agreed payment obligations will result from the financial liabilities (interest and amortisation payments) in the coming years:

| FIGURES IN THOUSAND EUR | Carrying amount 31/3/2018 | Cash flows 1/4/2018- 31/3/2019 | Cash flows 1/4/2019- 31/3/2023 | Cash flows from 1/4/2023 |
|--|--------------------------------------|---|---|---|
| Bonds | 74,067 | 3,427 | 77,516 | 0 |
| Liabilities to banks | 4,408 | 1,431 | 3,273 | 0 |
| Liabilities from finance leases | 2,944 | 1,368 | 521 | 1,250 |
| Liabilities from construction contracts | 297,309 | 297,309 | 0 | 0 |
| Liabilities from trade | 359,826 | 333,145 | 26,681 | 0 |
| Liabilities to affiliated companies | 325 | 325 | 0 | 0 |
| Liabilities to other non-current investees and investors | 848 | 848 | 0 | 0 |
| Other financial Liabilities | 10,152 | 9,649 | 503 | 0 |
| | 749,879 | 647,502 | 108,494 | 1,250 |



Czech Republic, Prague: mobile noise barrier

| FIGURES IN THOUSAND EUR | Carrying amount 31/3/2017 | Cash flows 1/4/2017- 31/3/2018 | Cash flows 1/4/2018- 31/3/2022 | Cash flows from 1/4/2022 |
|---|---------------------------------|--------------------------------------|--------------------------------------|--------------------------------|
| Bonds | 129,603 | 61,966 | 80,941 | 0 |
| Liabilities to banks | 6,446 | 1,679 | 5,365 | 0 |
| Liabilities from finance leases | 3,975 | 1,121 | 1,838 | 1,487 |
| Liabilities from construction contracts | 78,619 | 78,619 | 0 | 0 |
| Liabilities from trade | 275,049 | 251,257 | 23,792 | 0 |
| Liabilities to affiliated companies | 522 | 522 | 0 | 0 |
| Liabilities to other non-current investees and investors | 641 | 641 | 0 | 0 |
| Other financial Liabilities | 14,113 | 12,617 | 1,496 | 0 |
| | 508,968 | 408,422 | 113,432 | 1,487 |

Interest payments were calculated on the basis of the most recently fixed interest rates on or before 31/3/2018 and 31/3/2017. Planned figures for new liabilities in the future are not included. Financial liabilities that can be repaid at any time are always allocated to the earliest maturity bucket.

Fair value hierarchy

The following tables list the financial assets and liabilities measured at fair value and the financial assets and liabilities not measured at fair value by their valuation methods in line with the three-level fair value hierarchy of the IFRS. The various levels reflect the significance of the input factors used for the measured and are defined as follows:

Level 1: Level 1 inputs are quoted prices in active markets for identical assets or liabilities. The SWIETELSKY Group currently holds bonds, investment funds and (few) shares that are attributable to this Level and whose fair value matches the market or calculated value.

Level 2: Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices). Liability insurance measured at the redemption value of the reserve on the balance sheet date is attributable to this level.

Level 3: Level 3 inputs are input factors for the asset or liability which are not based on observable market data (unobservable input factors). In so far as relevant, non-current financial assets, bonds, liabilities to banks and liabilities from finance leases are assigned to this level if no market prices are available. The fair values are calculated using the discounted cash flow method and therefore represent the present values of the associated payments with consideration for the current market parameters (especially interest rates, exchange rates, the creditworthiness of the counterparty in connection with receivables and the default risk in connection with liabilities).

If the input factors used to determine the fair value of a financial asset or financial liability can be assigned to various levels of the fair value hierarchy, the entire measurement at fair value will be assigned to the level of the fair value hierarchy corresponding to the lowest essential input factor for the measurement as a whole.

The group recognises reclassifications between the various levels of the fair value hierarchy at the end of the reporting period in which the change took place. No reclassifications between levels were carried out during the financial year.

Carrying amounts, fair values and fair value hierarchy of the financial assets and financial liabilities measured at fair value

| FIGURES IN THOUSAND EUR | 31/3/2018 | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
|---------------------------------------|-----------|-----------------|------------|---------|---------|---------|
| Assets measured at fair value: | | | | | | |
| Securities | | 66,846 | 66,846 | 66,563 | 283 | 0 |
| | | | | | | |
| FIGURES IN THOUSAND EUR | 31/3/2017 | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
| Assets measured at fair value: | | | | | | |
| Securities | | 1,922 | 1,922 | 1,639 | 283 | 0 |

Carrying amounts, fair values and fair value-hierarchy of the financial assets and financial liabilities not measured at fair value

The cash and cash equivalents, trade receivables, other financial receivables, trade payables and other financial liabilities have mostly short residual terms.

Liabilities to banks and liabilities from finance leases are subject to variable interest rates. Therefore, with these financial instruments the management assumes that the carrying amount is a reasonable approximation of the fair value. The fair values of these financial instruments are therefore not disclosed in the following table. Likewise, the fair values of instruments classified as available for sale (at cost) are not disclosed in the following table. The carrying amounts can be found in the table.

| FIGURES IN THOUSAND EUR | 31/3/2018 | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
|---|-----------|-----------------|---------------|---------------|----------|----------|
| Assets not measured at fair value: | | | | | | |
| Bonds | | 74,067 | 78,348 | 78,348 | 0 | 0 |
| Liabilities to banks | | 4,408 | 0 | 0 | 0 | 0 |
| Liabilities from finance leases | | 2,944 | 0 | 0 | 0 | 0 |
| | | 81,419 | 78,348 | 78,348 | 0 | 0 |

Offsetting of financial assets and financial liabilities

In the SWIETELSKY Group, financial assets and financial liabilities are not offset against one another in the balance sheet. Offsetting agreements only exist in connection with derivative financial instruments. However, there were no open derivative financial instruments on 31/3/2018 or 31/3/2017.

Capital management

The goal of capital management is to achieve a strong capital basis that continues to generate a rate of return for the shareholders that matches the risk situation of the company, supports the future development of the company and can be put to good use for other interest groups as well. The management exclusively considers the booked equity as capital in accordance with IFRS. The equity ratio on the balance sheet date was 27.3% (previous year: 31.5%).

The capital management strategy of the company aims for the group companies to have a large enough equity base to meet the local requirements. All external capital requirements were met in the reporting year.

(21) Disclosure of business segments

Division of segments

The segments are divided based on internal reporting (the management approach). As the construction market is highly region-based, SWIETELSKY is mainly run from a regional perspective. The group's internal organisational and management structures, and therefore also the internal reports, follow these regional divisions and are therefore reported to the chief operating decision maker.

The operative business of the SWIETELSKY Group is split into 5 segments: Austria, Germany, Hungary, Czech Republic and other countries. The segment entitled other countries contains Romania, Croatia, Slovakia, Poland, Great Britain, Italy, Norway, the Netherlands, Denmark and Australia. The segments are defined by the country in which the head-quarters of the company are located. The services within and between the segments are billed at market prices.

The following construction output were rendered in the segments:

| Austria | Germany | Hungary | Czech Republic | Other countries |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Road construction | Road construction | Road construction | Road construction | Road construction |
| Railway construction | Railway construction | Railway construction | Railway construction | Railway construction |
| Building construction | Building construction | Building construction | Building construction | Building construction |
| Civil engineering | Civil engineering | Civil engineering | Civil engineering | Civil engineering |
| Tunnel construction | x | x | x | x |

Segment report

The disclosure of business segments takes place on the basis of internal reporting and is further reconciled to the revenue and EBT of the individual business segments.

External construction output are services rendered in the segment in question with no internal cost allocation. The segment investments contain additions to intangible fixed assets, tangible fixed assets and non-current financial

assets. No segment assets have been disclosed as this is not a component of regular management reports.

Information on major customers

In the same way as last year, no external customer generated more than 10% of the group's turnover.

SEGMENT INFORMATION 2017/18

| FIGURES IN THOUSAND EUR | Austria | Germany | Hungary | Czech Republic | Other countries | Consolidation | Group |
|---|-----------|---------|---------|----------------|-----------------|---------------|-----------|
| External construction output | 1,434,890 | 309,970 | 270,489 | 210,675 | 150,442 | 0 | 2,376,466 |
| Reconciliation with IFRS financial statements | | | | | | | -163,049 |
| Revenue | 1,395,864 | 301,303 | 301,711 | 230,551 | 137,319 | -153,331 | 2,213,417 |
| Segment result | 51,898 | 9,843 | 16,324 | 5,633 | 1,338 | 0 | 85,036 |
| <i>Included in the segment result:</i> | | | | | | | |
| <i>Interest income</i> | 5,038 | 236 | 547 | 48 | 87 | | |
| <i>Interest expense</i> | -8,989 | -285 | -31 | -84 | -809 | | |
| <i>Depreciation and amortisation</i> | -27,009 | -7,848 | -1,970 | -3,202 | -4,326 | | |
| <i>Share of results of associates</i> | 16,245 | 2,105 | 0 | 1,542 | 0 | | |
| Reconciliation with IFRS financial statements | | | | | | | -6,969 |
| Earnings before tax (EBT) | 39,144 | 13,953 | 16,312 | 8,814 | 844 | -1,000 | 78,067 |
| Investments | 56,649 | 17,930 | 3,994 | 5,337 | 4,104 | 0 | 88,014 |
| External order backlog | 1,521,527 | 328,224 | 705,890 | 276,799 | 284,434 | 0 | 3,116,874 |

SEGMENT INFORMATION 2016/17

| FIGURES IN THOUSAND EUR | Austria | Germany | Hungary | Czech Republic | Other countries | Consolidation | Group |
|---|-----------|---------|---------|----------------|-----------------|---------------|-----------|
| External construction output | 1,277,850 | 247,418 | 194,398 | 187,266 | 116,588 | 0 | 2,023,520 |
| Reconciliation with IFRS financial statements | | | | | | | -118,547 |
| Revenue | 1,272,610 | 246,652 | 201,064 | 203,706 | 104,804 | -123,863 | 1,904,973 |
| Segment result | 41,301 | 10,731 | 23,423 | 4,562 | -7,989 | 0 | 72,028 |
| <i>Included in the segment result:</i> | | | | | | | |
| <i>Interest income</i> | 5,221 | 23 | 658 | 27 | 92 | | |
| <i>Interest expense</i> | -11,838 | -428 | -51 | -73 | -828 | | |
| <i>Depreciation and amortisation</i> | -25,346 | -6,519 | -2,070 | -2,772 | -4,151 | | |
| <i>Share of results of associates</i> | 16,599 | 1,862 | 0 | 1,317 | -404 | | |
| Reconciliation with IFRS financial statements | | | | | | | -3,417 |
| Earnings before tax (EBT) | 39,486 | 15,264 | 22,372 | 3,414 | -6,788 | -5,137 | 68,611 |
| Investments | 64,209 | 9,734 | 1,801 | 7,171 | 2,509 | 1,556 | 86,980 |
| External order backlog | 1,333,382 | 204,612 | 250,022 | 117,985 | 84,291 | 0 | 1,990,292 |

The major reconciliation items are the result of unconsolidated companies, project consortiums and IFRS measurements.

Reconciliation of the construction output with revenue:

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|---|-----------------|-----------------|
| Other non-current equity investments, project consortiums | -129,865 | -105,283 |
| IFRS measurements | -33,184 | -13,264 |
| Reconciliation | -163,049 | -118,547 |

Reconciliation of the segment result with earnings before tax (EBT):

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 |
|-------------------------|---------------|---------------|
| Investment income | -6,671 | -4,102 |
| IFRS measurements | -298 | 685 |
| Reconciliation | -6,969 | -3,417 |

(22) Disclosures on affiliated companies

HPB – Holding GmbH is a shareholder of SWIETELSKY Baugesellschaft m.b.H. which provides consulting services for the Group at market conditions.

Thumersbacher Geräteverleih GmbH is a shareholder of SWIETELSKY Baugesellschaft m.b.H. which renders machine and equipment rental services and consultancy services for the group at standard market rates.

Dr. Günther Grassner (chairman of the supervisory board) is a partner of the office RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER, Linz, which renders consultancy services for the group at standard market rates.

Dr. Norbert Nagele (vice-chairman of the supervisory board) is a partner of the office HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH which renders consultancy services for the group at standard market rates.

| | Services rendered | | Receivables | |
|---|-------------------|---------|-------------|-----------|
| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 | 31/3/2018 | 31/3/2017 |
| Thumersbacher Geräteverleih GmbH | 139 | 95 | 82 | 8 |
| RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER | 33 | 7 | 0 | 0 |

| | Services received | | Liabilities | |
|--|-------------------|---------|-------------|-----------|
| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 | 31/3/2018 | 31/3/2017 |
| HPB – Holding GmbH | 180 | 180 | 0 | 0 |
| Thumersbacher Geräteverleih GmbH | 3 | 3 | 0 | 0 |
| Dr. André Hovaguimian | 180 | 180 | 0 | 0 |
| RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER | 329 | 373 | 0 | 0 |
| HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH | 7 | 12 | 2 | 0 |

As of the balance sheet date, the shareholders are not entitled or subject to any offsetting claims or obligations as a result of statutory dividends.

The following affiliated persons subscribed to a subordinated debenture (hybrid bond):

| | | FIGURES IN THOUSAND EUR |
|----------------------------------|---|----------------------------|
| Thumersbacher Geräteverleih GmbH | (Shareholder) | 8,330 |
| HPB – Holding GmbH | (Shareholder) | 900 |
| Andreas Brustmann | (Shareholder) | 245 |
| Catherine Brustmann | (Shareholder) | 175 |
| Dr. André Hovaguimian | (Shareholder, member of the supervisory board) | 450 |
| Peter Gal | (Managing Director) | 5 |
| Dipl.-Ing. Walter Pertl | (Managing Director) | 15 |
| Adolf Scheuchenpflug | (Managing Director) | 20 |

Additionally, the following affiliated persons subscribed to the bond issued in October 2012:

| | | FIGURES IN THOUSAND EUR |
|----------------------------------|---------------------|----------------------------|
| Thumersbacher Geräteverleih GmbH | (Shareholder) | 250 |
| Dipl.-Ing. Walter Pertl | (Managing Director) | 25 |



Austria, Zwettl: B38 bypass

(23) Disclosures on elements and employees

The following persons were active as **Managing Directors** in the financial year:

Peter Gal
Dipl.-Ing. Walter Pertl
Adolf Scheuchenpflug
Dipl.-Ing. Karl Weidlinger

The following members were part of the **supervisory board** of the company in the financial year:

| | |
|-------------------------|---|
| Dr. Günther Grassner | Chairman (since 1/4/2018; before vice-chairman) |
| Dr. Norbert Nagele | Vice-chairman (since 1/4/2018; before chairman) |
| Dipl.-Ing. Werner Baier | |
| Dr. André Hovaguimian | |
| Ing. Franz Rohr | |
| Mag. Karl Schlögl | |
| Manuel Madurski | |
| Andrea Steinkellner | |
| Bruno Wyhs | |

The expenses for salaries contain the total earnings of the members of the management which amounted to kEUR 7,981 (previous year: kEUR 6,352). The expenses for severance payments of kEUR 971 (previous year: kEUR 378) relates to members of the management in key positions.

Remuneration of kEUR 363 (previous year: kEUR 357) was paid to the members of the supervisory board.

(24) Date of approval for publication

In Austria, the consolidated financial statements of limited liability companies (GmbH companies) are prepared by the management and approved by the supervisory board. The supervisory board of SWIETELSKY Baugesellschaft m.b.H. will convene on 23 July 2018 to approve the consolidated interim financial statements of 31/3/2018.

(25) Extraordinary events after the closing of the financial year

No extraordinary events took place after the closing of the financial year.

Linz, 13 July 2018

The management



PETER GAL



DIPL.-ING. WALTER PERTL



ADOLF SCHEUCHENPFLUG

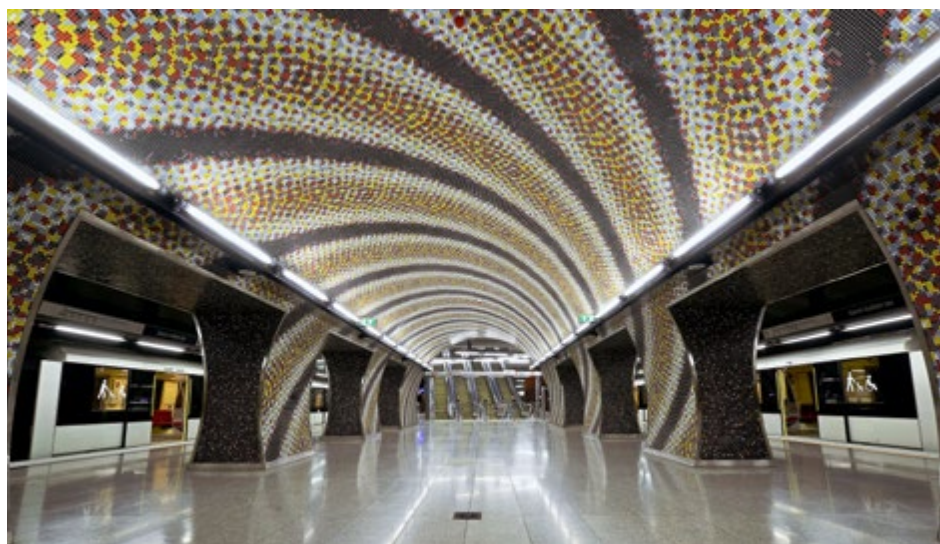


DIPL.-ING. KARL WEIDLINGER

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2018

| FIGURES IN THOUSAND EUR | Historical costs | | | | | | As of 31/3/2018 |
|--|-------------------|--|-------------------------|------------------------|---------------|---------------|--------------------|
| | As of 1/4/2017 | Changes to the basis of consoli- dation | Currency translation | Reclassifi- cations | Additions | Disposals | |
| I. Intangible fixed assets: | | | | | | | |
| 1. Software and licences | 9,384 | 0 | 1 | 156 | 966 | 104 | 10,403 |
| 2. Goodwill | 10,251 | 0 | 0 | 0 | 0 | 0 | 10,251 |
| | 19,635 | 0 | 1 | 156 | 966 | 104 | 20,654 |
| II. Property, plant and equipment: | | | | | | | |
| 1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 42,243; previous year: kEUR 41,682) | 172,023 | 0 | 544 | 4,285 | 2,232 | 3,789 | 175,295 |
| 2. Technical equipment and machinery | 335,449 | 0 | 94 | 11,172 | 41,812 | 8,670 | 379,857 |
| 3. Other equipment, operating and office equipment | 55,125 | 0 | -34 | 1,169 | 8,424 | 2,720 | 61,964 |
| 4. Assets under construction | 6,064 | 0 | 20 | -16,783 | 30,151 | 2,269 | 17,183 |
| | 568,661 | 0 | 624 | -156 | 82,619 | 17,448 | 634,298 |
| | 588,296 | 0 | 625 | 0 | 83,585 | 17,552 | 654,953 |



Hungary, Budapest: metro line M5

Cumulative depreciation

| As of 1/4/2017 | Changes to the basis of consoli- dation | Currency translation | Reclassifi- cations | Additions | Disposals | As of 31/3/2018 |
|-------------------|--|-------------------------|------------------------|---------------|---------------|--------------------|
| 8,249 | 0 | 1 | 0 | 754 | 103 | 8,901 |
| 0 | 0 | 0 | 0 | 1,126 | 0 | 1,126 |
| 8,249 | 0 | 1 | 0 | 1,880 | 103 | 10,027 |
| 43,545 | 0 | 204 | 0 | 4,505 | 1,242 | 47,012 |
| 222,257 | 0 | 374 | 0 | 33,582 | 7,990 | 248,223 |
| 39,844 | 0 | -21 | 0 | 5,726 | 2,437 | 43,112 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 305,646 | 0 | 557 | 0 | 43,813 | 11,670 | 338,347 |
| 313,895 | 0 | 558 | 0 | 45,693 | 11,773 | 348,373 |

Carrying amounts

| As of 31/3/2018 | As of 31/3/2017 |
|--------------------|--------------------|
| 1,502 | 1,135 |
| 9,125 | 10,251 |
| 10,627 | 11,386 |
| 128,283 | 128,478 |
| 131,634 | 113,192 |
| 18,852 | 15,281 |
| 17,183 | 6,064 |
| 295,952 | 263,015 |
| 306,579 | 274,401 |

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2017

| FIGURES IN THOUSAND EUR | Historical costs | | | | | | As of 31/3/2017 |
|--|-------------------|--|-------------------------|------------------------|---------------|---------------|--------------------|
| | As of 1/4/2016 | Changes to the basis of consoli- dation | Currency translation | Reclassifi- cations | Additions | Disposals | |
| I. Intangible fixed assets: | | | | | | | |
| 1. Software and licences | 8,646 | 478 | 13 | -7 | 655 | 401 | 9,384 |
| 2. Goodwill | 8,424 | 0 | 0 | 0 | 1,826 | 0 | 10,251 |
| | 17,070 | 478 | 13 | -7 | 2,482 | 401 | 19,635 |
| II. Property, plant and equipment: | | | | | | | |
| 1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 33,136; previous year: kEUR 32,550) | 149,047 | 5,991 | 275 | 2,042 | 17,312 | 2,644 | 172,023 |
| 2. Technical equipment and machinery | 294,632 | 1,351 | 402 | 2,148 | 49,137 | 12,221 | 335,447 |
| 3. Other equipment, operating and office equipment | 48,601 | 1,335 | 79 | 452 | 6,940 | 2,282 | 55,125 |
| 4. Assets under construction | 4,052 | 41 | 5 | -4,635 | 6,797 | 196 | 6,064 |
| | 496,332 | 8,718 | 761 | 7 | 80,186 | 17,343 | 568,661 |
| | 513,402 | 9,196 | 774 | 0 | 82,668 | 17,744 | 588,296 |



Austria, Vienna: bridge construction, Südbahnhof

| Cumulative depreciation | | | | | | | Carrying amounts | |
|-------------------------|---|-------------------------|------------------------|---------------|---------------|--------------------|--------------------|--------------------|
| As of 1/4/2016 | Changes to the basis of consoli- dation | Currency translation | Reclassifi- cations | Additions | Disposals | As of 31/3/2017 | As of 31/3/2017 | As of 31/3/2016 |
| 7,730 | 225 | 13 | -3 | 669 | 385 | 8,249 | 1,135 | 916 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,251 | 8,424 |
| 7,730 | 225 | 13 | -3 | 669 | 385 | 8,249 | 11,386 | 9,340 |
| 38,634 | 791 | 44 | 3 | 5,736 | 1,663 | 43,545 | 128,478 | 110,413 |
| 200,731 | 1,067 | 29 | 0 | 30,814 | 10,384 | 222,257 | 113,192 | 93,901 |
| 35,782 | 1,178 | 64 | 0 | 4,877 | 2,057 | 39,844 | 15,281 | 12,819 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,064 | 4,052 |
| 275,147 | 3,036 | 137 | 3 | 41,427 | 14,104 | 305,646 | 263,015 | 221,185 |
| 282,877 | 3,262 | 150 | 0 | 42,096 | 14,489 | 313,895 | 274,401 | 230,526 |

LIST OF INVESTMENTS

OF SWIETELSKY BAUGESELLSCHAFT M.B.H., LINZ

| | | | 31/3/2018 | | |
|---|----|---------------------------|-----------|--------------------|-------------|
| <i>Fully consolidated companies</i> | | | Currency | Registered capital | Group share |
| A.S.T. Baugesellschaft m.b.H. | AT | Innsbruck | kEUR | 35 | 100% |
| Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H | AT | Fischamend | kEUR | 40 | 100% |
| Baumeister Karl Sedlmayer Gesellschaft mit beschränkter Haftung | AT | Grafenwörth | kEUR | 400 | 100% |
| C. Peters Baugesellschaft m.b.H. | AT | Linz | kEUR | 105 | 100% |
| Duswald Bau GmbH | AT | Neumarkt im Hausruckkreis | kEUR | 37 | 100% |
| Georg Fessler GmbH | AT | Zwettl | kEUR | 150 | 100% |
| HN-CW Errichtungsgesellschaft mbH | AT | Vienna | kEUR | 35 | 100% |
| HTB Baugesellschaft m.b.H. | AT | Arzl im Pitztal | kEUR | 40 | 100% |
| Ing. Karl Voitl Gesellschaft m.b.H. | AT | Vienna | kEUR | 37 | 100% |
| Jos. Ertl GmbH | AT | Hörsching | kEUR | 105 | 100% |
| Kallinger Bau GmbH | AT | Fischamend | kEUR | 35 | 100% |
| Kontinentale Baugesellschaft m.b.H. | AT | Waidhofen an der Thaya | kEUR | 75 | 100% |
| Romberger Fertigteile GmbH | AT | Gurten | kEUR | 900 | 100% |
| RTS Rail Transport Service GmbH | AT | Graz | kEUR | 100 | 100% |
| SWIETELSKY - INTERNATIONAL Baugesellschaft m.b.H. | AT | Linz | kEUR | 730 | 100% |
| Swietelsky Bauträger Ges.m.b.H. | AT | Linz | kEUR | 85 | 100% |
| Swietelsky Developments GmbH | AT | Vienna | kEUR | 35 | 100% |
| Swietelsky Immobilien GmbH | AT | Vienna | kEUR | 40 | 100% |
| Swietelsky Liegenschaftsverwaltung Bauhof Asten GmbH | AT | Linz | kEUR | 35 | 100% |
| Swietelsky Liegenschaftsverwaltung Klagenfurt GmbH | AT | Linz | kEUR | 10 | 100% |
| Swietelsky Liegenschaftsverwaltung Trumau GmbH | AT | Linz | kEUR | 10 | 100% |
| Swietelsky Tunnelbau GmbH | AT | Salzburg | kEUR | 35 | 100% |
| Swietelsky Tunnelbau GmbH & Co KG | AT | Salzburg | kEUR | 35 | 100% |
| Transportbeton und Asphaltgesellschaft m.b.H. | AT | Zams | kEUR | 73 | 100% |

| | | | | 31/3/2018 | |
|---|----|------------------|----------|--------------------|-------------|
| | | | Currency | Registered capital | Group share |
| ERWA Beteiligungs GmbH | AT | Linz | KEUR | 36 | 80% |
| Metallbau Wastler GmbH | AT | Linz | KEUR | 40 | 80% |
| Metallbau Wastler GmbH & Co. KG | AT | Linz | KEUR | 73 | 80% |
| SWIETELSKY RAIL (AUSTRALIA) PTY LTD | AU | Surry Hills | AUD | 1 | 100% |
| SILMEX s.r.o. | CZ | České Budějovice | kCZK | 120 | 100% |
| Swietelsky Rail CZ s.r.o. | CZ | České Budějovice | kCZK | 200 | 100% |
| SWIETELSKY stavební s.r.o. | CZ | České Budějovice | kCZK | 250,000 | 100% |
| RTS Rail Transport Service Germany GmbH | DE | Munich | KEUR | 25 | 100% |
| Swietelsky Baugesellschaft mbH. | DE | Traunstein | KEUR | 1,600 | 100% |
| Wadle Bauunternehmung GmbH | DE | Essenbach | KEUR | 25 | 100% |
| Swietelsky Rail Danmark ApS | DK | Kopenhagen | kDKK | 700 | 100% |
| SWIETELSKY CONSTRUCTION COMPANY LTD. | GB | Reading | kGBP | 100 | 100% |
| Swietelsky d.o.o. | HR | Zagreb | kHRK | 5,812 | 100% |
| CELL-BahnBau Danubia Kft. | HU | Celldömölk | kHUF | 6,000 | 100% |
| DS VASÚT Kft. | HU | Celldömölk | kHUF | 17,000 | 100% |
| Nyugat-Magyarországi Vasutépítő Kft. | HU | Celldömölk | kHUF | 3,000 | 100% |
| SWIETELSKY Építő Kft. | HU | Budapest | kHUF | 5,001 | 100% |
| SWIETELSKY Magyarország Kft. | HU | Budapest | kHUF | 1,579,120 | 100% |
| Swietelsky Vasúttechnika Kft. | HU | Celldömölk | kHUF | 3,000 | 100% |
| Vasútgép Kft. | HU | Celldömölk | kHUF | 3,000 | 100% |
| Swietelsky Rail Benelux B.V. | NL | JR Oisterwijk | KEUR | 18 | 100% |
| Swietelsky Rail Norway AS | NO | Drammen | kNOK | 800 | 100% |
| Swietelsky Rail Polska Spolka Z o.o. | PL | Krakow | kPLN | 50 | 100% |
| Swietelsky Spolka Z o.o. | PL | Lublin | kPLN | 880 | 100% |
| Swietelsky Constructii SRL | RO | Bucharest | kRON | 699 | 100% |
| S.C. DRUMSERV SA | RO | Tirgu Mures | kRON | 7,082 | 100% |
| Swietelsky Slovakia spol.s.r.o | SK | Bratislava | KEUR | 89 | 100% |
| Associated companies | | | | | |
| Umfahrung Zwettl Errichtungs- und Betriebsgesellschaft m.b.H. | AT | Linz | KEUR | 35 | 50% |
| Eurailpool GmbH | DE | Ismaning | KEUR | 5,000 | 50% |
| Swietelsky-Faber GmbH Kanalsanierung | DE | Schlierschied | KEUR | 50 | 50% |

| | | | | 31/3/2018 | |
|---|----|----------------------|----------|--------------------|-------------|
| <i>Other non-current equity investments - not consolidated</i> | | | Currency | Registered capital | Group share |
| Baldauf Fliesen und Baustoffe Gesellschaft m.b.H. | AT | Linz | KEUR | 40 | 100% |
| BauQ Projekt GmbH in Liqu. | AT | Hart bei Graz | KEUR | 36 | 100% |
| Diks und Swiera Immobilienreuehand GmbH | AT | Feldkirch | KEUR | 36 | 100% |
| SRT GmbH | AT | Linz | KEUR | 35 | 90% |
| TB Betonwerk Zams GmbH | AT | Zams | KEUR | 35 | 52% |
| ASB Nörsach GmbH | AT | Linz | KEUR | 35 | 50% |
| Asphaltwerk Seibersdorf GmbH | AT | Linz | KEUR | 35 | 50% |
| ASW - Asphaltmischanlage Zams GmbH | AT | Zams | KEUR | 36 | 50% |
| ASW - Asphaltmischanlage Zams GmbH & Co. KG | AT | Zams | KEUR | 150 | 50% |
| AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H. | AT | Graz-St.Peter | KEUR | 35 | 50% |
| AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H. & Co. KG | AT | Graz-St.Peter | KEUR | 40 | 50% |
| Hausruck Baugesellschaft m.b.H. | AT | Schlüßberg | KEUR | 240 | 50% |
| PAM-Pongauer Asphaltmischanlagen GmbH | AT | St. Johann im Pongau | KEUR | 36 | 50% |
| PAM-Pongauer Asphaltmischanlagen GmbH & Co KG | AT | St. Johann im Pongau | KEUR | 36 | 50% |
| Asphaltmischwerk Weißbach GmbH & Co. Nfg. KG | AT | Weißbach bei Lofer | KEUR | 73 | 45% |
| AWB Asphaltmischwerk Weißbach Betriebs-GmbH | AT | Vienna | KEUR | 35 | 45% |
| Kieswerk-Betriebs-Gesellschaft m.b.H. | AT | Zams | KEUR | 40 | 38% |
| Pinzgau Beton GmbH | AT | Salzburg | KEUR | 40 | 37% |
| Pinzgau Beton GmbH & Co KG | AT | Salzburg | KEUR | 40 | 37% |
| Gaspix Beteiligungsverwaltungs GmbH | AT | Zirl | KEUR | 35 | 36% |
| RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG | AT | Zirl | KEUR | 581 | 36% |
| AMS - Asphaltmischwerk Süd Gesellschaft m.b.H. | AT | Linz | KEUR | 36 | 35% |
| FMA Asphaltwerk GmbH | AT | Feldbach | KEUR | 35 | 35% |
| FMA Asphaltwerk GmbH & Co KG | AT | Feldbach | KEUR | 44 | 35% |
| AMW Asphaltwerk GmbH. | AT | Weitendorf | KEUR | 727 | 33% |
| AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. | AT | Linz | KEUR | 44 | 33% |
| AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG | AT | Linz | KEUR | 654 | 33% |
| Kieswerk - Betriebs - Gesellschaft m.b.H. & Co. Kommanditgesellschaft | AT | Zams | KEUR | 80 | 29% |

| | | | 31/3/2018 | | |
|--|----|------------------------|-----------|--------------------|-------------|
| | | | Currency | Registered capital | Group share |
| TAM Traisental Asphaltmischwerk Ges.m.b.H. | AT | Nußdorf ob der Traisen | kATS | 600 | 33% |
| TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG | AT | Nußdorf ob der Traisen | kATS | 1,000 | 33% |
| TB Transportbeton GmbH | AT | Linz | kEUR | 36 | 33% |
| AMW Leopoldau GmbH & Co OG | AT | Vienna | kEUR | 70 | 33% |
| AWT Asphaltwerk GmbH | AT | Stadtschlaining | kEUR | 700 | 33% |
| AMA Linz GmbH | AT | Linz | kEUR | 35 | 30% |
| AHRENTAL ABBAU- UND AUFBEREITUNGSGESELLSCHAFT M.B.H. | AT | Hall in Tirol | kEUR | 35 | 30% |
| Petschl Frästechnik GmbH | AT | Arbing | kEUR | 450 | 29% |
| ASW - Asphaltmischanlage Innsbruck GmbH | AT | Innsbruck | kEUR | 36 | 26% |
| ASW - Asphaltmischanlage Innsbruck GmbH & Co KG | AT | Innsbruck | kEUR | 150 | 26% |
| Hemmelmair Frästechnik GmbH | AT | Linz | kEUR | 73 | 25% |
| VAM - Valentiner Asphaltmischwerk Gesellschaft m.b.H. | AT | Linz | kEUR | 36 | 25% |
| VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co. KG | AT | Linz | kEUR | 73 | 25% |
| Swietelsky d.o.o. | BA | Sarajevo | kBAM | 2 | 100% |
| Strakonická obalovna s.r.o. | CZ | Sousedovice | kCZK | 24,258 | 51% |
| Obalovna Lipník s.r.o. | CZ | České Budějovice | kCZK | 30,000 | 50% |
| Obalovna Ostrava s.r.o. | CZ | České Budějovice | kCZK | 17,930 | 50% |
| Obalovna Středokluky s.r.o. | CZ | Praha | kCZK | 5,000 | 50% |
| Obalovna Tábor s.r.o. | CZ | České Budějovice | kCZK | 5,000 | 50% |
| SČO s.r.o. | CZ | České Budějovice | kCZK | 10,000 | 50% |
| Západočeská obalovna s.r.o. | CZ | Plzeň - Koterov | kCZK | 40,000 | 50% |
| TBG SWIETELSKY s.r.o. | CZ | České Budějovice | kCZK | 10,000 | 49% |
| Obalovna Týniště s.r.o. | CZ | České Budějovice | kCZK | 30,000 | 33% |
| Chebská obalovna, spol. s r.o. | CZ | Štěnovice | kCZK | 17,744 | 33% |
| Obalovna Louny s.r.o. | CZ | České Budějovice | kCZK | 30,000 | 33% |
| Brněnská obalovna, s.r.o. | CZ | Brno | kCZK | 24,000 | 25% |

| | | | | 31/3/2018 | |
|--|----|------------|----------|--------------------|-------------|
| | | | Currency | Registered capital | Group share |
| Hrušecká obalovna, s.r.o. | CZ | Hrušky | kCZK | 1,540 | 20% |
| RPM Wiebe & Swietelsky & Co KG | DE | Achim | kEUR | 1,000 | 49% |
| RPM Wiebe & Swietelsky Beteiligungs-GmbH | DE | Achim | kEUR | 26 | 49% |
| SWIETELSKY TRAVAUX FERROVIAIRES | FR | Metz | kEUR | 5 | 100% |
| SICE LIMITED | GB | Edinburgh | GBP | 50 | 100% |
| FSP (2004) LIMITED | GB | Blantyre | GBP | 100 | 50% |
| BELVÁROS TETÖTÉR Kft. | HU | Budapest | kHUF | 3,000 | 100% |
| G.K.S. SWIETELSKY Kft. | HU | Dunakeszi | kHUF | 3,000 | 100% |
| Harmatház Kft. | HU | Budapest | kHUF | 3,000 | 100% |
| Mandarino Kft. | HU | Budapest | kHUF | 3,000 | 100% |
| MÁVÉPCELL Kft. "f.a." | HU | Celldömölk | kHUF | 30,000 | 100% |
| Rapid Tanács Kft. | HU | Celldömölk | kHUF | 3,000 | 100% |
| SWIETELSKY Iskolaprojekt Kft. v.a. | HU | Budapest | kHUF | 3,000 | 100% |
| SwO Metro 4 "Kálvin tér" Kkt. | HU | Budapest | kHUF | 1,000 | 100% |
| SwO Metro 4 "Rákóczi tér" Kkt. | HU | Budapest | kHUF | 1,000 | 100% |
| SwO Metro 4 Kkt. | HU | Budapest | kHUF | 10,700 | 100% |
| ZED-TBM Kft. | HU | Budapest | kHUF | 3,000 | 100% |
| Lajoskomárom-Dég Kft. | HU | Budapest | kHUF | 3,000 | 51% |
| EULAB Kft. | HU | Dunakeszi | kHUF | 80,000 | 50% |
| ZAK-Építő Kft. | HU | Budapest | kHUF | 20,000 | 50% |
| M6-Autópálya Kkt. | HU | Budapest | kHUF | 1,060 | 33% |
| HTB - Hoch-Tief-Bau Srl | IT | Nalles | kEUR | 10 | 100% |
| SWIERA SRL in Liquidazione | IT | Nalles | kEUR | 100 | 82% |
| SWIERALP SRL in Liquidazione | IT | Nalles | kEUR | 10 | 82% |
| Cosbau S.r.l. in Liquidazione | IT | Nalles | kEUR | 6,000 | 28% |
| Swietelsky Rail Luxembourg S.à.r.l. | LU | Windhoff | kEUR | 13 | 100% |
| Swietelsky Rail MN d.o.o. | ME | Podgorica | EUR | 1 | 100% |
| S.C. AMFIBOSWIN SRL | RO | Sibiu | kRON | 11,757 | 57% |
| Swietelsky - Boegl S.R.L. | RO | Bucharest | kRON | 200 | 50% |
| Swietelsky gradbeno d.o.o. | SI | Laibach | kEUR | 9 | 100% |
| Športfinal s.r.o | SK | Bratislava | kEUR | 7 | 100% |



Austria, Lermoos: viewpoint Tuffl Alm

GROUP MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2017/18

OF SWIETELSKY BAUGESELLSCHAFT M.B.H., LINZ

I. Macroeconomic environment

The global economy is currently in a phase of strong growth. Both industrial nations and emerging nations are contributing to global expansion. In the most recently published forecasts by IMF in April 2018 and the European Commission in May 2018, the predictions for global economic growth have been revised to be higher. These revisions were driven first and foremost by the increased growth predictions for the USA and global trade, which was a positive surprise in 2017 and will continue to grow significantly stronger this year than was expected in autumn.

Growth in the Eurozone for 2017 is at 2.4% according to IMF. The growth composition has recently changed, so the role of exports and investments has grown and private consumption has lost significance. These developments could, however, make growth in the Eurozone more vulnerable to trade restrictions and confidence effects and present a downside risk for the forecast. Inflation has varied between 1% and 1.5% for half a year and was 1.3% in March.

With the recovery of the labour market over the course of 2017, the unemployment rate declined by a percentage point to 8.6%. In the first quarter of 2018, however, the unemployment rate remained unchanged at 8.5%. In the fourth quarter of 2017 employment growth was 0.3%, slightly lower than the previous quarter (0.4%), which was due to a slowdown in growth of the industry and the service sector.

The economy of the Euroconstruct countries grew in 2017 by 2.3%, with the Eastern European countries Czech Republic, Hungary, Poland and Slovakia (EC-4 countries) contributing to this increase disproportionately by 4.4%. Most member nations had growth between 2% and 3%, Switzerland (1.0%) and Ireland (7.8%) provided the lower and upper limits of the range. This economic growth also positively impacted the situation on the labour market. With the exception of Denmark, unemployment fell again in all participating countries.

The construction sector gained further momentum. After a plus in 2016 of 2.5%, it managed to grow by a further 3.9% in 2017, reaching a total construction volume of EUR 1,521.4 billion. While the Western European countries showed a continuous upward trend (2016: 3.0%, 2017: 3.6%), the Eastern European countries recorded a significant trend reversal (2016: -7.3%, 2017: 9.1%). However, construction output is still 20% below the peak year 2007. Since then, construction output grew the most in Poland, while Spain, Ireland and Portugal had the least growth.

This positive development was due in particular to new residential construction, which increased by 10.3%, with development being very varied but always positive in the individual countries. The rest of the building construction sector also developed positively, if at a lower level, with 3.1%. Altogether, building construction had a total volume of EUR 1,213.2 billion, which corresponds to an increase of 4.4% in 2017.

Markets

Core markets (Austria, Germany, Hungary, Czech Republic) and other countries

Austria

The Austrian economy grew by 2.9% in 2017, maintaining a high growth level. In particular, Austria benefits from the favourable development of the world economy and the resulting increase in demand for Austrian products.

As a result of this, the situation on the labour market continues to be characterised by strong employment growth and a reduction in unemployment. Inflation has been decreasing since autumn 2017 and was at 2.1% in March. The increase in the value of the Euro and the recently halted increase in raw material prices are primarily responsible for this. The Austrian National Bank (OeNB) expects a growth in the real GDP of 0.7% and 0.6% as part of their quarterly short-term forecasts for the second and third quarter of 2018 (in relation to the previous quarter respectively). However, this means a slight reduction compared to the first quarter (0.8%), but with growth always remaining above the historical average growth.

The Austrian construction sector developed significantly better in 2017 with a growth of 2.6% than in previous years (2014: -0.1%, 2015: 1.1%, 2016: 1.1%). The total construction volume was EUR 40.7 billion. New residential construction increased significantly in 2017 (plus 2.5%). After a decrease by 0.6% in 2016, the residential renovation construction sector grew by 2.1% in 2017, as well. The rest of building construction, which benefited from a positive economic climate, showed even better improvement. Industrial building construction grew by 4.2% and office building construction grew by 5.7%, due to large projects in Vienna, which are ending in 2018. The overall building construction volume in 2017 was EUR 32.5 billion.

The growth in civil engineering is primarily driven by investments in transport infrastructure (3.1%). Road construction grew by 6.2% in 2017, after it showed a decrease of 1.8% in 2016. Investments in railway systems (0.0%) and in other infrastructure projects (1.4%) show little momentum. Investments in energy and water supply

have also stayed at the previous year's level, so the overall volume of Austrian civil engineering grew by 2.2% in 2017.

SWIETELSKY significantly increased output in Austria in the last financial year. Slight output decreases in railway construction are combined with significant increases in the other divisions. The output grew by EUR 157.0 million (12.3%) to EUR 1,434.9 million, which makes up 60.4% of the group's construction output. The share of output provided by building construction is again around 50%. The share of road and railway construction was 23%, slightly below the previous year. The civil engineering share remained constant at 18%, that of tunnel construction increased to 9%.

Germany

The GDP grew by 2.2% in 2017 according to the Federal Statistical Office. This is the highest growth since 2011 when Germany recovered from the consequences of the global financial crisis, even higher than 2016, where GDP increased by 1.9%. According to the figures, the strong economic recovery was due to consumers' propensity to buy, higher corporate spending and the strong global economy, which boosts the demand for products 'Made in Germany'. Germany's exporters are heading for the fourth record year in a row in 2017. In the first eleven months, machines, cars and other goods at the value of EUR 1.18 trillion (plus 6.5%) were shipped. The positive economic development is also reflected by the decreasing unemployment rate (2017: 5.7%), which has been steadily falling in the past years.

The German construction sector has the largest share of output of all the Euroconstruct countries with a total construction volume of EUR 329.3 billion and it grew in 2017 by 2.4% (2016: 2.6%). Growth driver was again new residential construction with 8.6% (EUR 64.1 billion), while residential renovation showed a slight declining trend (-0.2%, EUR 121.7 billion). Civil engineering increased by 3.8% altogether in 2017 (EUR 58.6 billion), with road construction clearly standing out with 8.0%. Other areas of civil engineering (railway systems, other transport infrastructure, telecommunication, energy and water supply) developed in a similarly positive way to the previous years. The rest of building construction again shows no

momentum but is developing positively with 1.0% (EUR 85.0 billion, 2016: 0.5%).

SWIETELSKY increased their output in Germany by around 25%, or EUR 62.6 million to EUR 310.0 million. The growth was sustained primarily by the building construction, which increased its share of output to 27%. The share of road and railway construction was around 48% in the past financial year, that of civil engineering fell to 25% with no sector showing declining output.

Hungary

After GDP growth reached around 2.2% in 2016, it hit 4.0% growth in 2017, which means a solid performance on a relatively high level in the European context.

Consistently high economic growth over the last four years can definitely be associated with the grants from 2007 to 2013. Altogether, in this period, Hungary was awarded grants at the value of EUR 10.7 billion. With these grants, investments have most notably increased in the construction and infrastructure industries. In the funding period 2014-2020, total funding was raised again: over EUR 20 billion was budgeted in this seven-year period for Hungary. Grants over the last year correspond to almost 5% of the Hungarian GDP, which means no other member nation benefits more.

After shrinking by 18.3% in 2016, the construction sector made up for the decline in 2017 with a plus of 25.0%. Growth was primarily due to new residential construction (72.2%), which grew significantly more than the rest of building construction at 15.4%. Civil engineering, being largely dependent on public projects, grew by 34% in 2017, however, after a significant slump in 2016 (-34.0%). The total construction volume in Hungary, at EUR 10.7 billion, is actually significantly higher than that of the previous year (EUR 8.5 billion), but only slightly higher than 2015 (EUR 10.4 billion).

In Hungary, SWIETELSKY considerably made up for the previous year's output decline. Due to building construction and road and railway construction, output increased by around 39%, or EUR 76.1 million. The total construction output of EUR 270.5 million consists mainly of road and railway construction (65%) and building construction (32%), civil engineering makes up the remaining 3% of our Hungarian operations.

Czech Republic

The momentum of the Czech economy increased even more in the fourth quarter of 2017: the GDP grew by 5.2% compared to the previous year or 0.5% compared to the previous quarter. So total GDP increased by 4.6% in 2017, which was among Europe's top figures. Strong foreign demand and high domestic consumption in particular contributed to the growth. All economic sectors are thriving – especially industry, but also the service sector.

Plant investments grew by 8% in the fourth quarter of 2017 in comparison to the previous year and remained unchanged in comparison to the third quarter of 2017. Companies have invested primarily in machinery and equipment. Industrial production (incl mining) increased by 5.7% in comparison to the previous year with output in the processing industry (excl mining) increasing by 6%. The highly export oriented carmakers and automotive industry remains the unchallenged driving force with a share of around 20% of industrial value creation and around 18% of total exports. In the previous year, production increased in this sector by 9%, other industrial branches with growth above-average were the chemical industry (20%), the production of data processors, electronic and optical products (10%), the pharmaceutical industry (10%), the plastic industry (8%), the production of electric facilities (10%) and mechanical engineering (7%).

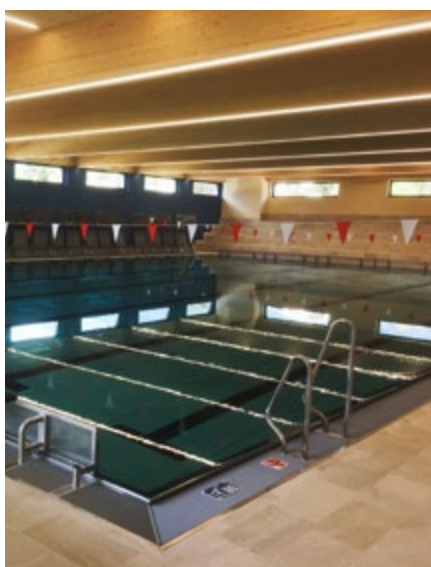
The construction sector in the Czech Republic developed positively with a plus of 3.4%; the development of the sectors has been varied. Building construction (6.5%) has developed significantly positive – further supported by prospering new residential construction (20.6%). Civil engineering, on the other hand, remains in the recession (-4.2%). In particular, the transport infrastructure sector suffered again from restrained public investment activities and showed a minus of 5.4%, after already declining in 2016 by 14.7%. The total construction volume in the Czech Republic increased to EUR 17.7 billion in 2017 but remains below that of 2015 (EUR 18.1 billion).

In the Czech Republic too, the reduction in output of the previous year was made up for. The total construction output of SWIETELSKY in the Czech Republic increased by 12.5% to EUR 210.7 million. The output share of road and railway construction was around 61% and that of building construction was 28%. Civil engineering increased its share of output to around 11%.

Other countries

SWIETELSKY also operates outside the above mentioned core markets, either via project-related production sites or subsidiaries. In addition to subsidiaries in Great Britain, the Netherlands, Denmark, Norway and Australia, this affects the CEE region in particular.

In Romania, Croatia, Norway, Poland, Great Britain, Slovakia, Italy, the Netherlands, Denmark and Australia the SWIETELSKY group generated EUR 150.4 million, around 6.3% of the total construction output.



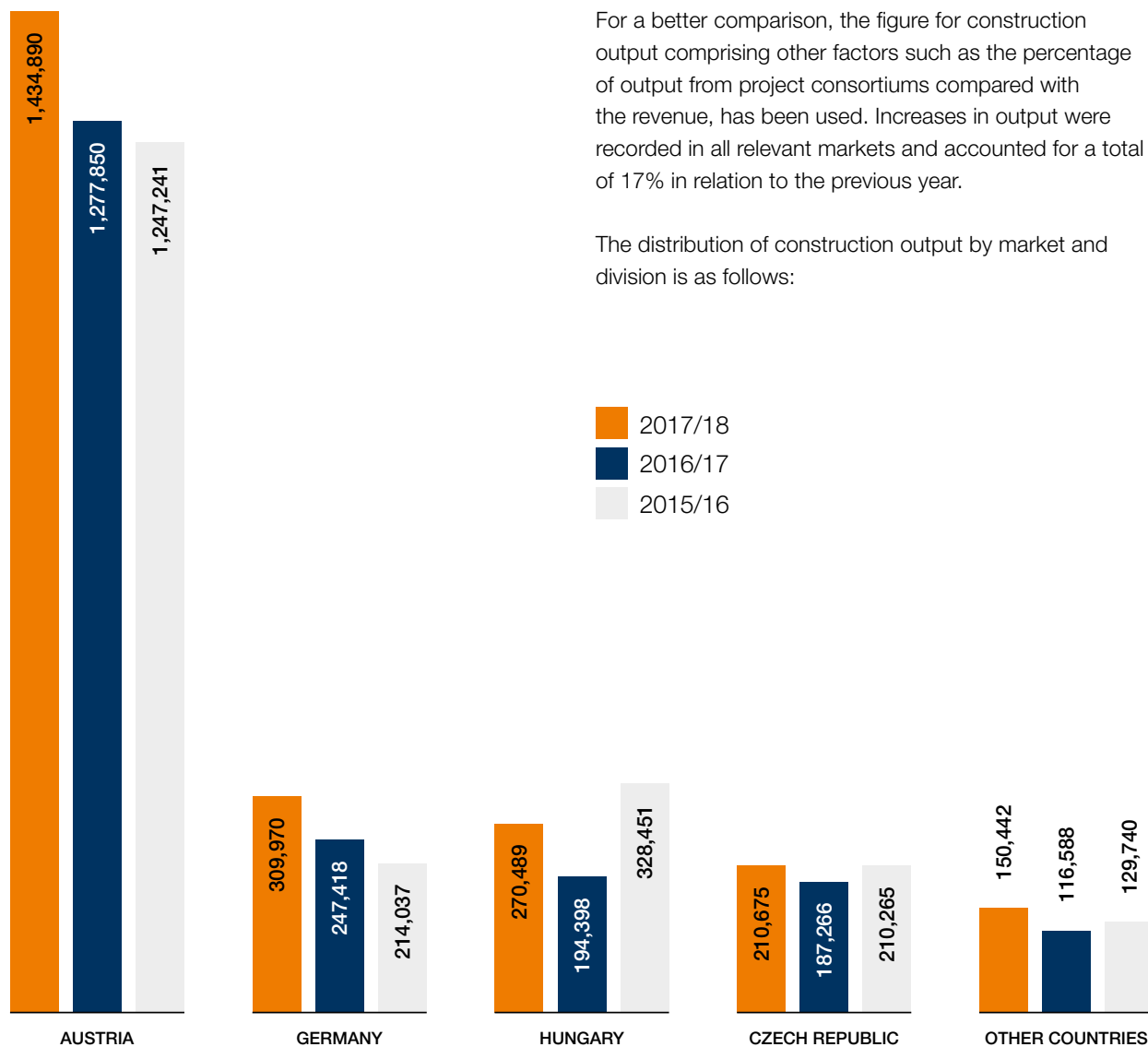
Austria, Tyrol: indoor swimming pool, Telfs





Austria, Vienna: new villas XIX

CONSTRUCTION OUTPUT BY MARKET



| FIGURES IN THOUSAND EUR | 2017/18 | % | 2016/17 | % | 2015/16 | % |
|-------------------------|------------------|------------|------------------|------------|------------------|------------|
| by market: | | | | | | |
| Austria | 1,434,890 | 60 | 1,277,850 | 63 | 1,247,241 | 59 |
| Germany | 309,970 | 14 | 247,418 | 12 | 214,037 | 10 |
| Hungary | 270,489 | 11 | 194,398 | 10 | 328,451 | 15 |
| Czech Republic | 210,675 | 9 | 187,266 | 9 | 210,265 | 10 |
| Other countries | 150,442 | 6 | 116,588 | 6 | 129,740 | 6 |
| Total | 2,376,466 | 100 | 2,023,520 | 100 | 2,129,734 | 100 |

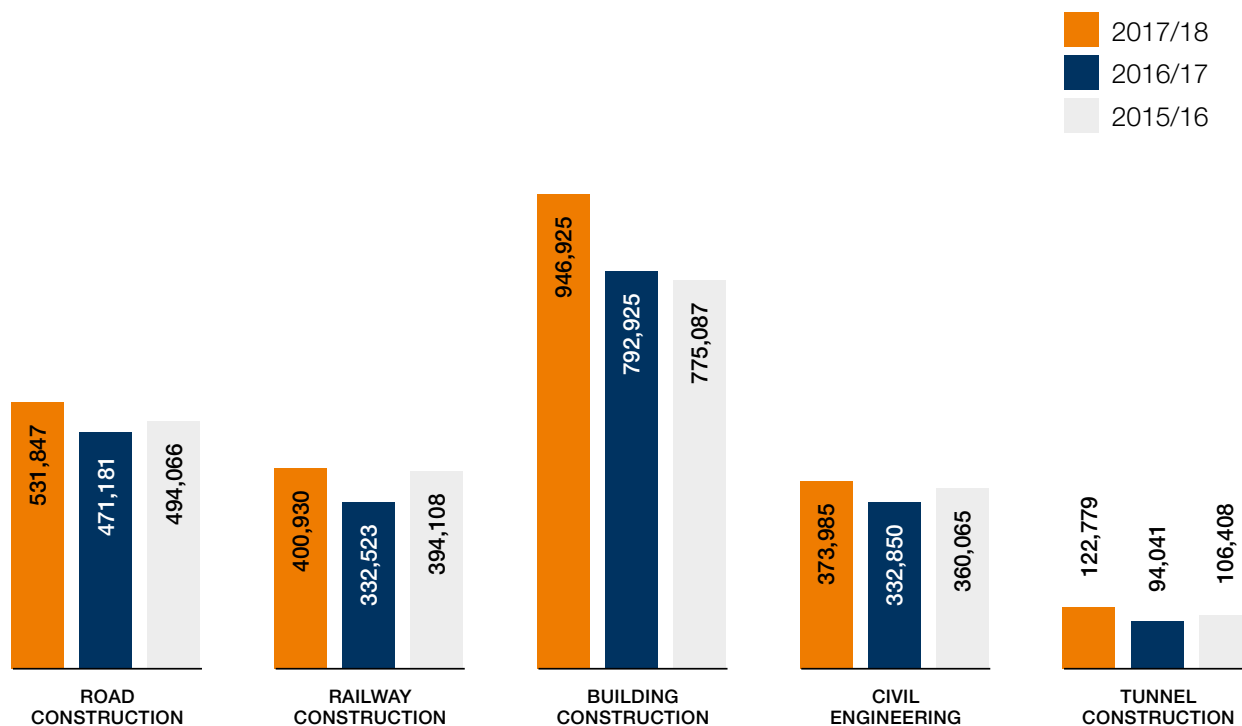
II. Group development

Revenue and construction output

For a better comparison, the figure for construction output comprising other factors such as the percentage of output from project consortiums compared with the revenue, has been used. Increases in output were recorded in all relevant markets and accounted for a total of 17% in relation to the previous year.

The distribution of construction output by market and division is as follows:

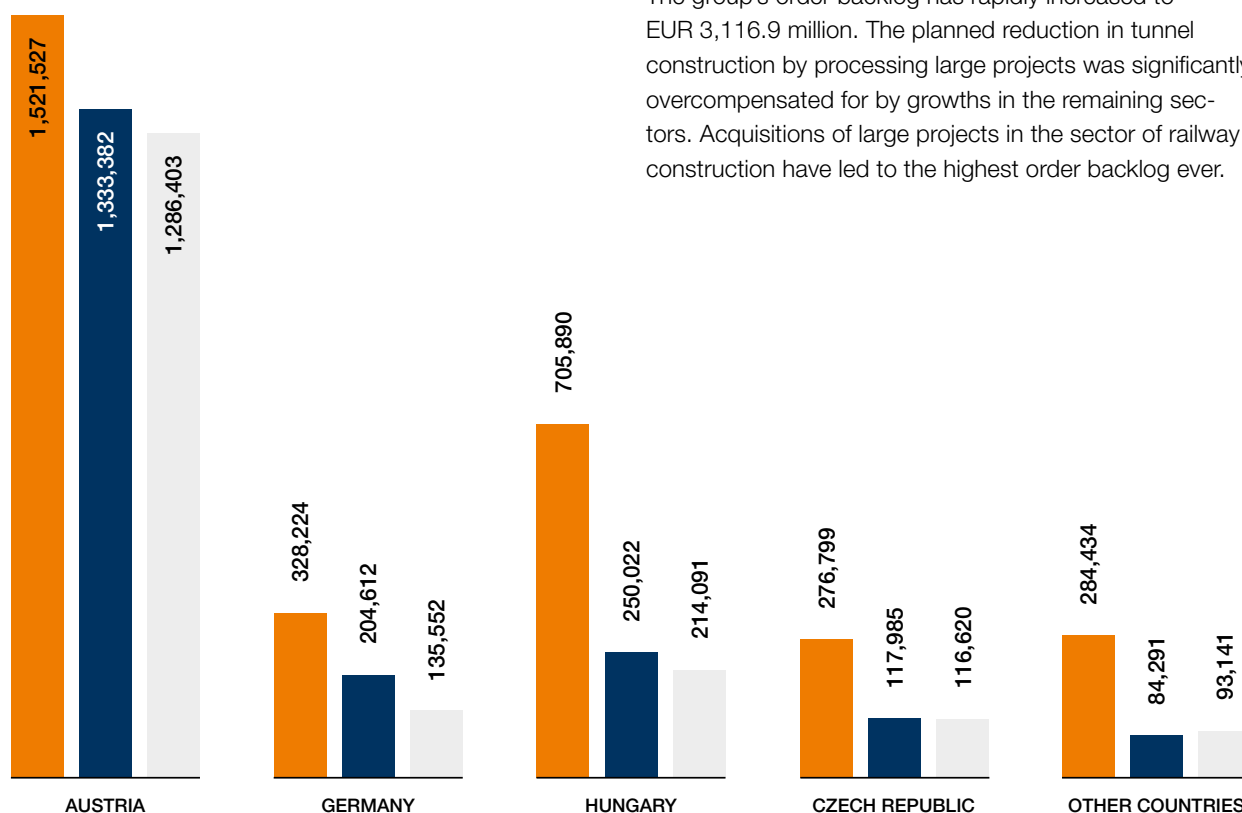
CONSTRUCTION OUTPUT BY DIVISION



| FIGURES IN THOUSAND EUR | 2017/18 | % | 2016/17 | % | 2015/16 | % |
|-------------------------|------------------|------------|------------------|------------|------------------|------------|
| by division: | | | | | | |
| Road construction | 531,847 | 22 | 471,181 | 24 | 494,066 | 23 |
| Railway construction | 400,930 | 17 | 332,523 | 16 | 394,108 | 19 |
| Building construction | 946,925 | 40 | 792,925 | 39 | 775,087 | 36 |
| Civil engineering | 373,985 | 16 | 332,850 | 16 | 360,065 | 17 |
| Tunnel construction | 122,779 | 5 | 94,041 | 5 | 106,408 | 5 |
| Total | 2,376,466 | 100 | 2,023,520 | 100 | 2,129,734 | 100 |

In line with performance, the revenue indicated in the IFRS financial statement are above that of the previous year by around EUR 308.4 million (16.2%) at EUR 2,213.4 million. However, this year there is a positive change in inventory (EUR 22.3 million) due to the construction of in-house building projects. The other operating income and the own work capitalised are at the level of the previous year (2017/18: EUR 15.6 or 5.7 million; 2016/17: EUR 17.2 or 6.2 million).

ORDER BACKLOG BY MARKET



Order backlog

The group's order backlog has rapidly increased to EUR 3,116.9 million. The planned reduction in tunnel construction by processing large projects was significantly overcompensated for by growths in the remaining sectors. Acquisitions of large projects in the sector of railway construction have led to the highest order backlog ever.

| FIGURES IN THOUSAND EUR | 2017/18 | % | 2016/17 | % | 2015/16 | % |
|-------------------------|------------------|------------|------------------|------------|------------------|------------|
| by market: | | | | | | |
| Austria | 1,521,527 | 49 | 1,333,382 | 67 | 1,286,403 | 70 |
| Germany | 328,224 | 11 | 204,612 | 10 | 135,552 | 7 |
| Hungary | 705,890 | 23 | 250,022 | 13 | 214,091 | 12 |
| Czech Republic | 276,799 | 9 | 117,985 | 6 | 116,620 | 6 |
| Other countries | 284,434 | 8 | 84,291 | 4 | 93,141 | 5 |
| Total | 3,116,874 | 100 | 1,990,292 | 100 | 1,845,807 | 100 |

Profit situation

The last financial year 2017/18 was again very satisfactory and it managed to exceed the already very good result of the previous year. The EBIT (earnings before interest and taxes) increased in relation to the previous year by EUR 8.0 million, with the contributions to profit from the core markets – especially from Hungary and Germany –

being again pleasing. With EUR 80.8 million, an EBIT was obtained, which was significantly above last year's average. Due to the higher tax burden the earnings after tax were slightly below that of the previous year (EUR 56.1 million), at EUR 54.6 million.

Financial position

| FIGURES IN THOUSAND EUR | 2017/18 | % | 2016/17 | % | 2015/16 | % |
|----------------------------------|------------------|------------|------------------|------------|-----------------|------------|
| Non-current assets | 351,578 | 26 | 319,646 | 31 | 280,896 | 29 |
| Current assets | 993,526 | 74 | 710,445 | 69 | 689,168 | 71 |
| ASSETS | 1,345,104 | 100 | 1,030,091 | 100 | 970,064 | 100 |
| Equity | 367,609 | 27 | 324,282 | 31 | 306,276 | 32 |
| Non-current liabilities | 156,014 | 12 | 202,918 | 20 | 194,743 | 20 |
| Current liabilities | 821,481 | 61 | 502,891 | 49 | 469,045 | 48 |
| EQUITY and LIABILITIES | 1,345,104 | 100 | 1,030,091 | 100 | 970,064 | 100 |
| Net debt | | | | | | |
| Financial liabilities | 81,419 | | 140,024 | | 145,528 | |
| Provision for severance payments | 22,596 | | 21,730 | | 18,992 | |
| Pension provisions | 279 | | 276 | | 256 | |
| Cash and cash equivalents | -507,767 | | -317,251 | | -290,497 | |
| Net debt | -403,473 | | -155,221 | | -125,721 | |
| Gearing | -1.10 | | -0.48 | | -0.41 | |

Net debt = interest-bearing debt + non-current provisions – cash and cash equivalents

Gearing = net debt/equity

In the past financial year we invested heavily. The technical facilities and machinery have been substantially refurbished, especially in Austrian and German, but also Czech companies. The investments in the amount of EUR 83.6 million contributed to the growth of total assets considering disposals, depreciation and amortisation of assets at EUR 32.2 million. The strong increase in cash and cash equivalents (EUR 190.5 million), the increase in receivables (EUR 77.1 million) and the increase in miscellaneous assets (EUR 15.2 million) lead to a balance sheet extension by around 30% to EUR 1,345.1 million.

On the liabilities side, trade liabilities recorded the greatest increase by far (EUR 303.5 million), contingent on the development of advances from large projects. Financial liabilities fell by EUR 58.6 million, provisions increased by around EUR 17.4 million. Despite a disbursement of EUR 10.0 million, equity further increased to EUR 367.6 million. The equity ratio was held at 27.3%, a very pleasing value in the cross-sectoral comparison.

Selected key figures and financial performance indicators

| FIGURES IN THOUSAND EUR | 2017/18 | 2016/17 | 2015/16 |
|--|----------------|----------------|----------------|
| Construction output | 2,376,466 | 2,023,520 | 2,129,734 |
| Revenue | 2,213,417 | 1,904,973 | 2,155,766 |
| Order backlog | 3,116,874 | 1,990,292 | 1,845,807 |
| Staff (annual average) | 9,475 | 8,957 | 8,713 |
| Construction output/Staff | 251 | 226 | 244 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 126,533 | 114,936 | 125,304 |
| Earnings before interest and taxes (EBIT) | 80,840 | 72,840 | 87,188 |
| Interest income | -2,773 | -5,335 | -8,505 |
| Earnings before tax (EBT) | 78,067 | 68,611 | 78,614 |
| Earnings after tax | 54,564 | 56,142 | 63,064 |
| Operating Cash flow | 107,102 | 100,947 | 92,433 |
| Cash flow/Construction output | 4.5% | 5.0% | 4.3% |
| Return on sales (ROS) | 3.7% | 3.8% | 4.0% |
| Return on equity (ROE) | 22.6% | 21.8% | 27.3% |
| Return on investment (ROI) | 6.8% | 7.3% | 8.9% |
| Total assets | 1,345,104 | 1,030,091 | 970,064 |
| Equity | 367,609 | 324,282 | 306,276 |
| Equity ratio | 27.3% | 31.5% | 31.6% |

ROS = EBIT/Revenue
ROE = EBT/Ø Equity
ROI = EBIT/Ø Total capital



Czech Republic, Pelhřimov: multifunctional playground with athletic track



Austria, Innsbruck: residential building, Mariahilfstraße

III. Risk management

Responsible handling of our risks serves the ultimate goal of a long-term increase in company value. In the course of our risk management it must be ensured that both external risks – in particular those in the entrepreneurial environment – and internal inherent in processes and procedures, are evaluated and minimised. Existing and anticipated risks are expertly evaluated through our total value added process and systematically handled from an income return perspective, according to the company principle of 'putting earnings before sales'.

We make a distinction between core risks, which we accept ourselves, and other risks, which we are able to insure against or transfer to others.

Market risk

The construction sector as a whole is, depending on markets and divisions, vulnerable to diverse fluctuations. Unemployment, consumer behaviour, conditions on the financial and capital markets as well as the political climate, have an effect on our development. However, changing framework conditions also offer opportunities which SWIETELSKY has often been able to exploit in the past through its flexible organisation.

SWIETELSKY offers a broad range of services and strives to further diversify its portfolio with respect to products, services and markets and to spread risks optimally. Thanks to our entrepreneurial staff, we regard ourselves as in a good position to actively tackle this risk.

Operational risks

Project and contract risks accrue from the SWIETELSKY Group's traditional building and project business. All projects are audited and plausibility-checked throughout the tendering process up until the conclusion of contract for technical, commercial and legal risks. Guidelines and procedures for auditing in compliance with ISO 9001 ensure uniform calculation of project costs. Clear competence standards for transactions requiring approval safeguard the technical and economic evaluation and analysis of tenders.

When taking on projects, costing guidelines and procedures regulate uniform calculation of project costs. Order processing is controlled via monthly variance analyses and constantly supervised by central controlling. In the performance phase there is a risk that tight completion schedules cannot be adhered to. Insofar as these missed deadlines affect our business, the threat of contractual penalties exists.

We manage warranty risks by conducting consistent quality management and, where necessary, demanding securities or guarantees from contractors.

SWIETELSKY strives to avoid legal disputes. However, as this aim is not always achievable, domestic and overseas entities may become involved in legal or arbitration procedures, the outcome of which is naturally difficult to predict. We operate on the assumption that, following due diligence for all pending litigation, appropriate financial provisions are established.

Human resource risk

Human resource risks arise from employee turnover, the resulting loss of knowhow and the lack of specialist and management staff and suitable trainees. SWIETELSKY therefore strives to further develop their employees' qualifications and to support the internal career opportunities within the SWIETELSKY group. Monetary incentive systems make SWIETELSKY an attractive prospect, especially to business-minded employees. Additional initiatives for health promotion and the improvement of working conditions and employee satisfaction contribute to the company's reputation.

Procurement risk

SWIETELSKY strives to cooperate on a long-term basis with its partners. In central procurement, framework contracts and framework price agreements are closed with selected suppliers. The operative units can reach these suppliers if needed using a central procurement portal. Through observation of the market for energy and raw materials and constant monitoring processes, we attempt to minimise the risk of possible losses due to price increases in this area, whereby primary measures (for example physical procurement and threshold agreements in construction contracts) provide a fundamental advantage over derivative instruments.

Financial risks

SWIETELSKY has robust, long-term financial structures and uses conservative financial instruments.

A liquidity risk arises if solvency and financial capability is impaired. Our financial resources contain appropriate growth and liquidity reserves and the corresponding lines of revenue are widely dispersed.

Overall, we ensure that all group companies have sufficient, long-term cash and guarantee credit capacities to successfully finance business operations and new projects. Due to a lack of need, however, cash credit facilities have been reduced to the operatively necessary amount (i.e. the facilities necessary for the implementation of transactions and for hedging FX risks), as it is rarely necessary to use cash facilities due to high liquidity levels. These are partially converted to guarantee facilities, further guarantee facilities

have been offered to us by several institutes (banks, insurance providers), however, only some of these have been implemented in a demand-orientated way.

High advances from – mostly public – clients have led to additional bank deposits. In Hungary in particular, high advances are currently standard business practice in the construction sector.

We are currently considering investing some fractions of the cash in short- and mid-term funds, denominated in EUR and HUF, to spread the risk. Through diversification we managed to avoid negative interest for deposits.

To better meet treasury requirements in the group, we have begun to implement a group treasury system.

The monitoring of counterparty risks was refined this financial year, they are now monitored on three levels throughout the group (individual bank, banking group, cross-guarantee system).

A central debtor management function constantly audits the creditworthiness of customers, oversees payment agreements and thus secures receipt of payments. The interest rate risk is constrained centrally by the group's financial management via hedging transactions. Foreign currency risks are minimised through forward exchange transactions. Adherence to internal guidelines is overseen by an appropriate control system.

IT risk

With regard to technical development and the growing significance of digitalisation, the protection and securing of our own and our customers' entrusted information, as well as information about business processes and systems is of enormous importance.

As part of the IT security strategy, strategic measures have been taken, which are continuously improved using an ongoing process due to the momentum of digitalisation. External audits support this process and are an important element for identifying risks early.

The significance of the 'human' element of IT security has been taken into account by introducing additional training and sensitising measures.

Misconduct risk and compliance

In the future, just as in the past, SWIETELSKY wishes to be accepted as a reliable and competent partner to its customers and suppliers and to all its business partners in the public and private sectors. It is the responsibility of every individual to behave at all times fairly, respectfully, with integrity and in a law-abiding fashion towards colleagues, customers and contractors, but also towards competitors. To support this, our written code of conduct is in place, which reflects the guidelines and principles of our values and which is to be upheld by every SWIETELSKY employee, regardless of position. This code forms the basis of proper conduct from a moral, ethical and legal aspect and is available in our core markets in the respective national languages.

As part of the development of the compliance management system, SWIETELSKY builds above all on internal communication, instruction and training. These measures and the code of conduct should significantly contribute to embedding these moral concepts in the company. The executive board will promote the embedding of these values within the business even more vigorously and expresses a clear commitment to zero tolerance of misconduct in this area.

IV. Report on essential characteristics of the internal control and risk management system with regard to the financial reporting process

Introduction

The aim of the internal control system is to support management to be in the position to ensure effective and continuously improving internal controls with regard to financial reporting. It is aimed on one hand at adherence to guidelines and regulations and on the other hand at creation of advantageous conditions for specific control measures in key accounting procedures.

The accuracy and reliability of financial reporting is of prime importance both for management decisions and for provision of information to owners and all relevant stakeholders.

The internal control system comprises, in addition to assessment of operational risks, adherence to legal and proprietary standards and processes of the SWIETELSKY Group. Its aim is the uniform mapping of business transactions, thereby supporting management via decision-relevant information. This is implemented through ensuring comparability of data via both relevant statutory provisions and internal guidelines. Relevant requirements for ensuring correctness of internal and external financial reporting are recorded in internal accounting and valuation regulations.

Control environment

The implementation of the internal control system with regard to the financial reporting process is stipulated in internal guidelines. Responsibilities for the internal control system are adapted to the corporate structure, in order to ensure a satisfactory controlling environment which meets requirements.

Risk assessment

Risks relating to the financial reporting process are raised and monitored by management. The focus here is on significant risks.

For preparation of financial statements, regular estimates must be made, whereby there is an intrinsic risk that future growth will deviate from these estimates. This particularly affects the following issues and items on the company financial statement: valuation of unfinished construction projects; valuation of provisions, including social capital provisions; outcomes of legal disputes; collectability of receivables and intrinsic value of investments and goodwill. In individual cases external experts are consulted or delegation made to publicly available sources, in order to avoid the risk of misjudgement.

Control measures

All control measures are applied in the ongoing business process, in order to ensure that errors or discrepancies in financial reporting are avoided. Control measures range from reviews of interim results by management through to reconciliation of accounts and monitoring of cost centres.

A clear separation of functions, various control and plausibility checks and a continuous application of the 'four-eyes principle' ensure accurate and reliable accounting. The departments and areas involved in the financial reporting process are appropriately equipped both in terms of expertise and personnel. The staff deployed are carefully selected, trained and receive ongoing further training.

Since the SWIETELSKY Group comprises several decentralised units, the internal control system must also be decentralised, while the processes performed by the controlling department are overseen centrally. Responsibility for the organisation and practical application of control measures lies with the individual manager of the accountable area.

Due to legal and economic demands and the decentralised structure, particular attention is paid to the IT systems used within the group. All business processes rely significantly on the secure functioning of information and communications technology. Support for business processes via integrated information and communications technology is an essential requirement for expanding the market position of the SWIETELSKY Group.

The security of data and information processed within the company against access by unauthorised persons is ensured.

Information and communication

Guidelines and regulations for financial reporting are regularly updated by management and communicated to all staff concerned.

Regular discussions regarding financial reporting and the associated guidelines and regulations take place in various committees. As well as management, departmental managers and leading employees from the accounting department also sit on these committees.

The staff involved are continuously trained with regard to innovations in national and international accounting, in order that the risks of inadvertent misreporting can be recognised in good time.

V. Staff

SWIETELSKY employed on average 9,475 staff in the previous financial year (2016/17: 8,957). Of these, 6,151 were employed as blue-collar workers and 3,324 as white-collar workers (2016/17: 5,822 blue-collar and 3,135 white-collar workers). In the last financial year significantly more staff was hired compared to previous years. New staff admissions affect primarily Austria (329 individuals), Czech Republic (56 individuals), Germany (71 individuals) and Slovakia (23 individuals).

We see our staff as key to the success of the company. Entrepreneurial thinking and autonomous action have long been an essential part of our company culture. Many small units under a common roof have been and continue to be the key to our success. The transparent bonus model provides additional motivation and commitment. Loyalty to the company is rewarded with a graduated bonus scheme and a generous long-service provision.

Education and training is provided through relevant sustainable staff development, whether internal training activities or external courses.

Staying abreast of demographic changes, apprentice training in Austria continues to be paid special attention. The SWIETELSKY Group in Austria is currently training approximately 200 apprentices in ten professions. Our apprentice academy has proved especially popular. Here, in two training blocks of three weeks each, apprentices are taught not just theoretical knowledge, such as risk prevention on building sites, but also practical knowledge. The modules are led by experienced foremen and encompass laying of paving stones and slabs, specific building techniques, formwork and basic carpentry skills. For the first time, this year two experience days were held as part of the apprentice academy in Königswiesen and Lachstatt for team building. Here, the focus was on communal exercises and a sense of achievement on the Giant's ladder. This event made the participants and foremen on the training very happy. Camera supervision to produce an image film was also a new addition.



Germany, Munich: Oertelplatz

As part of staff development, education and training requirements are evaluated by a management committee at least once a year in order to maintain and further develop relevant qualifications.

The internal site manager apprenticeship has been very popular and is composed of six technical and two social modules, in-service over two years. In the previous year the focus was again on commercial training programmes, which are to take place at regular intervals in the future. This serves both to provide current awareness of increasing financial and fiscal requirements and to give new staff the opportunity to get to know the commercial organisation of SWIETELSKY.

The working environment of our staff is designed with occupational safety, health protection and environmental protection taken into account. The emphasis of occupational health guidance is not only on risk assessment and avoidance of workplace accidents, but also on measures for early detection of possible work overload. In addition, regular training courses and activities are offered which not only aim to avoid accidents and illness, but are also aimed at actively promoting the health of employees.

The management thanks all staff, whose commitment and professional competence have contributed to our ability to reach most of our corporate goals, even in this difficult economic environment.

We would also like to express our thanks to our works council for their objective and constructive cooperation.

VI. Quality management

Within the construction industry, the demands of planning, preparation and implementation are becoming increasingly more complex and extensive, for reasons including the changing legal framework.

For this reason, a certified quality management system based on international standards has been in existence for nearly twenty years. The decision was made to develop and implement a user-friendly and efficient integrated management system. It is available to staff as a supporting toolkit to ensure that implementation conforms to contractual and legal requirements.

As well as quality (ISO 9001), the integrated management system also encompasses occupational health and safety (OHSAS 18001) and environment (ISO 14001). Through internal and external audits and the annual executive management review, the application and implementation of standards is assured, assessed and, where necessary, adapted.

Mission statement and company policy

The mission statement is determined by management in accordance with the group strategy and geared to the type of service.

We plan the specific customer benefit in expert professional consultation, before and during construction phase.

The employees provide the customers with their long-term experience and their overall expertise. We aim to serve our customers even after completing the service and maintain customer contact.

We plan and operate in accordance with the principle: 'quality over quantity'.

This is the prerequisite for the successful realisation of our projects. The responsible running and handling of construction sites and services, as we understand it, means ensuring a consistently high standard of quality. Aspects like environmental protection have a high significance for us, just as adhering to customer's delivery dates does. For us, quality also means being able to offer the customer not just personnel with first class training but also a state of the art equipment fleet taking into account resource-saving environmental aspects.

Our company policy is 'return before revenue'. For this reason, people in responsibility positions have a lot of freedom of choice in the acquisition and implementation of projects. With the aid of cost accounting, we can transparently measure economic success and confirm this with the responsible people on a monthly basis.

It is a declared goal of management to implement the legal requirements in relation to preventative occupational safety and health protection. To fulfil the requirements, corresponding programmes taking into account occupational physicians, safety officers and the responsible representatives are implemented.

All areas of organisation are involved in ensuring a robust environmental performance taking into account the client and the legal requirements. For this, there are set goals and environmental programmes derived from the mission statement to be implemented from an economic perspective.

There are further management goals and programmes to consider the relevant environmental aspects, as well as the legal conditions.

We see our suppliers and subcontractors as powerful partners. Our collective goal is optimal customer satisfaction. To achieve this, it is necessary to consider qualitative and economic aspects and those relevant to the environ-

ment in the selection of our suppliers and subcontractors and to evaluate these as part of the provision of services according to set criteria. Our mission statement is geared towards preventative error avoidance and a continuous improvement of operational and organisational structure.

VII. Environment and energy

The construction sector is a resource- and energy-intensive branch of industry and therefore impacts significantly and extensively on the environment. Aware of finite resources and increasing environmental damage, SWIETELSKY strives to ensure the application of resource-saving processes and environmentally friendly equipment in all project phases.

We have our own waste management system, waste management plans and environmental officer, thus environmental protection, taking into account extensive legal requirements, is afforded great importance.

SWIETELSKY endeavours to the best of its ability to participate in reaching the EU target of recycling 70% of construction waste and thereby reducing landfill.

Because of these requirements, SWIETELSKY considers itself obliged to transform the mineral wastes from construction sites into CE-marked materials recycling products as far as possible. Certified in-house production controls serve to ensure the quality control of these products. In order to improve environmental performance, it is necessary to utilise these materials increasingly at the point of origin or to use them as substitutes in the production of building materials. Thus primary raw materials are conserved and the logistics outlay and resulting emissions reduced.

Non-reusable waste is sorted according to material and stored temporarily in an environmentally compatible fashion. Segregated collection means expenses are reduced and the recycling rate is increased. SWIETELSKY also ensures proper disposal via the operation of landfill sites.

Various energy and environmental protection projects are developed and implemented in branches and subsidiaries. Production facilities are regularly evaluated for energy efficiency and updated with regard to economic aspects.

On the basis of the opportunities for improving energy efficiency put together in the last energy audit report, smaller and larger projects are being developed and implemented. These begin with the ongoing switchover to LED lighting in office and production spaces and end with greater investment and the replacement of heating systems.

When investing in fleet and when new machinery and equipment is purchased, energy consumption is a significant decision criterion. Annual CO₂ monitoring is provided for the significant vehicle types in the fleet.

The ongoing recording of the use of energy in the production process enables us to show savings potential by comparing production costs at different production sites.

In many areas, particularly in mountainous regions, SWIETELSKY tackles erosion control with both technical and biological methods. In addition, innovative solutions, tailored to the specific site, are being developed. These developments have in some cases also resulted in patent applications.

In the environmental domain, the primary aim is to conserve resources such as air, water, energy and soil, to optimise materials and logistics outlay and to reduce emissions as far as possible. Continuous improvement of the quality awareness and environmental awareness of staff is therefore regarded by management as an executive function.

VIII. Technology and innovation

Advancements and new solutions are developed on various levels at SWIETELSKY. The IMS – ‘integrated management systems’ – department, ensures that our company is informed about the latest developments specific to the building materials and construction techniques sector. The commitment of highly qualified staff ensures that we are in a position to carry out our own developments as well as contributing to and arranging research projects.

In addition to specific research and development projects, a large percentage of innovations take place as part of ongoing construction projects in which new solutions are required due to scheduling, geological or technical framework requirements. Almost on a yearly basis, new technologies are developed in tunnel, alpine and railway construction or innovative methods are put to use and

continuously developed and improved. In the last financial year for the first time new construction methods were submitted as research and development projects in the field of civil engineering.

Rapid development in the area of environmental sustainability of building products and excavated soil necessitates developments in the area of testing methodology and adaptation of existing test methods in our accredited test and inspection centre. Here the organisation and evaluation of round robin tests and comparative tests are essential tools. Our knowledge in this field is also used by external construction material manufacturers as part of studies and reports.

The findings obtained as part of materials testing help to develop sustainable applications.

IX. Forecast

In the current World Economic Outlook (WEO), IMF revises its forecast for 2018 for the Eurozone further upwards. The growth forecast for 2018 is now 2.4%, that for 2019 remains unchanged at 2.0%. The forecast for the Euroconstruct countries is at 2.3% (2018 and 2.0% for 2019). The upwards revision is caused by fiscal stimuli from the USA as well as the higher domestic and foreign demand and the expansive monetary policy environment. The risks are increasing around the world, with geopolitical risks in particular being considered dominant. The current forecast is therefore subject to a significantly increased forecast uncertainty. The volatility of the financial markets has recently increased significantly and the consequences of the discussed introduction of punitive tariffs between the USA and major trading partners (European Union, China) are difficult to estimate.

The growth of the construction sector will also advance in 2018 with a predicted 2.7%. It is worthy of note here that until now, a growth over two years has never before been seen in all of the Euroconstruct countries. The highest growth is expected in Hungary (24.6%), Ireland (11.1%) and Poland (9.9%). In Great Britain (0.1%) and Germany (0.8%) on the other hand, growth is at its lowest. New residential construction will grow further, however, with 5.1% only half as fast as in 2017. Civil engineering will continue to develop positively and its growth in 2018 will more than double to 4.4%. According to the forecast, the growth of the construction sector will halt in 2019 (1.9%) and 2020 (1.4%), whereas in some

countries reverse development is expected (Germany and Sweden 2019: -0.2%).

The Austrian economy will again have strong growth according to the OeNB in the coming months. In relation to the economic peak at the end of 2017, a slight reduction is actually expected, but growth will remain above the long-standing average. According to the Austrian Institute for Economic Research (WIFO), economic growth of 3.2% is expected for the full year of 2018. As well as the domestic demand, foreign trade contributes positively to the growth of the Austrian economy. The persistent improvement in the labour market and optimal consumer confidence are reflected in domestic demand. Export growth will continue, although on a significantly lower level (2017: 6.7%, 2018: 1.1%).

There are uncertainties with regard to economic development in Austria, due to threatened import restrictions by the USA, which Austria may encounter both directly and indirectly – especially in the automotive industry. The EU budget, and thus that of Austria, is hampered by Great Britain's departure from the European Union. Possible difficulties may also arise in economic relations with Great Britain due to their leaving the EU.

The positive economic development will also influence the growth of the construction sector, if in a somewhat toned-down way. A growth of 1.6% is forecast for 2018 and a further increase of 1.5% is expected for 2019 and 2020. Building construction (2018: 1.7%, 2019: 1.5%) is set to perform better than civil engineering over the next two years (2018: 1.1%, 2019: 1.3%). WIFO's preview for 2020 shows civil engineering may increase by a further 2.3% and building construction may increase by 1.3%.

In Austria, SWIETELSKY expects a slight growth in construction output.

The German economy also grew in the first quarter of 2018. The GDP increased by 0.3% in relation to the previous quarter when adjusted for prices. As expected, growth was lower than the high quarterly average growth of the German economy of 0.7% in 2017. The demand for industrial production both domestically and from countries outside of the Eurozone fell below that from the previous quarter and thus reduced exports. There were also certain one-off effects, which had a temporarily reducing effect. But all in all, the upturn of the German economy remained intact. The global economy is also fundamentally in good shape and the German economy remains geared towards

growth, for example if you take the labour demand as a basis. The applicable business climate indicators are actually not quite as positive as at the turn of the year, but the above-average level significantly speaks for the continuation of the upturn, if perhaps with a slightly adjusted momentum.

After years of stable growth, it is expected that the momentum of the construction sector will level off (0.8%). New residential construction in particular will even out on a high level – after years of high growth rates (2018: 4.5%, 2019: 2.0% and 2020: -1.5%). The rest of building construction barely has an impact (2018: 0.9%, 2019: -0.8% and 2020: -1.1%). Despite the high budget surpluses, a slightly recessive development is expected in civil engineering for the next few years (2018: -0.5%, 2019: -1.0% and 2020: -0.3%).

With its activities in Germany, SWIETELSKY anticipates – contrary to the general trend – a significant increase in construction output for the ongoing financial year.

The Hungarian economy's prospects remain excellent. Further economic growth of 4.2% is expected for 2018 and 3.3% is expected for 2019. This development is primarily due to the increase in EU grants for the period 2014 to 2020 and the resulting public orders primarily in the construction sector. The economic development in Hungary is highly dependent on exports – particularly automobile exports to Germany. The economy may also be supported by the strengthening purchasing power of Hungarian households. Private consumption will increase further, though purchasing power in a European comparison is still very low (GDP/capita EUR 19,735).

The construction sector will benefit from the positive development of the economy. A growth of 24.6% is forecast for 2018, in 2019 a further increase of 11.2% should be possible and then in 2020 it will stagnate on a high level (-0.4%). Building construction will grow disproportionately huge (2018: 28.2%, 2019: 10.4%) and dwindle in 2020 by 2.5%. The development of civil engineering reflects the expiry of EU grants (2018: 16.8%, 2019: 13.1% and 2020: 4.8%).

SWIETELSKY again forecasts an increase in construction output for Hungary.

The Czech economy remains on a growth trajectory, but the risks of a waning economy are increasing. An acute lack of staff – the unemployment rate is currently at just



Germany, Samerberg: motorway service area A8

2.4% and will continue to fall – appreciation of the Czech crown and increasing interest costs lead to lower growth rates. According to Euroconstruct, a growth of 3.6% is expected in 2018, which will level off further in 2019 (3.2%) and 2020 (2.6%).

Contrary to the original forecast, the construction sector has developed significantly better than predicted in 2017 (Euroconstruct 6/2017 – forecast 2017: 0.0%; Euroconstruct 6/2018: 3.4% for 2017) and will carry on this positive trend in the future. Further considerable increases in total construction output are expected for 2018 (5.0%) and 2019 (6.7%). The trend reversal in civil engineering, which should grow by 4.8% in 2018 and 13.4% in 2019, contributes significantly to this. The growth in building construction – particularly in new residential construction

– will probably level off but remain clearly positive (2018: 5.0%, 2019: 4.3%).

SWIETELSKY anticipates significant growth in construction output in the Czech Republic.

In the other countries, SWIETELSKY is trying, depending on the division and market, to acquire promising projects.

In the ongoing 2018/19 financial year SWIETELSKY expects a growth in construction output of around 10% and earnings at the level of previous periods – primarily due to the core markets of Germany, Hungary and the Czech Republic. This forecast is substantiated by the group's highest order backlog ever, at EUR 3,117 million at the end of the economic year.

Linz, 13 July 2018

The Management



PETER GAL



DIPL.-ING. WALTER PERTL



ADOLF SCHEUCHENPFLUG



DIPL.-ING. KARL WEIDLINGER

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion

We have audited the consolidated financial statements of **SWIETELSKY Baugesellschaft m.b.H., Linz, Austria** and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet as at 31 March 2018, and the Consolidated Income Statement and Statement of Comprehensive Income, Consolidated Statement of Cash Flows for the year then ended and Consolidated Statement of Changes in Equity, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 March 2018, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian Generally Accepted Accounting Principles and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on

Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion.

Our conclusions are based up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate to the audit committee regarding, among other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL REQUIREMENTS

Group Management Report

In accordance with the Austrian Generally Accepted Accounting Principles, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Generally Accepted Accounting Principles.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Linz, 13 July 2018

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



Dr. Helge Löffler
Austrian Chartered Accountant



This report is a translation of the original report in German, which is solely valid.

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

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