

Karl-Heinz Strauss, CEO



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Image: PORR AG

Dear ladies and gentlemen, dear business partners,

Our PORR is demonstrating intelligent and dynamic growth. For this issue, our experts have provided some more exciting facts and interesting background details on some of the many projects that our more than 19,000 PORRians are working on right now. As a full service provider, we offer the complete range of building construction, civil engineering and infrastructure construction services along the entire value chain. This means that our World of PORR is every bit as diverse and varied as the construction sector itself.

The remediation of the K20 contaminated site in Brückl is just one example of how we are able to rely on our own expert teams and resources at every level of the value chain. Our PORR implemented all the required activities, from the clearing, clean-up and securing of the abandoned waste site with diaphragm walls, to the application of the multi-functional surface sealant. Among other residential construction projects, we have constructed an exclusive complex and innovative apartment building in Switzerland. In Germany, we constructed the Hotel Hampton by Hilton Berlin together with a bridge construction in the residential quarter near the Alexanderplatz. And as for civil engineering, this issue's prime example is the Kremsbrücke power station, now providing energy to 3,500 households.

In the United Kingdom, colleagues are currently preparing to set a world record: in the course of the Humber Crossing project, they are constructing a 4.9km-long tunnel for the

longest gas pipeline ever to be installed in one piece. In Frankfurt, our PORRians are building an underground city railway line with four new stations extending to the new quarter Europaviertel. From the infrastructure sector, we have reports on the construction of a new structure to replace the Marbach valley bridge in Germany, the LK4 main railway line in Poland, the refurbishment of a section of motorway in the Czech Republic, the demolition of a haulage route in Switzerland and the construction of a section of the new A10 motorway in Romania.

Our Specialist civil engineering department has been busy laying a secure foundation at STILL Logistik in Germany — the pile foundation for this project even earned the Logix Award 2017. The 190m-high ONE office and hotel tower in Frankfurt will also be erected on pilings constructed by our PORR. In Berlin-Neukölln, PORR Design & Engineering has taken on the general planning works for construction sections B and C on the Mariendorfer Weg. This issue also includes project updates from all over the World of PORR - from the Bekkelaget sewage plant project in Norway and the S7 express highway in Poland to the complete refurbishment of the Vienna Parliament building and the Musameer pumping station in Qatar.

The World of PORR is getting bigger all the time, and our strategy of intelligent growth has had a hand in this. This year's press conference on our annual results showcased the second-best results in the almost 150-year history of our PORR. The volume of orders is higher than ever at just on EUR 6.4 billion. Production services reached EUR 4.7 billion in 2017, the fifth all-time high in a row, representing growth of more than 20%. EBT figures remain at EUR 85.3 million, slightly lower than the previous year's value, owing to rapid market expansion in Germany and the number of building construction projects undertaken. Extra one-off logistical expenses in Qatar also affected these figures. Nevertheless, our PORR is growing more strongly than the market.

At the press conference on our annual results, we predicted an increase in production output of around 5.5% to something like EUR 5 billion for 2018, based on the current record order volume. First quarter results confirm this positive forecast. Performance and order volumes reached a new record high: the production output of around EUR 1.0 billion represents a significant rise of 32.4%. The volume of orders demonstrated similarly strong growth, reaching EUR 6.7 billion. Despite a negative EBT of – EUR 13 million, which is seasonally quite typical of the sector, we were able to improve the earnings margin compared to the previous year. It is clear from this that PORR is well-prepared for the future and whatever it might bring.

Now it is time for me to wish you great enjoyment in reading this issue and exploring the World of PORR.

Yours sincerely, Karl-Heinz Strauss

