BUILDING ON IDEAS

CONSOLIDATED FINANCIAL STATEMENTS FOR 2016|17

swietelsky.com

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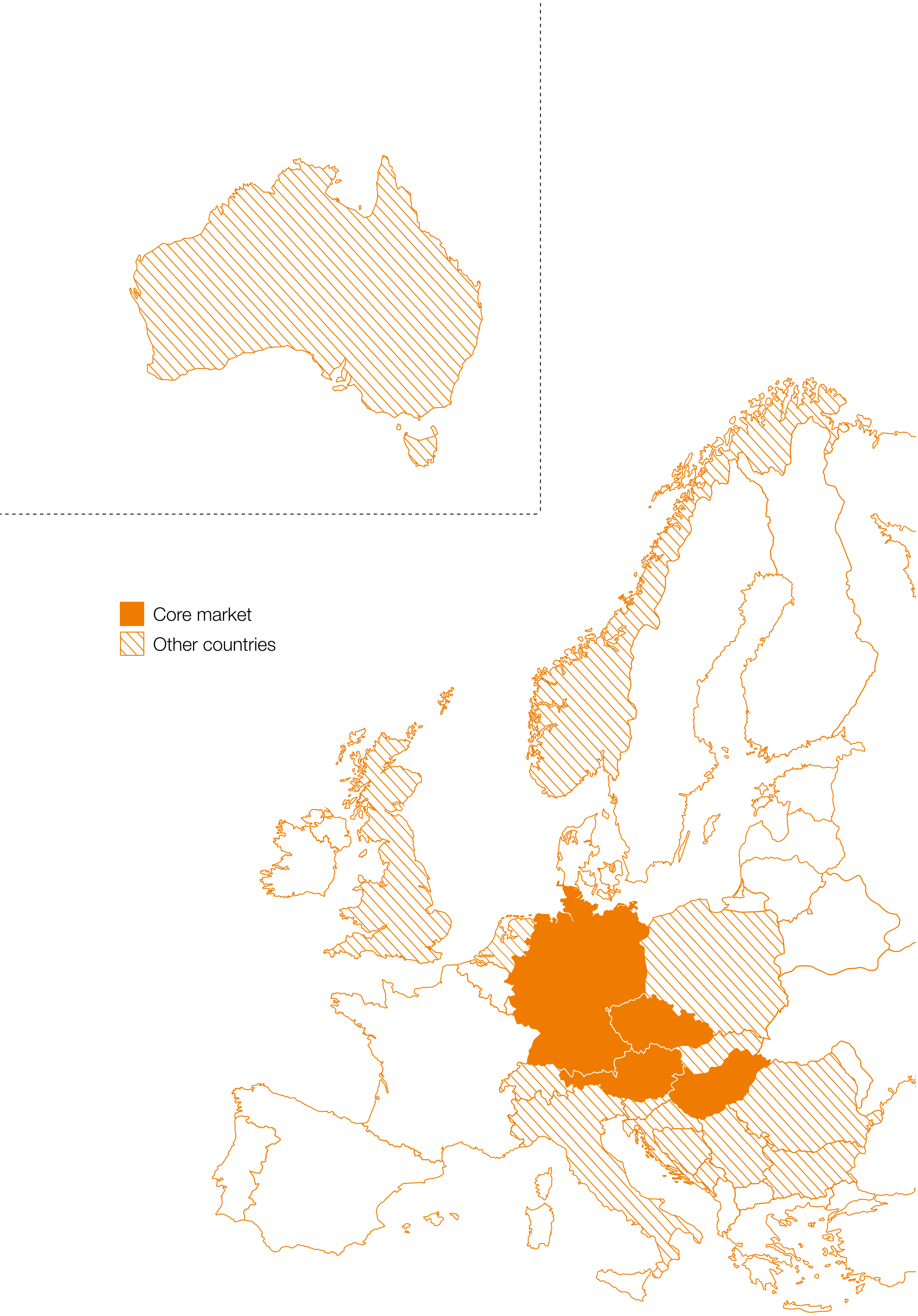

Core market
Other countries

CONSTRUCTION OUTPUT: ABOVE PLANNING AT EUR 2,023.5 MILLION

EBIT RETURNS: STILL AT A HIGH LEVEL AT 3.8%

ORDER BACKLOG: EUR 1,990.2 MILLION (+7.8% YEAR-ON-YEAR)

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

TWO THOUSAND SEVENTEEN

FOREWORD BY THE MANAGEMENT

Dear shareholders,

In the past financial year we were able to achieve and implement our planned goals.

Group construction output was reduced by around 5% to EUR 2,023.5 million, standing slightly above the desired and predicted amount of EUR 2,000 million. This can initially be attributed to the already anticipated performance decreases in Hungary of EUR 134 million. In contrast, in our home market of Austria and in Germany we were able to realise moderate growth of around EUR 30 million in each case.

As a result, we were able to maintain our profitability level in the upper range of the relevant industry environment with a return of 3.8% based on an EBIT of EUR 72.8 million.

Fortunately, order volume at the reporting date of 31.03. rose by EUR 145 million to EUR 1,990.2 million, although several long-term large projects were further scaled back according to plan.

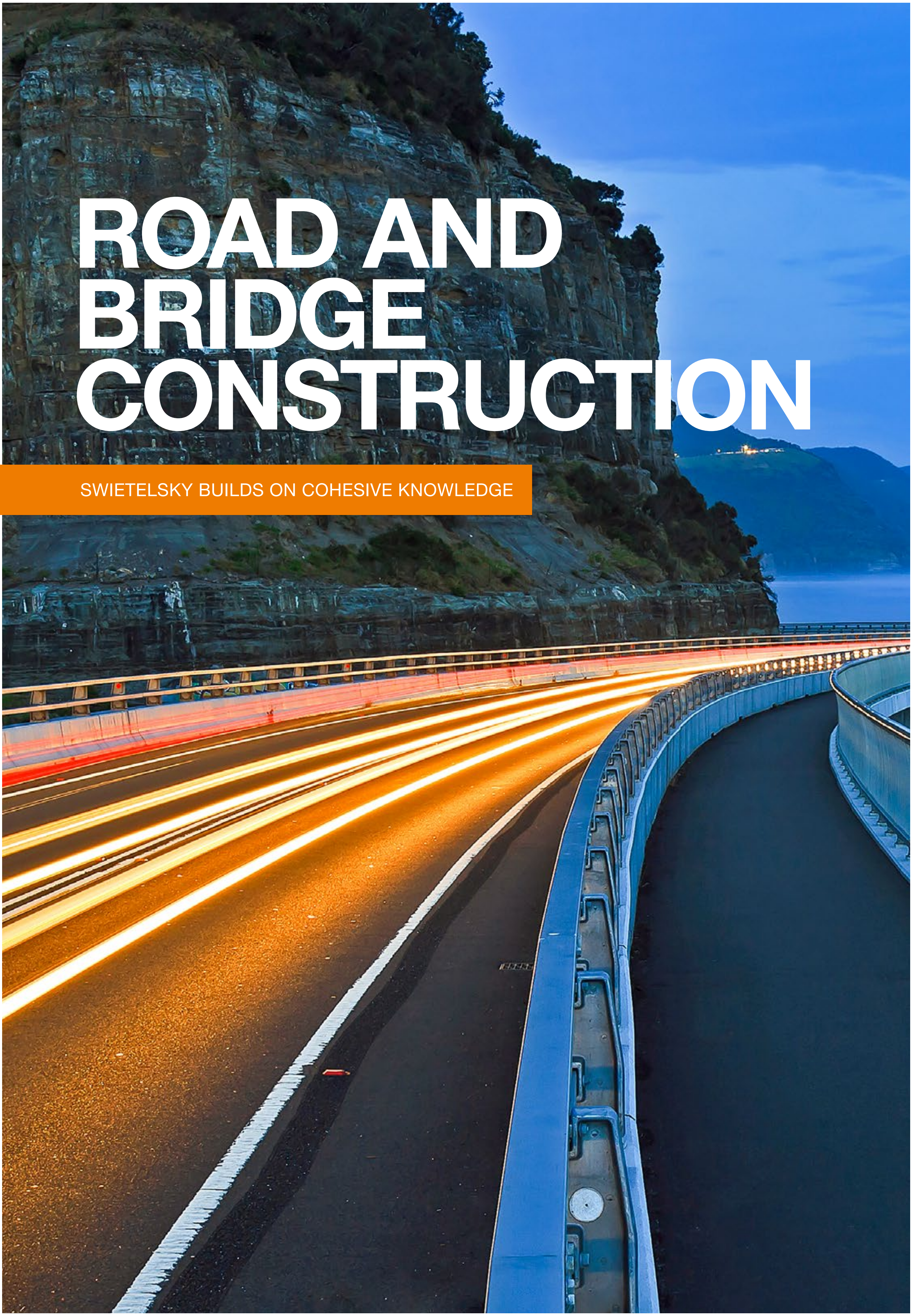
The economical use of financial resources and attention to a sound capital structure are essential to our business. We can report that, despite a slight increase in the balance sheet total due to investments and acquisitions, we were able to further expand our outstanding cash position and equity base.

For the current financial year 2017/2018 we aim for a moderate increase in construction output, whereby our main emphasis, as before, is on our return and profitability figures.

RANGE OF SERVICES

ROAD AND BRIDGE CONSTRUCTION

SWIETELSKY BUILDS ON COHESIVE KNOWLEDGE



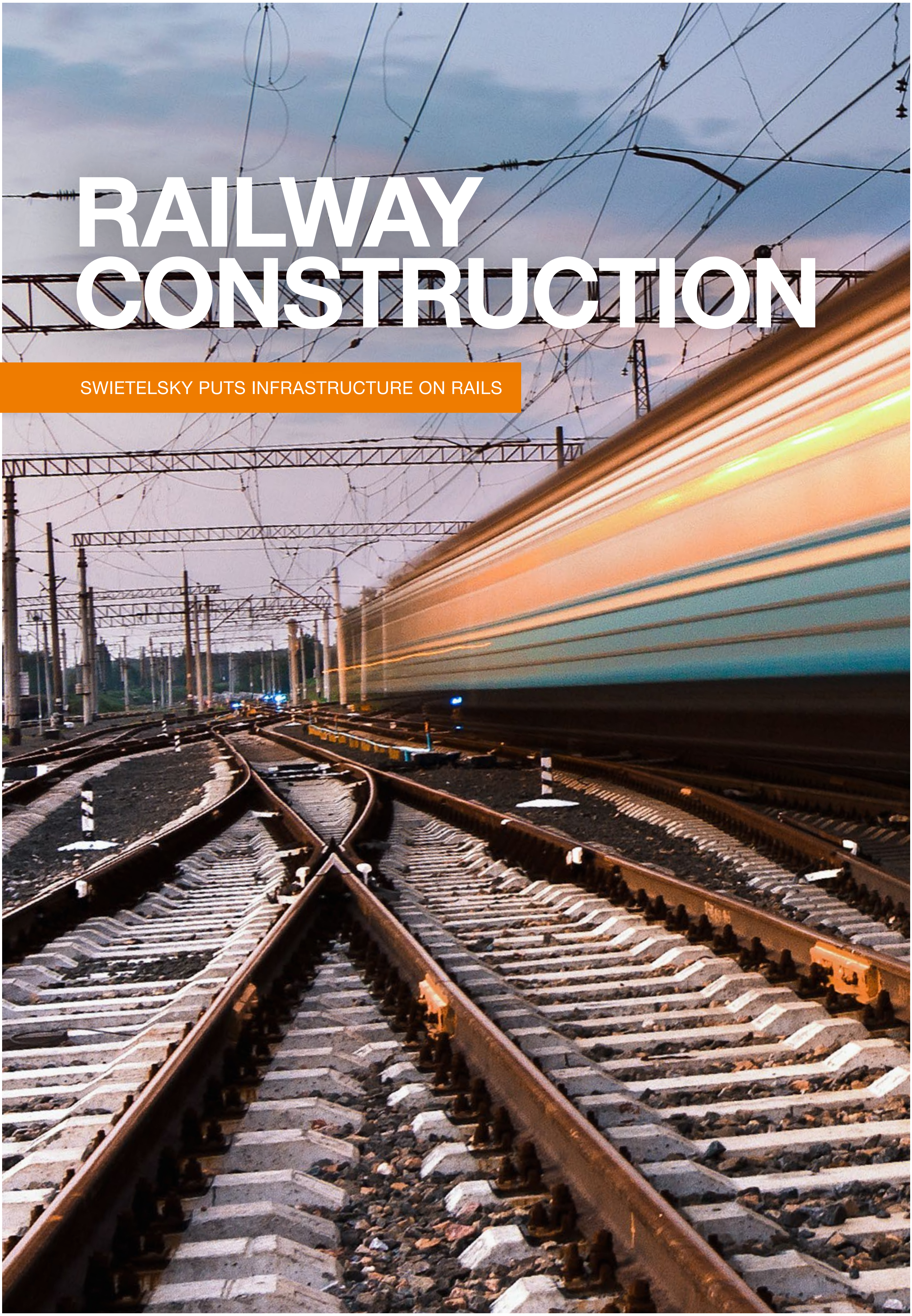
Our road and bridge building projects connect the country and the people and create the infrastructure for modern life.

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

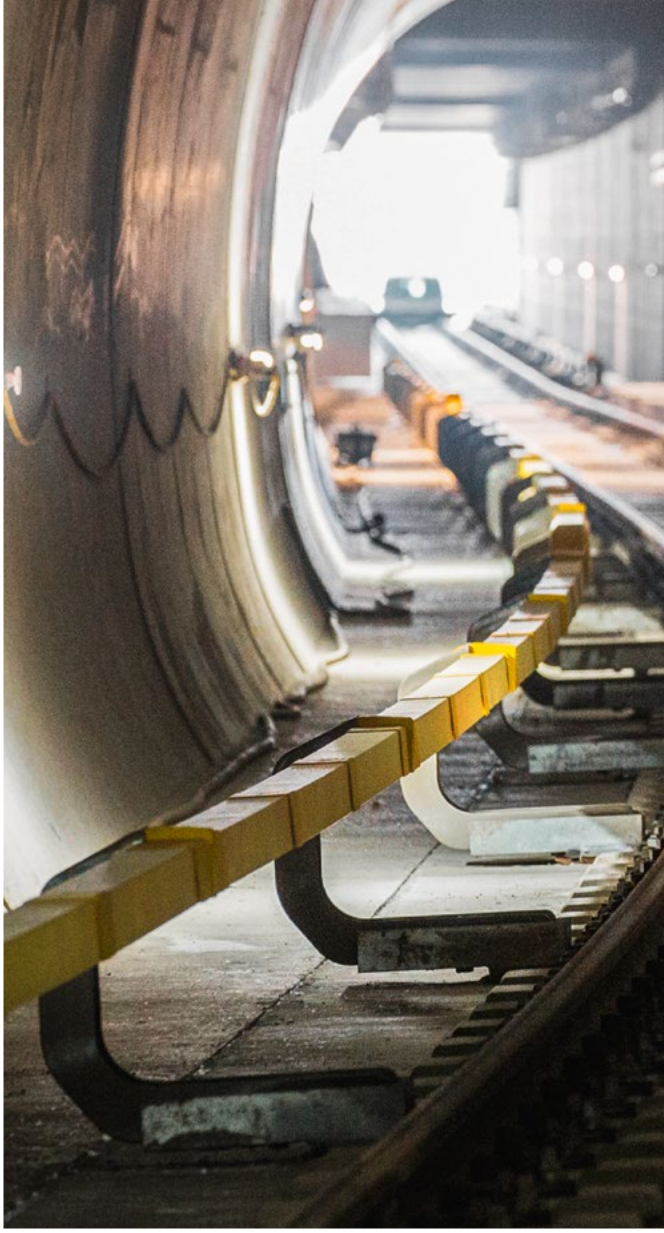
RAILWAY CONSTRUCTION

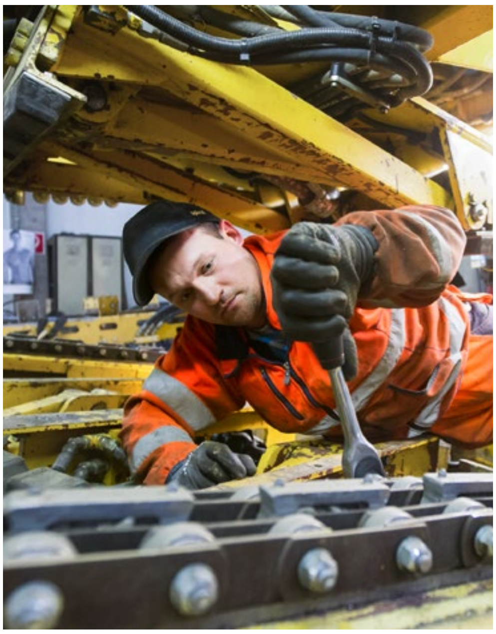
SWIETELSKY PUTS INFRASTRUCTURE ON RAILS



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





In railway construction we lay the tracks for efficient logistics and public transport which also positions rail as the transport system of the future.

BUILDING CONSTRUCTION

SWIETELSKY BUILDS WITH VISION

Our projects are as diverse as the people who are involved in the planning and building phase, or who later live and work in our buildings.

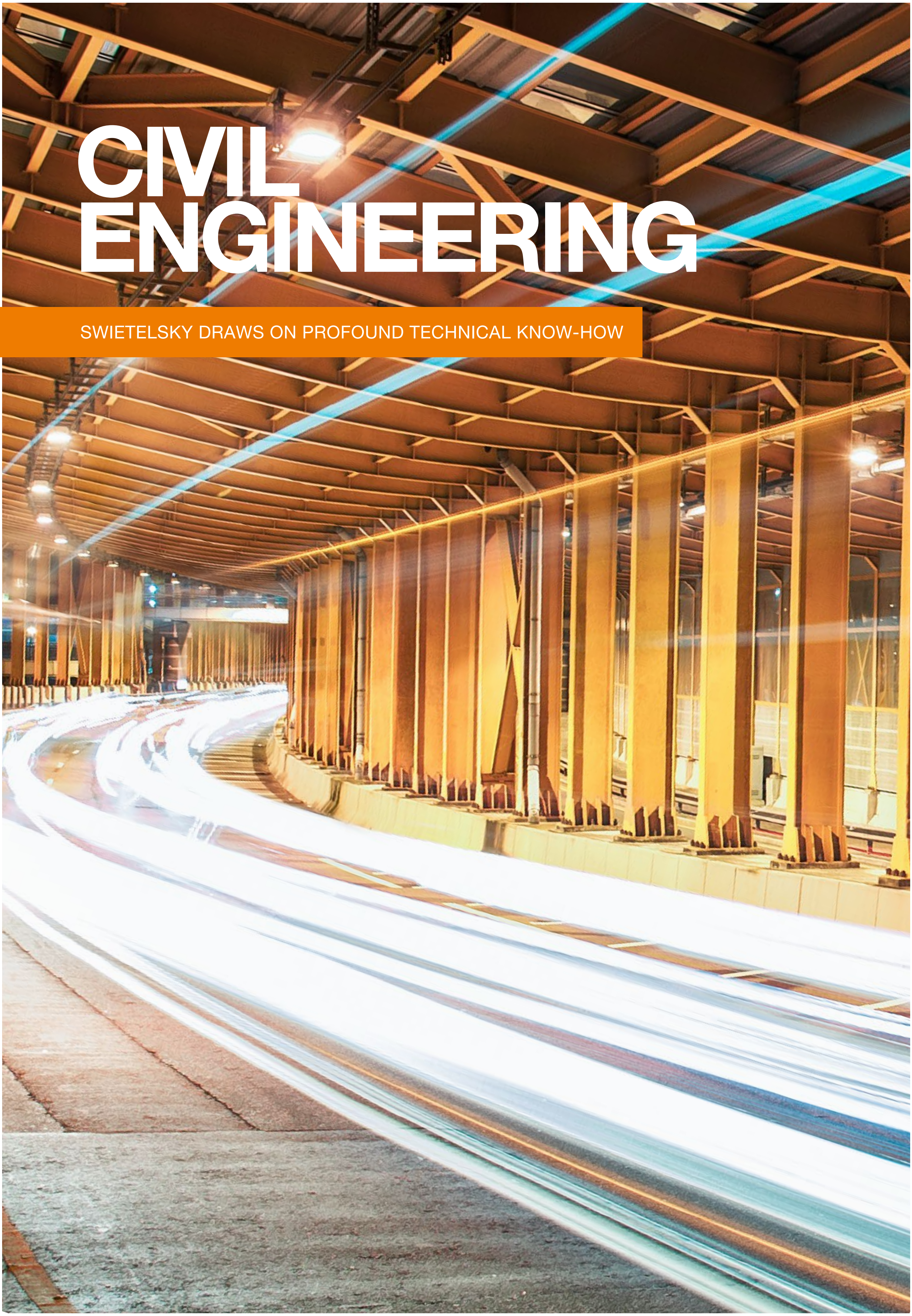
Solid foundations are a crucial element for realising construction projects of all scales. Reliability, absolute professionalism and economic resilience are attributes that customers value in the work of SWIETELSKY and on which we have been building for years. The diversity of our projects requires flexibility 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


mine room

CIVIL ENGINEERING

SWIETELSKY DRAWS ON PROFOUND TECHNICAL KNOW-HOW



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

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

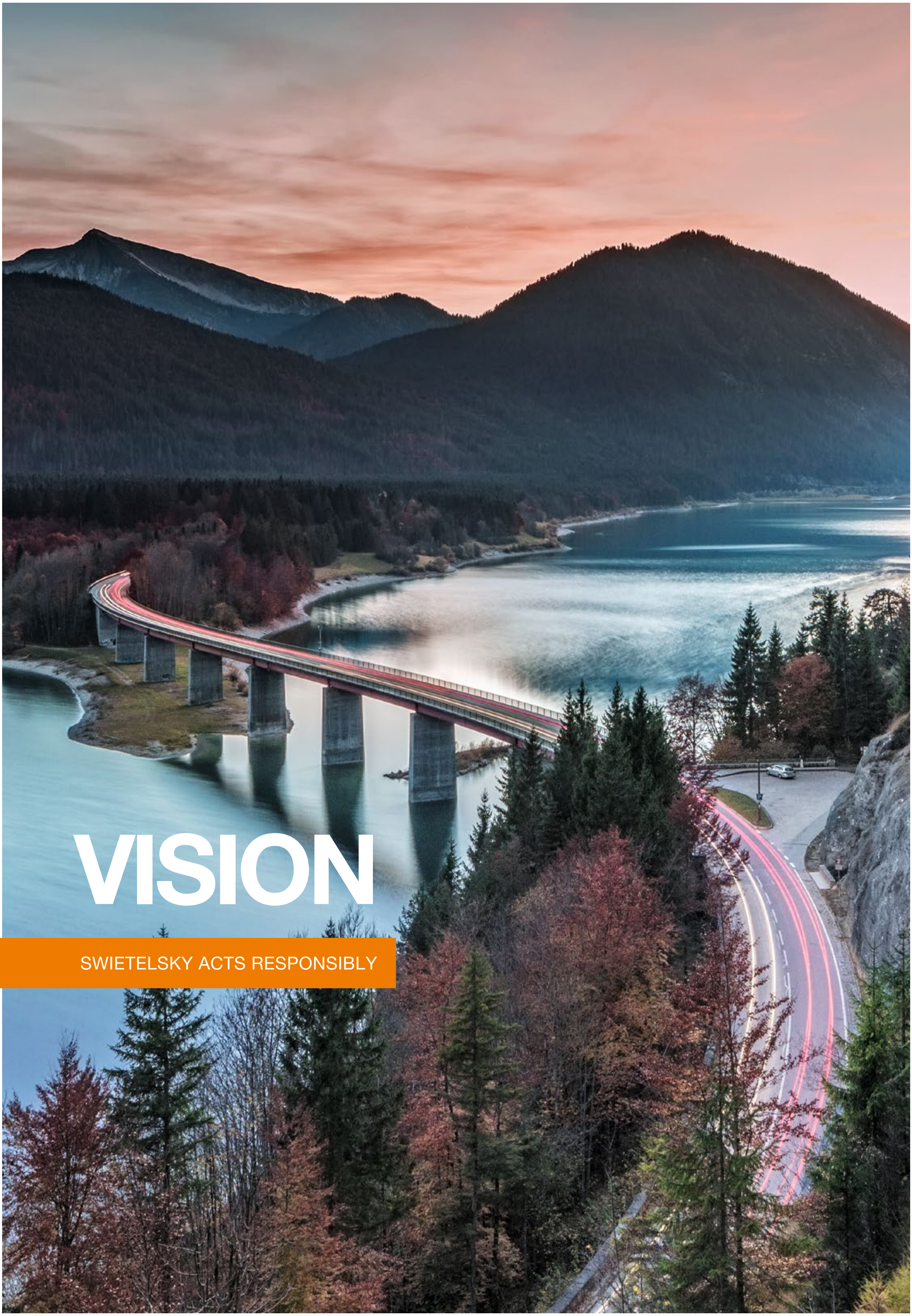
TUNNEL CONSTRUCTION

SWIETELSKY UNDERSTANDS BUILDING PROJECTS

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.

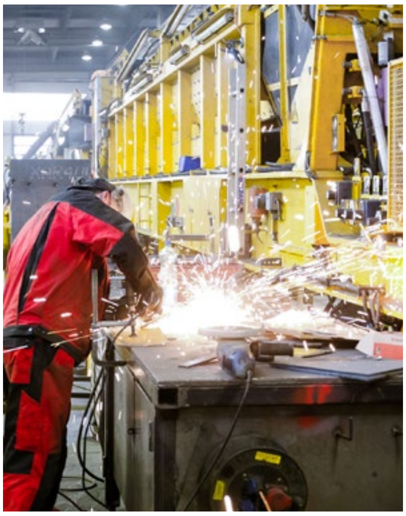
RAILWAY TUNNEL / ROAD TUNNEL / UNDERGROUND TUNNEL / GALLERIES, CAVERNS AND SHAFTS / REPAIRS

Through relocation of traffic to the underground, our tunnel construction projects contribute to more effective mobility and to an improved living environment.



VISION

SWIETELSKY ACTS RESPONSIBLY



Entrepreneurial thinking and autonomous action have long been an essential part of our company culture

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 CONVERSATION / EMPLOYEES / PARTNERSHIP / SUSTAINABILITY

FINANCIAL STATEMENTS FOR 2016|17

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR 2016/17

FIGURES IN THOUSAND EUR	Notes	2016/17	2015/16
Revenue	(1)	1,904,973	2,155,766
Changes in inventories		9,645	-85,378
Own work capitalised		6,233	6,261
Other operating income	(2)	17,213	7,815
Expenses for material and other purchased construction services	(3)	-1,204,481	-1,323,870
Employee benefits expenses	(4)	-503,421	-488,020
Other operating expenses	(6)	-144,769	-169,859
Share of results of associates	(7)	17,991	20,219
Net income from investments	(8)	11,552	2,370
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**114,936**	**125,304**
Depreciation and amortisation	(5)	-42,096	-38,116
Earnings before interest and taxes (EBIT)		**72,840**	**87,188**
Interest and similar income		1,862	2,728
Interest and similar expenses		-7,197	-11,233
Interest income		**-5,335**	**-8,505**
Other financial result		1,106	-69
Earnings before tax (EBT)		**68,611**	**78,614**
Income tax	(9)	-12,469	-15,550
Earnings after tax		**56,142**	**63,064**

Attributable to: hybrid captial owners		1,330	1,862
Attributable to: shareholders of the parent company		54,812	61,202

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR 2016/17

FIGURES IN THOUSAND EUR	2016/17	2015/16
Earnings after tax	**56,142**	**63,064**
Items that cannot be reclassified in the income statement:		
Changes in Revaluation reserves	159	74
Changes in actuarial gains and losses	-1,795	723
Deferred taxes on neutral changes in equity	477	-188
	-1,159	**609**
Items that can be reclassified in the income statement:		
Differences arising from currency translation	207	-1,628
Changes to IAS 39 - Financial Instruments	-1,139	-144
Deferred taxes on neutral changes in equity	285	36
	-647	**-1,736**
Other income	**-1,806**	**-1,127**
Total comprehensive income	**54,336**	**61,937**
Attributable to: hybrid captial owners	1,330	1,862
Attributable to: shareholders of the parent company	**53,006**	**60,075**

CONSOLIDATED BALANCE SHEET

AS OF 31 MARCH 2017

ASSETS

FIGURES IN THOUSAND EUR	Notes	31/03/2017	31/03/2016
Non-current assets			
Intangible assets	(10)	11,386	9,341
Property, plant and equipment	(10)	263,015	221,185
Investments in associates	(11)	11,938	12,868
Other financial assets	(11)	17,638	23,318
Trade receivables	(13)	6,775	4,518
Other receivables and assets	(13)	1,525	1,355
Deferred taxes	(15)	7,369	8,311
		319,646	**280,896**
Current assets			
Inventories	(12)	69,208	66,798
Trade receivables	(13)	273,506	283,442
Other receivables and assets	(13)	50,480	48,431
Cash and cash equivalents	(14)	317,251	290,497
		710,445	**689,168**
		1,030,091	**970,064**

EQUITY AND LIABILITIES

FIGURES IN THOUSAND EUR	Notes	31/03/2017	31/03/2016
Equity			
Registered capital		7,705	7,705
Capital reserves		58,269	58,269
Hybrid capital		30,462	30,462
Revaluation reserves		10,151	9,894
Revenue reserves		217,695	199,946
	(16)	**324,282**	**306,276**
Non-current liabilities			
Provisions	(17)	22,005	19,248
Financial liabilities	(18)	137,534	141,286
Trade payables	(18)	23,792	18,700
Other liabilities	(18)	9,220	7,943
Deferred taxes	(15)	10,367	7,566
		202,918	**194,743**
Current liabilities			
Provisions	(17)	74,326	79,807
Financial liabilities	(18)	2,490	4,242
Trade payables	(18)	329,876	292,624
Other liabilities	(18)	96,199	92,372
		502,891	**469,045**
		1,030,091	**970,064**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR 2016|17

FIGURES IN THOUSAND EUR	2016/17	2015/16
Earnings after tax	56,142	63,064
Deferred taxes	4,366	2,446
Non-cash effective results:		
From associates	930	-461
From initial consolidations	357	2,486
Depreciation/reversals of write-downs	42,528	39,827
Change in non-current provisions	-231	-14,465
Gains/losses on disposal of non-current assets	-3,145	-464
Consolidated cash flow from results	**100,947**	**92,433**
Changes to the items:		
Inventories	-2,246	23,311
Trade receivables, receivables from construction contracts and project consortiums	12,895	41,461
Intra-group receivables and receivables from other non-current investees and investors	4,005	10,573
Other assets	4,861	15,298
Trade payables, construction contracts and project consortiums	38,720	-39,298
Intra-group liabilities and liabilities to other non-current investees and investors	-326	-3,787
Other liabilities	-1,047	13,434
Current provisions	-6,339	21,687
Consolidated cash flow from operating activities	**151,470**	**175,112**

FIGURES IN THOUSAND EUR	Notes	2016/17	2015/16
Investments		-82,782	-57,435
Gains/losses on disposal of non-current assets		3,145	464
Disposals of non-current assets (carrying value)		9,863	5,949
Changes in scope of consolidation		-1,851	1,231
Consolidated cash flow from investing activities		**-71,625**	**-49,791**
Changes in liabilities to banks		-7,464	-1,462
Changes in bonded debts		59	-30,270
Changes in liabilities from finance leases		-868	-1,841
Changes in group financing		2,575	3,676
Paid hybrid coupon		-1,330	-1,862
Hybrid capital		0	-11,914
Additions due to merger		0	677
Distributions		-35,000	-12,500
Consolidated cash flow from financing activities		**-42,028**	**-55,496**
Consolidated cash flow from operating activities		151,470	175,112
Consolidated cash flow from investing activities		-71,625	-49,791
Consolidated cash flow from financing activities		-42,028	-55,496
Net change in cash and cash equivalents		**37,817**	**69,825**
Cash and cash equivalents at the beginning of the period		275,821	210,219
Change in cash and cash equivalents due to currency translation		1,691	-4,223
Cash and cash equivalents at the end of the period	(19)	**315,329**	**275,821**

DEVELOPMENT OF EQUITY

FROM 01 APRIL 2015 TO 31 MARCH 2017

FIGURES IN THOUSAND EUR	Registered capital	Capital reserves	Hybrid capital
As of 1 April 2015	**7,705**	**57,592**	**42,376**
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**
Hybrid capital	0	0	-11,914
Paid hybrid coupon	0	0	0
Additions due to merger	0	677	0
Distributions	0	0	0
Status on 31 March 2016 = **Status on 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
As of 31 March 2017	**7,705**	**58,269**	**30,462**

Revaluation reserves	Revenue reserves	Currency translation	Group equity	Non-controlling interests	Total
10,006	**154,969**	**-2,710**	**269,938**	**0**	**269,938**
0	63,064	0	63,064	0	63,064
-179	0	-1,449	-1,628	0	-1,628
74	0	0	74	0	74
0	-144	0	-144	0	-144
0	723	0	723	0	723
-7	-145	0	-152	0	-152
-112	**63,498**	**-1,449**	**61,937**	**0**	**61,937**
0	0	0	-11,914	0	-11,914
0	-1,862	0	-1,862	0	-1,862
0	0	0	677		677
0	-12,500	0	-12,500	0	-12,500
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**

NOTES

FOR THE FINANCIAL YEAR 2016|17

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 31/03/2017 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).

The consolidated financial statements are set out in 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 2016 have no significant impact on the representation of the assets, finances and results of operations as at 31 March 2017, as the changes were only applicable in isolated cases. There were no changes to the accounting and valuation methods.

Standards / interpretations		Application date IASB	Application date EU
IAS 1	Disclosure initiative	1/1/2016	1/1/2016
IAS 16, 38	Tangible fixed assets, intangible fixed assets: Clarification of acceptable methods of depreciation and amortisation	1/1/2016	1/1/2016
IAS 16, 41	Tangible fixed assets, agriculture: Accounting for fruit-bearing plants	1/1/2016	1/1/2016

Standards / interpretations		Application date IASB	Application date EU
IAS 27	Financial statements: Equity method in financial statements	1/1/2016	1/1/2016
IFRS 11	Joint arrangements: Accounting for acquisitions of shares in joint activities	1/1/2016	1/1/2016
Various	Change to a number of IFRS as a result of the improvement process 2012-2014	1/1/2016	1/1/2016
IFRS 10, 12, IAS 28	Investment entities: Application of the consolidation exception	1/1/2016	1/1/2016

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 2016:

Standards / interpretations		Application date IASB	Application date EU
IFRS 9	Financial Instruments	1/1/2018	1/1/2018
IFRS 15	Revenue from Contracts with Customers	1/1/2018	1/1/2018
IFRS 14	Regulatory Deferral Accounts	1/1/2016	na
IAS 12	Income taxes: Recognition of Deferred Tax Assets for Unrealised Losses	1/1/2017	na
IAS 7	Statement of cash flows: Disclosure initiative	1/1/2017	na
IFRS 2	Classification and measurement of share-based payment transactions	1/1/2018	na
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1/1/2018	na
IFRS 15	Clarifications Revenue from Contracts with Customers	1/1/2018	na
IAS 40	Transfers of Investment Property	1/1/2018	na
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1/1/2018	na
Various	Change to a number of IFRS as a result of the improvement process 2014-2016	1/1/2018	na
IFRS 16	Leases	1/1/2019	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 and IFRIC 15. The effects of the amended presentation of order changes and claims as well as the changes in the recording of own project development activities are still being analysed. Apart from this, no material effects are expected.

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.

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.

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 31/03/2017.

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 re-assess 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: 35) 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 1.4%, 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 2017.

BASIS OF CONSOLIDATION

In the 2016/17 financial year, the basis of consolidation developed as follows:

	Full consolidation	Equity measurement
As of 01/04/2016	46	3
of which foreign companies	*23*	*2*
Initial consolidations	8	0
Deconsolidations	3	0
As of 31/03/2017	**51**	**3**
of which foreign companies	*23*	*2*

Inclusions in the basis of consolidation

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

COMPANY NAME	Direct Share		Date of acquisition or foundation
Transportbeton und Asphaltgesellschaft m.b.H.	100%	[1)]	1/4/2016
Vasútgép Kft.	100%	[1)]	1/4/2016
Swietelsky Liegenschaftsverwaltung Bauhof Asten GmbH	100%		29/7/2016
Duswald Bau GmbH	100%		5/7/2016
DS VASÚT Kft.	100%		2/2/2017
ERWA Beteiligungs GmbH	80%		16/9/2016
Metallbau Wastler GmbH	80%		16/9/2016
Metallbau Wastler GmbH & Co. KG	80%		16/9/2016

[1)] Due to its increased business volume, the companies were fully consolidated for the first time. The foundation/acquisition of the companies occurred before 1 April 2016.

Per assignment contract from 27 July 2016, 80% of the shares of Metallbau Wastler GmbH and 80% of the shares of ERWA Beteiligungs GmbH were acquired, as well the transfer of the remaining shares by means of options. Therefore no non-controlling interests are reported. The closing took place on 16 September 2016.

ACQUIRED ASSETS AND LIABILITIES	kEUR
Non-current assets	6,245
Current assets	7,695
Non-current liabilities	-1,304
Current liabilities	-8,871
Consideration (purchase price)	**3,765**
Other cash purchase price components	1,235
Non-cash purchase price components	-1,000
Acquired cash and cash equivalents	-2,350
Net cash outflow from acquisition	**1,650**

Per assignment contract from 5 July 2016, 100% of the shares of Duswald Bau GmbH were acquired.

ACQUIRED ASSETS AND LIABILITIES	kEUR
Non-current assets	1,444
Current assets	1,759
Non-current liabilities	-195
Current liabilities	-1,691
Consideration (purchase price)	**1,317**
Acquired cash and cash equivalents	-8
Net cash outflow from acquisition	**1,309**

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

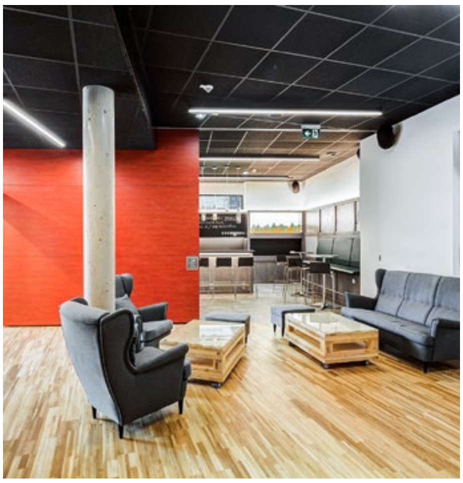
No significant assets and liabilities were included in the initial consolidation of the other companies. As compensation for previously unrecorded results kEUR -357 were recognised in other operating expenses.

Companies included for the first time in the 2016/17 financial year have contributed kEUR 18,840 to the group revenue and kEUR -1,333 to the comprehensive income.

Disposals from the basis of consolidation

As at 31 March 2017, the following companies were no longer included in the scope of consolidation:

COMPANY NAME	
Ing. Rudolf Seibt Gleisbau GmbH	Liquidation
Hans Held Tiefbau GmbH & Co	Merger/Accretion
Max Hilz Bauunternehmung GmbH & Co KG	Merger/Accretion



Companies listed under Merger/Accretion were merged with already consolidated companies or, as a result of accretion, formed part of consolidated companies. Effects on the consolidated financial statements as of 31 March 2017 due to the deconsolidation are of minor significance.

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 207 (previous year: kEUR -1,628) 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 Hyperinflationary 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 lifes were used when calculating the depreciation rates:

Intangible fixed assets:	
Software and licences	3 – 4 years
Tangible fixed assets:	
Buildings	10 – 50 years
Technical equipment and machinery	3 – 20 years
Other equipment, operating and office equipment	3 – 10 years

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 liquid capital 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/her 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.

CONSOLIDATED INCOME STATEMENT

NOTES ON THE ITEMS

(1) Revenue

The revenue of kEUR 1,904,973 (previous year: kEUR 2,155,766) concern proceeds from the completion of contracts, proceeds from the sale of development projects, deliveries and services for project consortiums and 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 1,836,435 (previous year: kEUR 1,997,160).

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	2016/17	2015/16
Profits from the sale of tangible fixed assets	3,145	464
Insurance refunds	3,535	3,310
Currency translation gains	1,785	1,809
Furtherances	3,994	711
Others under kEUR 1,000	4,754	1,521
	17,213	**7,815**

(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	2016/17	2015/16
Cost of materials	-434,945	-480,211
Cost of purchased services	-769,536	-843,659
	-1,204,481	**-1,323,870**

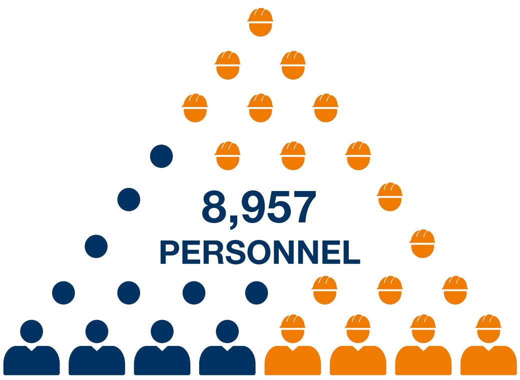
(4) Employee benefits expenses

FIGURES IN THOUSAND EUR	2016/17	2015/16
Wages	-220,769	-216,244
Salaries	-179,104	-169,764
Expenses for severance payments and payments into employee welfare funds	-8,875	-8,149
Post-employment benefit costs	-659	-424
Expenses for mandatory social security contributions and income-based contributions and compulsory contributions	-88,077	-87,798
Voluntary social security expenses	-5,937	-5,641
	-503,421	**-488,020**

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 7,664 (previous year: kEUR 5,036).

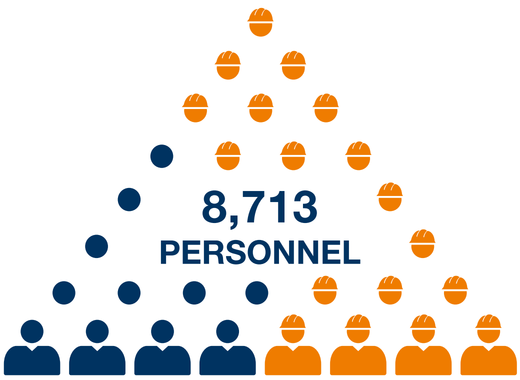
The average number of employees is as follows:

2016/17



Average number of
blue-collar worker 5,822 / white-collar worker 3,135

2015/16



Average number of
blue-collar worker 5,683 / white-collar worker 3,030

(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, unscheduled impairments to tangible fixed assets of kEUR 1,169 (previous year: kEUR 725) were made. No impairments of goodwill were recognised (previous year: kEUR 1,013).

(6) Other operating expenses

FIGURES IN THOUSAND EUR	2016/17	2015/16
Operating taxes	-3,427	-4,579
Rentals and leases	-36,595	-38,528
Maintenance and service	-12,161	-13,359
Insurance expenses	-14,054	-13,879
Projects, planning, monitoring	-15,051	-11,325
Vehicle expenses, fleet	-8,398	-8,492
Travel expenses	-8,897	-9,084
Advertising, public relations	-9,662	-12,899
Legal and tax advice, audits	-8,020	-7,518
Currency translation losses	-1,743	-3,948
Other provisions	-1,076	-3,448
Others under kEUR 1,000	-25,685	-42,800
	-144,769	**-169,859**

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 307, of which kEUR 296 results from the audit of the consolidated financial statements (including the financial statements of various affiliated companies) and kEUR 11 results from other services.

(7) Share of results of associates

FIGURES IN THOUSAND EUR	2016/17	2015/16
Income from associated companies	2,195	3,961
Profit from project consortiums	16,478	17,503
Losses from project consortiums	-682	-1,245
	17,991	**20,219**

(8) Net income from investments

FIGURES IN THOUSAND EUR	2016/17	2015/16
Income from non-current equity investments	12,953	10,103
Losses from non-current equity investments	-1,401	-7,733
	11,552	**2,370**

(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	2016/17	2015/16
Actual taxes	-7,671	-12,423
Deferred taxes	-4,798	-3,127
	-12,469	**-15,550**

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

FIGURES IN THOUSAND EUR	2016/17	2015/16
Changes to IAS 39 – Financial Instruments	285	36
Changes in actuarial gains and losses IAS 19	449	-181
Changes to revaluation reserves	28	-7
	762	**-152**

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	2016/17	2015/16
Earnings before tax	**68,611**	**78,614**
Theoretical tax expenditure of 25%	17,153	19,654
Differences to foreign tax rates	-2,162	-1,891
Tax-neutral expenses and income	-76	646
Changes in tax rates	417	0
Tax-free investment income / equity measurement of associated companies	-2,127	-1,806
Changes to estimates of deferred taxes	-86	-417
Aperiodic effects and other non-temporary differences	-650	-636
Recognised income tax expense	**12,469**	**15,550**

(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	31/03/2017	31/03/2016
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	1,827	0
SWIETELSKY stavebni s.r.o.	1,157	1,157
Swietelsky Baugesellschaft m.b.H., Traunstein	565	565
	10,251	**8,424**

The comparison between the carrying amounts and the recoverable amounts of the cash-generating units as part of the annual impairment test did not result in any goodwill impairment (previous year: kEUR 1,013). The addition of kEUR 1,827 resulted from the acquisition of Metallbau Wastler GmbH and ERWA Beteiligungs GmbH.

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 12,613 (previous year: kEUR 12,377) on the balance sheet date. The carrying amount that would result from measurement at amortised cost is kEUR 115,865 (previous year: kEUR 98,036).

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

Weismann+Pitschmann	from	20/02/2017	for Austria
HUNGAVENT Pénzügyi és Befektetési Tanácsadó Kft	from	20/03/2017	for Hungary
SC LOUISIANA SRL	from	30/12/2014	for Romania

Financial leases

FIGURES IN THOUSAND EUR	31/03/2017	31/03/2016
Property		
Acquisition costs	3,847	3,847
Accumulated depreciation	-2,098	-1,944
Carrying amount	**1,749**	**1,903**
Machines and equipment		
Acquisition costs	7,194	7,792
Accumulated depreciation	-5,414	-5,150
Carrying amount	**1,780**	**2,642**

In contrast, liabilities from the present value of the finance leases are recognised at kEUR 3,975 (previous year: kEUR 5,090). The terms of the finance leases for property are 25 years and those for machines and equipment are 8 years.

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

	Present values		Minimum lease payment	
FIGURES IN THOUSAND EUR	**31/03/2017**	**31/03/2016**	**31/03/2017**	**31/03/2016**
Due within 1 year	1,050	1,051	1,138	1,188
Due between 1 and 5 years	1,703	2,722	1,877	2,861
Due after 5 years	1,222	1,317	1,487	1,487
	3,975	**5,090**	**4,502**	**5,536**

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

FIGURES IN THOUSAND EUR	31/03/2017	31/03/2016
Minimum lease payments	4,502	5,536
Interest	-527	-446
Lease obligation	**3,975**	**5,090**

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 19,642 (previous year: kEUR 23,650). The following liabilities will result from these operating lease contracts in coming financial years:

FIGURES IN THOUSAND EUR	31/03/2017	31/03/2016
Due within 1 year	19,193	20,415
Due between 1 and 5 years	35,645	37,708
Due after 5 years	11,850	11,595
	66,687	**69,718**

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.

(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	31/03/2017	31/03/2016
Revenue	98,464	110,868
Earnings after tax	4,136	7,364
Other income	-2,335	1,088
Total comprehensive income	1,801	8,452
Non-current fixed assets	28,245	32,014
Current fixed assets	70,156	56,588
Non-current liabilities	-39,634	-38,908
Current liabilities	-41,216	-27,694
Net assets	17,551	22,000

Disclosures on project consortiums

Within the group, construction project consortiums are classified as joint ventures and their results are recognised under income from other non-current equity investments. The table below shows the largest project consortiums for the 2016/17 financial year.

PROJECT CONSORTIUM	(short)	Share in %
Arge Tunnel Albaufstieg	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 profit from project consortiums.

The table below shows the largest project consortiums for the 2015/16 financial year

PROJECT CONSORTIUM	(short)	Share in %
Arge Tunnel Albaufstieg	ATA	21,00
Arge ATCOST 21	ATCOST	15,00
Arge Tunnel Fröschnitzgraben	ATF	50,00
Arge Umfahrung Zwettl	UF Zwettl	33,33
Arge Hamerlingpark	Hamerlingpark	50,00

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	146,379	3,856	44,782	2,130	0	48,638
ATCOST	101,957	7,114	159,326	11,391	0	166,440
ATF	48,217	6,602	37,151	17,999	0	43,753
UF Zwettl	32,427	0	7,670	5,849	0	7,670
Hamerlingpark	22,657	0	3,444	977	0	3,444

From the aforementioned project consortiums in the 2015/16 financial year, kEUR 6,680 was recognised under share of results of associates as profit from project consortiums.

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

FIGURES IN THOUSAND EUR	2016/17	2015/16
Services rendered	117,583	113,527
Services received	22,200	5,935
Receivables on 31 March	42,471	39,625
Liabilities on 31 March	11,692	6,880

(12) Inventories

FIGURES IN THOUSAND EUR	31/03/2017	31/03/2016
Raw materials, consumables and supplies	27,299	31,564
Land for development and construction projects	40,606	31,499
Finished products and goods	1,303	3,735
	69,208	**66,798**

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.

(13) Trade receivables, other receivables and assets

FIGURES IN THOUSAND EUR	31/03/2017			31/03/2016		
	Total	of which current	of which non-current	Total	of which current	of which non-current
Receivables from construction contracts	844,780	844,780	0	1,086,059	1,086,059	0
Advances received	-720,090	-720,090	0	-962,194	-962,194	0
	124,690	**124,690**	**0**	**123,865**	**123,865**	**0**
Other trade receivables	113,120	106,345	6,775	124,470	119,952	4,518
Receivables from project consortiums	42,471	42,471	0	39,625	39,625	0
Trade receivables	**280,281**	**273,506**	**6,775**	**287,960**	**283,442**	**4,518**
of which financial assets	280,281	273,506	6,775	287,960	283,442	4,518

Receivables from construction contracts are as follows:

FIGURES IN THOUSAND EUR	31/03/2017	31/03/2016
All contracts not billed by the balance sheet date:		
Expenses accrued by the balance sheet date	1,162,640	1,294,541
Income generated by the balance sheet date	63,777	92,936
Accumulated losses	-21,086	-45,749
Minus construction contracts with affiliated companies, project consortiums and other non-current investees and investors	-50,904	-50,598
Minus receivables recognised as liabilities	-309,573	-205,071
Receivables from construction contracts	**844,780**	**1,086,059**

Receivables from construction contracts totalling kEUR 309,573 (previous year: kEUR 205,071) 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	31/03/2017			31/03/2016		
	Total	of which current	of which non-current	Total	of which current	of which non-current
Receivables from affiliated companies	14,246	14,246	0	17,607	17,607	0
Receivables from associated companies	336	336	0	560	560	0
Receivables from other non-current investees and investors	9,326	9,326	0	11,998	11,989	9
Other receivables and prepaid expenses	28,097	26,572	1,525	19,621	18,275	1,346
Other receivables and assets	**52,005**	**50,480**	**1,525**	**49,786**	**48,431**	**1,355**
of which financial assets	33,924	32,420	1,504	35,797	34,462	1,335
of which non-financial assets	18,081	18,060	21	13,989	13,969	20

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

FIGURES IN THOUSAND EUR	31/03/2017	31/03/2016
As of 1 April	33,622	36,896
Currency translation	152	-277
Changes in reporting entity structure	0	0
Addition/utilisation/release	2,620	-2,997
As of 31 March	**36,394**	**33,622**
Other trade receivables before valuation allowance	191,985	158,092
Valuation allowances	-36,394	-33,622
Carrying amount on 31 March	**155,591**	**124,470**

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	31/03/2017	31/03/2016
Securities	1,922	14,676
Cash-in-hand, bank balances	315,329	275,821
	317,251	**290,497**

(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 1,699 (previous year: kEUR 2,148) are reported in the deferred tax assets from reserves.

Temporary differences between the carrying amounts in the IFRS consolidated financial statements and the taxable carrying amount have the following effects on accrued/deferred taxes recognised in the balance sheet:

FIGURES IN THOUSAND EUR	31/03/2017		31/03/2016	
	Assets	Liabilities	Assets	Liabilities
Intangible fixed assets	0	5	0	1
Tangible fixed assets	951	3,452	2,439	5,098
Inventories	1,102	0	1,027	15
Receivables	208	17,093	314	15,459
Liquid capital	244	190	0	376
	2,505	20,740	3,780	20,949
Provisions	10,565	0	12,331	0
Liabilities	1,499	0	911	0
Tax losses carried forward	3,173	0	4,672	0
Deferred tax assets and liabilities	**17,742**	**20,740**	**21,694**	**20,949**
Offsetting of deferred tax assets and liabilities with the same tax authority	-10,373	-10,373	-13,383	-13,383
Deferred taxes offset	**7,369**	**10,367**	**8,311**	**7,566**

(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.

In the financial year 2015/16, hybrid bonds were repurchased with a nominal value of kEUR 12,090 (valuated on 23 March 2016). In accordance with IAS 32.33, the own repurchased equity instruments are deducted from the equity. Fees paid are recognised directly in the equity.

With the merger agreement of 21 December 2015, TUO GmbH, retroactively to 31 March 2015, merged with SWIETELSKY Baugesellschaft m.b.H. The merger result of kEUR 677 was placed in the unallocated capital reserves.

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 at 1/4/2016	Currency translation	Changes to the basis of consolidation	Additions	Reversal	Utilisation	Balance as at 31/03/2017
Provision for:							
Severance payments	18,992	0	1,039	2,828	22	1,108	21,730
Pensions	256	0	0	24	0	4	276
Non-current provisions	**19,248**	**0**	**1,039**	**2,852**	**22**	**1,112**	**22,005**
Taxes	6,866	3	12	4,495	5	5,112	6,258
Other:							
Construction-related	68,104	789	50	18,062	7,004	18,282	61,718
Other	4,837	-3	7	4,292	1,057	1,727	6,350
Current provisions	**79,807**	**789**	**69**	**26,849**	**8,067**	**25,121**	**74,326**
	99,055	**789**	**1,108**	**29,701**	**8,088**	**26,233**	**96,331**

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

FIGURES IN THOUSAND EUR	31/03/2017	31/03/2016
Present value of the defined benefit obligation (DBO) on 1 April	18,992	20,215
Changes to the basis of consolidation	1,039	0
Service cost	808	888
Interest expense	364	293
Severance payments	-1,253	-1,706
Actuarial losses realised	1,780	-698
Present value of the defined benefit obligation (DBO) on 31 March	**21,730**	**18,992**

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 1.85% (previous year: 2.00%) and a salary-related promise of salary increase of 2.00% (previous year: 2.00%) was used as the basis.

In the financial year 2016/17, 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	31/03/2017	31/03/2016
Present value of the defined benefit obligation (DBO) on 1 April	256	280
Changes to the basis of consolidation	0	0
Service cost	14	15
Interest expense	5	4
Severance payments	-14	-18
Actuarial losses realised	15	-25
Present value of the defined benefit obligation (DBO) on 31 March	**276**	**256**

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 1.85% (previous year: 2.00%) and an increase in the pension commitment of 1.00% (previous year: 1.00%) was used as the basis. In the 2016/17 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: 12 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%	+17.80%	-14.10%
Pension increase	-0.25%	+0.25%	-2.40%	+2.50%

Construction-related provisions essentially contain provisions for guarantee obligations, expected losses, obligations from remaining and subsequent work and process costs.

On 3 May 2017 it became known, via searches of the premises of more than 50 Austrian construction companies, that SWIETELSKY Baugesellschaft m.b.H. was among those affected by proceedings conducted by the Austrian Competition Authority and the Austrian Central Public Prosecutor's Office for Combating Economic Crimes and Corruption. The reason for these searches was given by the authorities as the presence of reasonable cause to suspect that, in a large number of tenders, horizontal agreements contrary to competition law had taken place between the companies involved.

Due to the immediately implemented, ongoing internal investigations and the partial inspection of records granted by the authorities in the meantime, it cannot be ruled out that this well-founded suspicion, originating from the search and also aimed at the SWIETELSKY Baugesellschaft m.b.H., is not justified in cases which are not yet precisely clear. Conviction of the SWIETELSKY Baugesellschaft m.b.H. for participation in horizontal agreements could, viewed in the abstract, have the following consequences for the business: financial penalties in the case of violations of the ban on cartels; claims for damages from potentially aggrieved contractors on the basis of an antitrust conviction; in the case of conviction of SWIETELSKY employees, corporate financial penalties on the basis of the Austrian Corporate Criminal Liability Act.

The situation is extremely complex and still in the early stages of investigation. On the basis of current knowledge there is no quantification, even rough or indicative, that such breaches and their resulting property consequences for the SWIETELSKY Baugesellschaft m.b.H. are plausible. Provisions have been made for the estimated legal costs of these proceedings.

(18) Liabilities and other liabilities

FIGURES IN THOUSAND EUR	31/03/2017			31/03/2016		
Financial liabilities:	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Bonds	129,603	0	129,603	129,545	0	129,545
Liabilities to banks	6,446	1,441	5,005	10,893	3,191	7,702
Liabilities from financial leases	3,975	1,049	2,926	5,090	1,051	4,039
	140,024	**2,490**	**137,534**	**145,528**	**4,242**	**141,286**

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.

FIGURES IN THOUSAND EUR	31/03/2017			31/03/2016		
Trade payables:	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Receivables from construction contracts	-309,573	-309,573	0	-205,071	-205,071	0
Advances received	388,192	388,192	0	238,443	238,443	0
	78,619	78,619	0	33,372	33,372	0
Other trade payables	263,357	239,565	23,792	271,072	252,372	18,700
Liabilities to project consortiums	11,692	11,692	0	6,880	6,880	0
	353,668	**329,876**	**23,792**	**311,324**	**292,624**	**18,700**
of which financial liabilities	353,668	329,876	23,792	311,324	292,624	18,700

FIGURES IN THOUSAND EUR	31/03/2017			31/03/2016		
Other liabilities:	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Liabilities to affiliated companies	522	522	0	104	104	0
Liabilities to other non-current investees and investors	641	641	0	312	312	0
Other liabilities	104,256	95,036	9,220	99,899	91,956	7,943
	105,419	**96,199**	**9,220**	**100,315**	**92,372**	**7,943**
of which taxes	10,943	10,943	0	7,633	7,633	0
of which social security	3,847	3,838	9	4,031	4,026	5
of which liabilities and accruals in connection with personnel	73,030	65,315	7,715	71,474	64,106	7,368
of which financial liabilities	15,276	13,780	1,496	15,235	14,664	571
of which non-financial liabilities	90,143	82,419	7,724	85,080	77,708	7,372

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

The cash on hand and balances at banks form the cash funds on 31 March 2017 in the amount of kEUR 315,329 (previous year: kEUR 275,821). Securities are not taken into account in the cash funds.

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

FIGURES IN THOUSAND EUR	31/03/2017	31/03/2016
Interest paid (including hybrid interest)	10,946	13,571
Interest received (including hybrid interest)	3,006	3,100
Tax paid	14,416	8,883

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 31/03/2017	Carrying amount 31/03/2016
Assets not measured at fair value:				
Shares in affiliated companies	1)	AfS *	1,299	2,035
Loans to affiliated companies	1)	AfS *	530	667
Other investments	1)	AfS *	13,043	17,749
Other loans	1)	LaR	2,766	2,868
Receivables from construction contracts	2)	N/A	124,690	123,865
Trade receivables	2)	LaR	155,591	164,095
Receivables from affiliated companies	3)	LaR	14,246	17,607
Receivables from associated companies	3)	LaR	336	560
Receivables from other non-current investees and investors	3)	LaR	9,326	11,998
Other financial receivables	3)	LaR	10,016	5,632
Cash-in-hand, bank balances	4)	LaR	315,329	275,821
Assets measured at fair value:				
Securities	4)	AfS	1,922	14,676
Total financial assets (assets)			**649,094**	**637,573**

1) Other non-current financial assets
2) Trade receivables
3) Other receivables and fixed assets
4) Liquid capital

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.

LIABILITIES

FIGURES IN THOUSAND EUR	Balance sheet item	Category under IAS 39	Carrying amount 31/03/2017	Carrying amount 31/03/2016
Liabilities not measured at fair value:				
Bonds	1)	FLaC	129,603	129,545
Liabilities to banks	1)	FLaC	6,446	10,893
Liabilities from finance leases	1)	N/A	3,975	5,090
Liabilities from construction contracts	2)	N/A	78,619	33,372
Trade payables	2)	FLaC	275,049	277,952
Liabilities to affiliated companies	3)	FLaC	522	104
Liabilities to other non-current investees and investors	3)	FLaC	641	312
Other financial liabilities	3)	FLaC	14,113	14,819
Total financial obligations (liabilities)			**508,968**	**472,087**

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:

	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**

	2015/16				
FIGURES IN THOUSAND EUR	**LaR**	**AfS**	**FLaC**	**AtFVtP&L**	**Sum**
Interest and similar income/expenses	2,551	177	-9,382	0	-6,654
Reversals of write-downs/impairments	-3,274	-69	0	0	-3,343
Fair value measurement	0	0	0	0	0
Results from disposal	0	0	-1,851	0	-1,851
Net result	**-723**	**108**	**-11,233**	**0**	**-11,848**

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 31/03/2017, 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 31/03/2017	Average interest rate 2016/17	Carrying amount 31/03/2016	Average interest rate 2015/16
EUR	152,182	0.05%	97,417	0.12%
HUF	102,493	0.00%	111,265	0.31%
RON	26,462	0.00%	17,246	0.01%
CZK	16,150	0.06%	29,732	0.08%
GBP	6,904	1.15%	0	0.00%
PLN	6,565	1.00%	6,380	0.77%
HRK	1,356	0.09%	3,756	0.13%
Other	3,217	0.07%	10,025	0.22%
	315,329		**275,821**	

Liabilities to banks subject to variable interest rates

FIGURES IN THOUSAND EUR	Carrying amount 31/03/2017	Average interest rate 2016/17	Carrying amount 31/03/2016	Average interest rate 2015/16
EUR	0	0.00%	1,633	2.10%
AUD	6,435	4.20%	7,427	4.60%
GBP	0	0.00%	1,707	2.50%
Other	11	0.00%	126	1.40%
	6,446		**10,893**	

If the market interest rate on 31/03/2017 were 50 basis points higher, the earnings after tax and equity would have been kEUR 1,158 (previous year: kEUR 993) 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 31/03/2017 1 euro =	Average rate of exchange 2016/17 1 euro =	Closing rate 31/03/2016 1 euro =	Average rate of exchange 2015/16 1 euro =
HUF	308.2000	310.8658	314.2000	311.1183
CZK	27.0300	27.0355	27.0600	27.1401
GBP	0.8573	0.8430	0.7902	0.7347
RON	4.5515	4.5005	4.4735	4.4572
PLN	4.2220	4.3587	4.2740	4.2314
HRK	7.4370	7.4972	7.5290	7.6013
NOK	9.1810	9.1415	9.4240	9.1805
AUD	1.3985	1.4564	1.4810	1.5003

A 10% appreciation or devaluation of the euro on 31/03/2017 would have resulted in a change in earnings after tax and equity of kEUR 5,681 (previous year: kEUR 4,929).

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 subsidiaries 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 124,690 (previous year: kEUR 123,865) and receivables from joint ventures amounting to kEUR 42,471 (previous year: kEUR 39,625) 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 113,120 (previous year: 124,470), 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 57,106 (previous year: kEUR 47,174) on 31/03/2017.

Additionally, a derived credit risk of kEUR 2,565 (previous year: kEUR 2,886) resulting from the liabilities for associ-ated companies and other investments assumed through payment guarantees.

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 31/03/2017	Cash flows 01/04/2017 - 31/03/2018	Cash flows 01/04/2018 - 31/03/2022	Cash flows from 01/04/2022
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**

FIGURES IN THOUSAND EUR	Carrying amount 31/03/2016	Cash flows 01/04/2016 - 31/03/2017	Cash flows 01/04/2017 - 31/03/2021	Cash flows from 01/04/2021
Bonds	129,545	6,413	142,907	0
Liabilities to banks	10,893	3,533	7,647	682
Liabilities from finance leases	5,090	1,188	2,861	1,487
Liabilities from construction contracts	33,372	33,372	0	0
Liabilities from trade	277,952	260,169	17,783	0
Liabilities to affiliated companies	104	104	0	0
Liabilities to other non-current investees and investors	312	312	0	0
Other financial Liabilities	14,819	14,248	571	0
	472,087	**319,339**	**171,769**	**2,169**

Interest payments were calculated on the basis of the most recently fixed interest rates on or before 31/03/2017 and 31/03/2016. 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. The current operating credit, which can be repaid at any time, of kEUR 0 (previous year: 1,633) are extended regularly and, economically speaking, are available for a longer period.

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 31/03/2017	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value:					
Securities	**1,922**	**1,922**	**1,639**	**283**	**0**

FIGURES IN THOUSAND EUR 31/03/2016	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value:					
Securities	**14,676**	**14,676**	**14,340**	**336**	**0**

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

The liquid capital, 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 31/03/2017	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets not measured at fair value:					
Bonds	129,603	136,025	136,025	0	0
Liabilities to banks	6,446	0	0	0	0
Liabilities from finance leases	3,975	0	0	0	0
	140,024	**136,025**	**136,025**	**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 31/03/2017 or 31/03/2016.

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 31.5% (previous year: 31.6%).

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 and Australia. The segments are defined by the country in which the headquarters 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 2016/17

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Consoli-dation	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**
Included in the segment result:							
Interest income	*5,221*	*23*	*658*	*27*	*92*		
Interest expense	*-11,838*	*-428*	*-51*	*-73*	*-828*		
Depreciation and amortisation	*-25,346*	*-6,519*	*-2,070*	*-2,772*	*-4,151*		
Share of results of associates	*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 situation	**1,333,382**	**204,612**	**250,022**	**117,985**	**84,291**	**0**	**1,990,292**

SEGMENT INFORMATION 2015/16

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Consoli-dation	Group
External construction output	**1,247,241**	**214,037**	**328,451**	**210,265**	**129,740**	**0**	**2,129,734**
Reconciliation with IFRS financial statements							**26,032**
Revenue	**1,395,196**	**232,043**	**340,349**	**231,411**	**109,811**	**-153,044**	**2,155,766**
Segment result	**35,528**	**10,222**	**31,478**	**15,601**	**-8,665**	**0**	**84,164**
Included in the segment result:							
Interest income	*5,194*	*48*	*1,206*	*33*	*277*		
Interest expense	*-15,720*	*-634*	*-478*	*-44*	*-888*		
Depreciation and amortisation	*-22,274*	*-6,195*	*-1,608*	*-2,373*	*-3,598*		
Share of results of associates	*19,035*	*2,495*	*0*	*2,443*	*-15*		
Reconciliation with IFRS financial statements							**-5,550**
Earnings before tax **(EBT)**	**31,404**	**13,766**	**29,918**	**13,228**	**-6,328**	**-3,374**	**78,614**
Investments	**40,251**	**10,013**	**3,191**	**5,419**	**2,986**	**-390**	**61,470**
External order situation	**1,286,403**	**135,552**	**214,091**	**116,620**	**93,141**	**0**	**1,845,807**

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	2016/17	2015/16
Other non-current equity investments, project consortiums	-105,283	-61,899
IFRS measurements	-13,264	87,931
Reconciliation	**-118,547**	**26,032**

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

FIGURES IN THOUSAND EUR	2016/17	2015/16
Investment income	-4,102	-6,368
IFRS measurements	685	818
Reconciliation	**-3,417**	**-5,550**

(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 Norbert Nagele (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.

Dr Günther Grassner (vice-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.

	Services rendered		Receivables	
FIGURES IN THOUSAND EUR	2016/17	2015/16	31/03/2017	31/03/2016
Thumersbacher Geräteverleih GmbH	95	0	8	0
Rechtsanwälte Grassner, Lenz, Thewanger & Partner	7	0	0	0

	Services received		Liabilities	
FIGURES IN THOUSAND EUR	**2016/17**	**2015/16**	**31/03/2017**	**31/03/2016**
HPB – Holding GmbH	180	180	0	0
Thumersbacher Geräteverleih GmbH	3	5	0	2
Dr. André Hovaguimian	180	180	0	0
Rechtsanwälte Grassner, Lenz, Thewanger & Partner	373	231	0	0
HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH	12	246	0	0
B&S - Böhmdorfer - Schender Rechtsanwalt GmbH	0	101	0	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
Hellmuth Brustmann	(Shareholder)	5,364
Catherine Brustmann	(Shareholder)	175
Dr. André Hovaguimian	(Shareholder, member of the supervisory board) (Managing Director)	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 April 2010:

		FIGURES IN THOUSAND EUR
Thumersbacher Geräteverleih GmbH	(Shareholder)	2,000
Hellmuth Brustmann	(Shareholder)	1,700
Dr. Günther Grassner	(Vice-chairman of the supervisory board)	15
Dipl.-Ing. Walter Pertl	(Managing Director)	10

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

(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. Norbert Nagele	Chairman
Dr. Günther Grassner	Vice-chairman
Dipl. Ing. Werner Baier	
Ing. Helmut Deuschl	since 18/05/2016 until 1/05/2017
Dr. André Hovaguimian	
Ing. Franz Rohr	since 01/05/2017
Mag. Karl Schlögl	
Johann Karmedar	until 16/12/2016
Manuel Madurski	since 16/12/2016
Andrea Steinkellner	
Bruno Wyhs	

The expenses for salaries contain the total earnings of the members of the management which amounted to kEUR 6,352 (previous year: kEUR 3,742). The expenses for severance payments of kEUR 378 (previous year: kEUR 755) relates to members of the management in key positions.

Remuneration of kEUR 357 (previous year: kEUR 310) 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 27 July 2017 to approve the consolidated interim financial statements of 31/03/2017.

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

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

Linz, 14 July 2017

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 2017

FIGURES IN THOUSAND EUR	Historical costs						
	As of 01/04/2016	Changes to the basis of consolidation	Currency translation	Reclassifications	Additions	Disposals	As of 31/03/2017
I. Intangible assets:							
1. Software and licences	8,646	478	13	-7	655	401	9,384
2. Goodwill	8,424	0	0	0	1,827	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	335,449
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**

Cumulative depreciation							Carrying amounts	
As of 01/04/2016	Changes to the basis of consoli-dation	Currency translation	Reclassifi-cations	Additions	Disposals	As of 31/03/2017	As of 31/03/2017	As of 31/03/2016
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	**3,261**	**150**	**0**	**42,096**	**14,489**	**313,895**	**274,401**	**230,525**

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2016

FIGURES IN THOUSAND EUR	Historical costs						
	As of 01/04/2015	Changes to the basis of consoli-dation	Currency translation	Reclassifi-cations	Additions	Disposals	As of 31/03/2016
I. Intangible assets:							
1. Software and licences	8,140	0	-32	3	633	97	8,646
2. Goodwill	11,175	0	0	0	0	2,750	8,424
	19,314	**0**	**-32**	**3**	**633**	**2,847**	**17,071**
II. Property, plant and equipment:							
1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 32,550; previous year: kEUR 32,426)	144,535	0	-553	1,730	3,575	240	149,047
2. Technical equipment and machinery	255,143	14,789	-1,459	3,126	33,404	10,371	294,632
3. Other equipment, operating and office equipment	44,524	0	-177	198	5,171	1,114	48,602
4. Assets under construction	1,819	0	-5	-5,056	7,837	541	4,052
	446,021	**14,789**	**-2,194**	**-3**	**49,986**	**12,267**	**496,333**
	465,335	**14,789**	**-2,226**	**0**	**50,619**	**15,114**	**513,403**

Cumulative depreciation							Carrying amounts	
As of 01/04/2015	Changes to the basis of consoli-dation	Currency translation	Reclassifi-cations	Additions	Disposals	As of 31/03/2016	As of 31/03/2016	As of 31/03/2015
7,238	0	-31	0	614	92	7,730	916	902
1,737	0	0	0	1,013	2,750	0	8,424	9,437
8,975	**0**	**-31**	**0**	**1,627**	**2,842**	**7,730**	**9,341**	**10,339**
35,292	0	-99	0	3,621	178	38,634	110,413	109,243
179,086	2,604	-558	110	28,261	8,773	200,731	93,900	76,057
32,141	0	-138	-110	4,607	718	35,782	12,820	12,383
0	0	0	0	0	0	0	4,052	1,819
246,519	**2,604**	**-795**	**0**	**36,488**	**9,668**	**275,147**	**221,185**	**199,501**
255,495	**2,604**	**-825**	**0**	**38,115**	**12,510**	**282,877**	**230,526**	**209,840**

LIST OF INVESTMENTS

OF SWIETELSKY BAUGESELLSCHAFT M.B.H., LINZ

Fully consolidated companies			Currency	31/03/2017 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 Fessl GmbH (formerly: Georg Feßl 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	Breitbrunn	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 (formerly: Swietelsky Liegenschaftsverwaltung GmbH ZWEI)	AT	Linz	kEUR	10	100%
Swietelsky Liegenschaftsverwaltung Trumau GmbH (formerly: Swietelsky Liegenschaftsverwaltung GmbH EINS)	AT	Linz	kEUR	10	100%
Swietelsky Tunnelbau GmbH	AT	Salzburg	kEUR	35	100%

			Currency	31/03/2017 Registered capital	Group share
Swietelsky Tunnelbau GmbH & Co KG	AT	Salzburg	kEUR	35	100%
Transportbeton und Asphaltgesellschaft m.b.H.	AT	Zams	kEUR	73	100%
ERWA Beteiligungs GmbH	AT	Linz	kEUR	36	80%
Metallbau Wastler GmbH	AT	Linz	kATS	500	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 stavebni 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 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	RON	200	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%

Other non-current equity investments - notconsolidated			Currency	31/03/2017 Registered capital	Group share
Baldauf Fliesen und Baustoffe Gesellschaft m.b.H.	AT	Linz	kEUR	40	100%
BauQ Projekt GmbH	AT	Hart bei Graz	kEUR	36	100%
Diks und Swiera Immobilientreuhand 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%
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%
Hausruck Baugesellschaft m.b.H.	AT	Schlüßlberg	kEUR	240	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%

			Currency	31/03/2017 Registered capital	Group share
Kieswerk - Betriebs - Gesellschaft m.b.H. & Co. Kommanditgesellschaft	AT	Zams	kEUR	72	33%
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%
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	Innsbruck	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%
Strakonicka obalovna s.r.o.	CZ	Strakonicka	kCZK	24,258	51%
Obalovna Ostrava s.r.o.	CZ	České Budějovice	kCZK	17,930	50%
SCO s.r.o.	CZ	České Budějovice	kCZK	10,000	50%
Zapadoceska obalovna s.r.o.	CZ	Pilsen	kCZK	40,000	50%
TBG SWIETELSKY s.r.o.	CZ	České Budějovice	kCZK	10,000	49%
Obalovna Tyniste s.r.o	CZ	České Budějovice	kCZK	30,000	33%
Chebska obalovna, spol. s.r.o.	CZ	Stenovice	kCZK	17,744	33%
Brnenska obalovna, s.r.o.	CZ	Brno	kCZK	24,000	25%
Hrušecká obalovna s.r.o.	CZ	Hrušky	kCZK	1,540	20%
RPM Wiebe & Swietelsky & Co KG	DE	Achim	kEUR	3,100	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%

				31/03/2017	
			Currency	Registered capital	Group share
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%
Rapid Tanács Kft.	HU	Celldömölk	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%
SWIETELSKY Iskolaprojekt Kft.	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-Építö 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.àr.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	Bukarest	kRON	200	50%
Swietelsky Rail SRB d.o.o. Beograd in Liquidation	RS	Novi Beograd	kEUR	950	100%
Swietelsky gradbeno d.o.o.	SI	Laibach	kEUR	9	100%
Sportfinal s.r.o	SK	Bratislava	kEUR	7	100%

MANAGEMENT REPORT 2016|17

GROUP MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2016/17

OF SWIETELSKY BAUGESELLSCHAFT M.B.H., LINZ

I. Macroeconomic environment

In 2016, global economic growth amounted to 3.1% (current economic situation according to the Austrian National Bank, May 2017). Nine years after the onset of the global financial and economic crisis, the resulting sovereign debt crisis in the eurozone and the recessions in several commodity-exporting countries which had run into economic difficulties primarily due to falling commodity prices, the situation in both industrialised and emerging countries steadily normalised in 2016 (macroeconomic forecast of the Austrian National Bank, June 2017).

The decision of the British to leave the EU and the unexpected outcome of the US election had no negative effects on short-term economic growth. Economic growth in both the USA and the United Kingdom was above the expectations of the Austrian National Bank. In the commodity-exporting countries, the rise in the price of oil led to an improved financial position during the course of 2016. The economic recovery in industrialised countries led to an increase in demand for commodities, in particular crude oil. The realignment of Chinese economic policy towards securing long-term sustainable development (slowing down of investments in favour of strengthening private consumption) affected neither the commodity-exporting countries nor the overall global economy.

In the eurozone, GDP growth stood at 1.7% in 2016 and was based largely on domestic demand. In the last quarter of 2016, economic growth remained robust at 0.5% over the previous quarter.

The Euroconstruct countries (EC-19) achieved moderate economic growth of 1.8% in 2016, so that the development of the member states was largely homogeneous. Ireland (5.2%), Sweden (3.3%), Slovakia (3.3%) and Spain (3.2%) showed exceptional growth. In contrast, Italy (0.9%), Norway (1.0%) and France (1.1%) showed slower growth. Economic growth also improved the labour market situation and led to the lowest rate of unemployment for eight years (Austrian National Bank report on the economic situation, May 2017). A countertrend was only observed in three Euroconstruct states (Norway, Switzerland and Austria).

The construction industry in the EC-19 countries has continued to develop positively after the increase of 1.8% in 2015 with an increase of 2.5% in 2016. Notable here is the varying development in the individual states, whereby the EC-4 countries in particular significantly missed their projected growth of 4.1% (Euroconstruct June 2016) with a fall of -7.2%. The construction industry in the western European states (EC-15) has shown surprisingly positive growth. The expected growth of the EC-15 states of 2.5% was significantly exceeded with a growth of 3.1% in 2016, since large construction markets such as Germany (2.4%), Great Britain (2.7%), France (3.3%) and Italy (1.9%) performed better than predicted. The total construction volume of the EC-19 states amounted to EUR 1,449 billion, of which 68% was achieved in the five largest member states, Germany, Great Britain, France, Italy and Spain.

Building construction in the EC-19 states was significantly positive at 3.7%, a total volume of EUR 1,147 billion in 2016, whereby growth in individual states continued to vary considerably. Whilst the EC-4 states consistently displayed a decline (-2.4% overall), construction in the EC-15 states developed very positively with a 4.0% increase. In particular the Nordic states Finland, Norway and Sweden, as well as Ireland, displayed growth rates of over 8%. The positive growth was sustained, as in the previous year, primarily by new residential construction (5.0%), but overall building construction also increased by 2.0% in 2016.

Civil engineering plunged into minus figures overall in 2016, with a total volume of EUR 303 billion and a fall of -1.8%. Varying developments in individual countries are striking: whereas civil engineering in Norway increased further by 12%, in Hungary it declined by 40.5%. Overall, civil engineering showed only lightly negative growth in western Europe (EC-15) (-0.4%), but in east European countries (EC-4) this was significantly negative (-17.2%).

Markets

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

Austria

With an increase of 1.5%, the Austrian economy has certainly gained momentum, but continues to be below the average for the Euroconstruct states (1.8%). The rise was sustained on one hand by private consumption, where improvement in the income situation of private households further increased demand, and on the other hand by additional stimulus from abroad. The export economy profits from the acceleration of industrial activity in the emerging countries, particularly from the supply chain to Germany. No easing of the labour market is anticipated. The continued acute crowding out of the labour market led to an increase in the unemployment rate of 0.3 percentage points to 6.0% in 2016.

After three years in decline (2013: -0.9%, 2014: -0.1%, 2015: -0.6%) the construction industry was able to take a positive turn in 2016 with a 1.3% rise. Residential construction also showed positive tendencies again with a 0.7% rise after several years of stagnation and shrinkage. Although some indicators – population growth, residential building permits – suggest stronger growth, high land prices and insufficient public sector support are slowing down development. Other building construction profited most from the positive economic growth and increased by 2.2%. The momentum here comes chiefly from the construction of industrial, commercial and office buildings by private investors. The volume of building construction amounts to EUR 28.2 billion or around 81% of total construction in Austria. Civil engineering also developed positively in 2016 (1.3%) and has contributed EUR 6.8 billion (19%) to the total construction amount of EUR 34.9 billion (2015: EUR 32.3 billion).

In the past financial year, SWIETELSKY was able to consolidate past performance increases and with EUR 1,277.9 million attained around 63% of corporate construction output in Austria. Performance increase in the last financial year amounted to EUR 30.7 million or 2.45%. Building construction accounted for about half of this. The proportion of road and railway construction at 24% was marginally less than the previous year. The proportion of civil engineering at 18% and that of tunnel construction at 7% remained constant.

Germany

In 2016 the economic situation in Germany was also characterised by solid and steady growth. The annual average GDP for 2016 was 1.9% higher than in the previous year. The decisive factor for the positive growth of the German economy in 2016 was primarily private consumer spending, which stood at 2.0% higher than the previous year. Public consumption expenditure rose even higher at 4.2%. This sharp increase can be attributed among other factors to the immigration of large numbers of asylum seekers and the resulting costs. Overall consumer spending increased by 2.5% and in 2016 was the larges, although not the only, support for German economic growth. Investments also played their part. Building investments rose sharply in 2016, primarily due to higher investments for residential buildings. Investment in equipment – primarily machinery, appliances and vehicles – also increased compared to the previous year at 1.7%. State budgets remained on a consolidation course in 2016. The public sector – comprising federal government, federal states, municipalities and social security – ended the year with a financing surplus of EUR 19.2 billion.

The German construction industry was able to shape up outstandingly well in 2016, based on solid economic growth with an increase of 2.4% and achieved an overall volume of EUR 310.8 billion (2015: 1.8% and EUR 297.2 billion). The driver of growth was new residential construction (9.4%) which was already prospering in the previous year. Civil engineering, widely dependent on the public sector, which is responsible for around 17% of the total volume, was able to recover from a downward trend (-1.1% in 2015) at 1.9%. Other building construction grew somewhat less by 0.7%, but nevertheless positively.

SWIETELSKY was able to more than compensate for the performance decrease of the previous year and achieve, with EUR 247.4 million, gains across all divisions (2015/16: EUR 214.0 million; 2014/15: EUR 227.6 million). The proportions remained largely unchanged. Road and railway construction absorbed more than half (58%) of the overall construction output. Civil engineering with 30% and building construction with 12% completed our activities in Germany.

Hungary

The growth of the Hungarian economy has slowed down in comparison to the previous years (2016: 2%, 2015: 3.1%, 2014: 4%). This can be explained by declining EU subsidies and falling investment activity. The export-oriented engineering industry also suffered notable financial losses.

In the construction industry, the expiry of the 2007-2013 EU funding cycle has clearly left its mark. Die Construction output shrank in 2016 by 20.1%, with civil engineering showing drastic cuts at -40.5% and constituting only 31% of the total construction volume of EUR 7.5 billion. Although new residential construction developed positively at 11.9%, this could not compensate for a decline in other construction (-12.7%), with the result that overall construction also displayed a negative result at -5.3% and a volume of EUR 5.1 billion.

SWIETELSKY was unable to escape this declining trend and showed a performance decrease of 40.8% compared with the 2015/16 financial year. The decline affected all divisions, although to varying extents. Of the total construction output of EUR 194.4 million, road and railway construction accounted for around 70%, building construction for 28% and civil engineering for only 2%.

Czech Republic

The Czech economy also managed to grow further by 2.4% in 2016, following an exceptionally successful year in 2015 (4.5%) and therefore a higher comparison level. Particular contributing factors for growth were private household consumption and overseas demand, which was reflected in the positive growth of nearly all branches of the economy. The backbone of the industry remained, without competition, the strongly export-oriented automotive and automotive part industry, with a share of around 20% of industrial value.

In 2016, the construction industry, which had finally shown an upturn in 2015 with an increase of 7.1%, was already in decline again. In 2016 construction output declined by 5.8% to EUR 16.4 billion, which meant that civil engineering, largely financed by public and EU sources, recorded sharp cutbacks of -16.1%. Building construction, with a share of a good 70% of total construction output, remained unchanged with decrease of 0.9%, as the developments in residential construction (3.5%) and other construction (-2.8%) almost evened out.

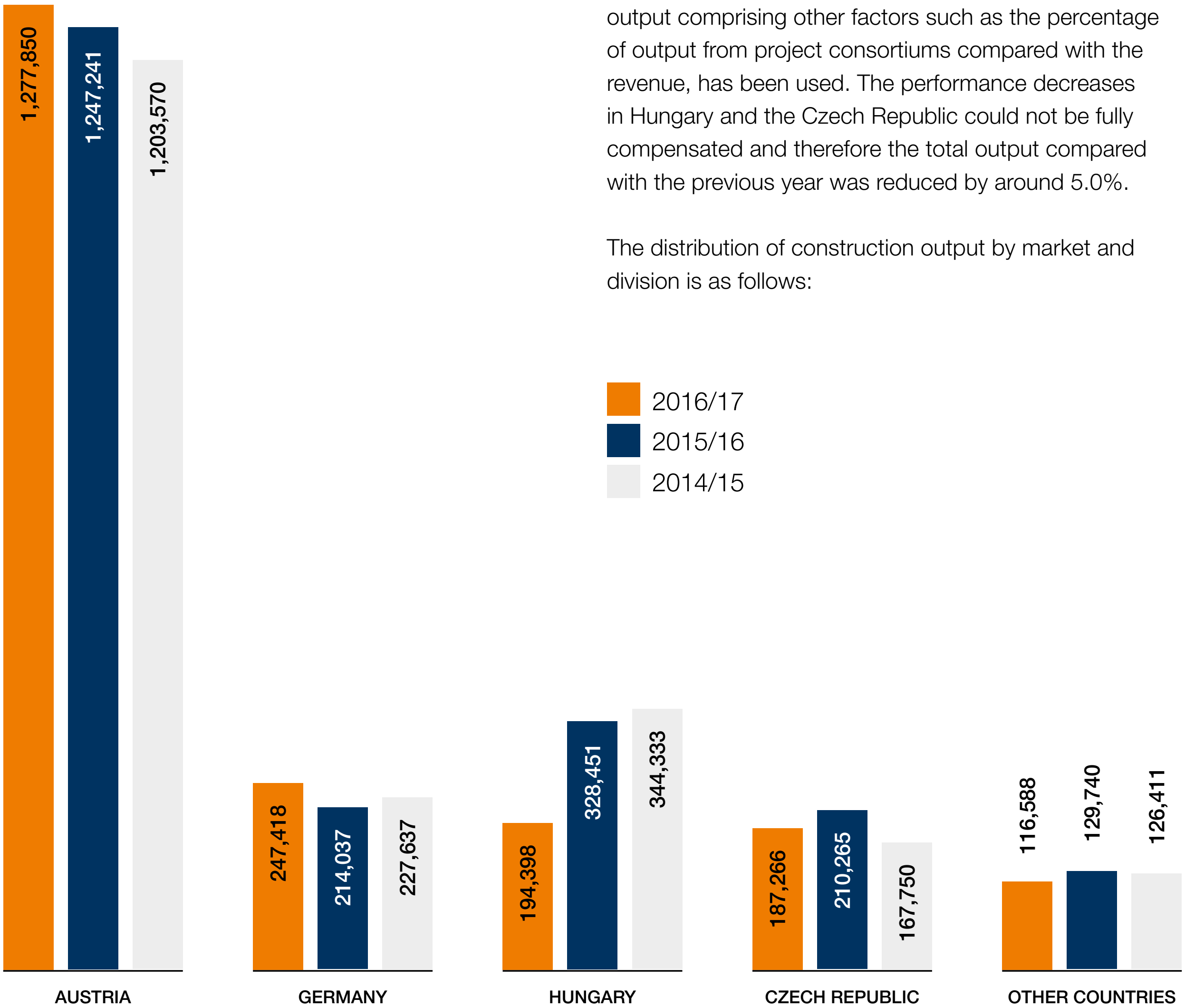
This development has taken its toll on SWIETELSKY in the Czech Republic. With a total construction output of EUR 187.3 million, construction volume decreased by almost 11%. The performance percentages of building construction (33.1%) and road construction (59.8%) grew, to the detriment of civil engineering (7.1%).

Other countries

SWIETELSKY is also active outside the abovementioned core markets, via project-related production sites or subsidiaries. This applies primarily to the CEE region, in addition to subsidiaries in Great Britain, the Netherlands and Norway.

In Romania, Croatia, Norway, Poland, Great Britain, Slovakia, Italy, the Netherlands and Australia, the SWIETELSKY Group generated EUR 116.6 million, around 5.8% of total construction output.

CONSTRUCTION OUTPUT BY MARKET



II. Company development

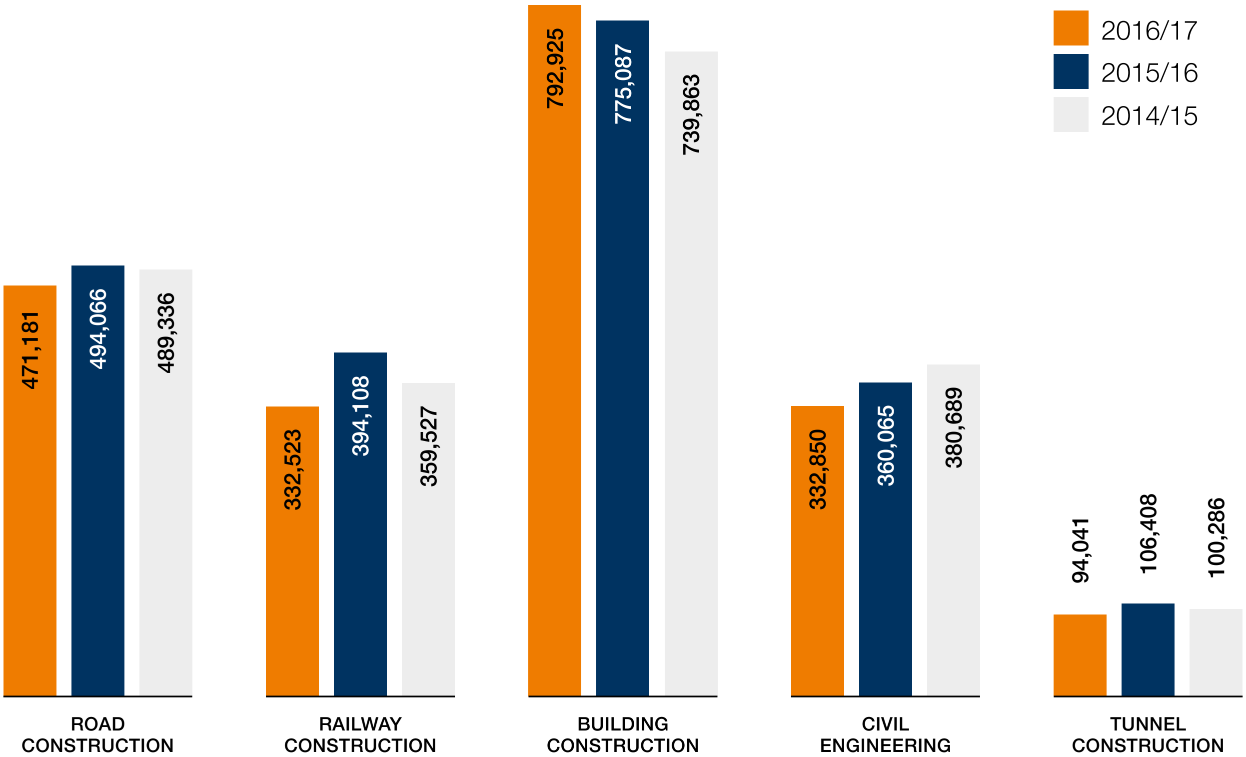
Revenue and construction output

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. The performance decreases in Hungary and the Czech Republic could not be fully compensated and therefore the total output compared with the previous year was reduced by around 5.0%.

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

FIGURES IN THOUSAND EUR	2016/17	%	2015/16	%	2014/15	%
by market:						
Austria	1,277,850	63	1,247,241	59	1,203,570	58
Germany	247,418	12	214,037	10	227,637	11
Hungary	194,398	10	328,451	15	344,333	17
Czech Republic	187,266	9	210,265	10	167,750	8
Other countries	116,588	6	129,740	6	126,411	6
Total	**2,023,520**	**100**	**2,129,734**	**100**	**2,069,701**	**100**

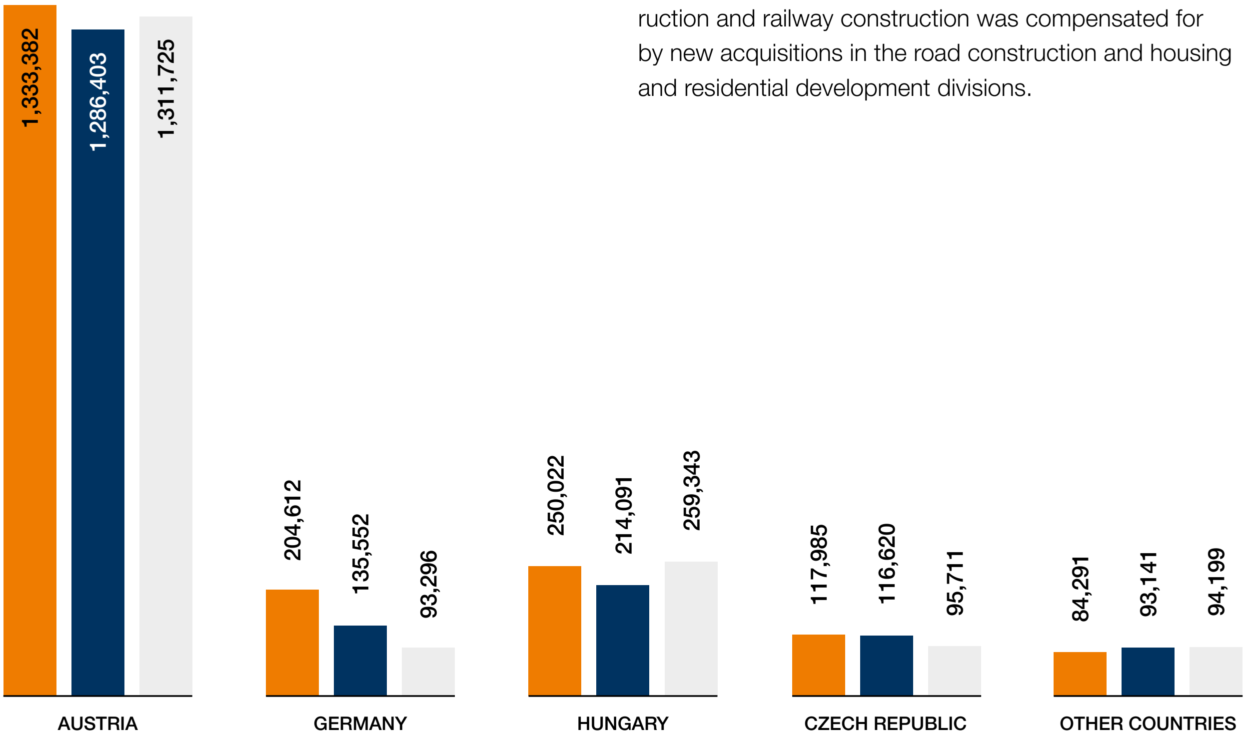
CONSTRUCTION OUTPUT BY DIVISION



FIGURES IN THOUSAND EUR	2016/17	%	2015/16	%	2014/15	%
by division:						
Road construction	471,181	24	494,066	23	489,336	24
Railway construction	332,523	16	394,108	19	359,527	17
Building construction	792,925	39	775,087	36	739,863	36
Civil engineering	332,850	16	360,065	17	380,689	18
Tunnel construction	94,041	5	106,408	5	100,286	5
Total	**2,023,520**	**100**	**2,129,734**	**100**	**2,069,701**	**100**

In line with performance, the revenue identified in the IFRS financial statement was, at EUR 1,905.0 million, around EUR 250.8 million below the previous year. The transfer of a housing project in Vienna in the previous year caused a significantly negative change in inventory (EUR -85.4 million). This year there has been a positive change in inventory (EUR 9.6 million) due to the construction of in-house building projects.

ORDER VOLUME BY MARKET



Order volume

Order volume has increased in comparison to the previous year by 7.8% to EUR 1,990.3 million. The decrease due to scheduled processing of orders in tunnel construction and railway construction was compensated for by new acquisitions in the road construction and housing and residential development divisions.

FIGURES IN THOUSAND EUR	2016/17	%	2015/16	%	2014/15	%
by market:						
Austria	1,333,382	67	1,286,403	70	1,311,725	71
Germany	204,612	10	135,552	7	93,296	5
Hungary	250,022	13	214,091	12	259,343	14
Czech Republic	117,985	6	116,620	6	95,711	5
Other countries	84,291	4	93,141	5	94,199	5
Total	**1,990,292**	**100**	**1,845,807**	**100**	**1,854,274**	**100**

Profit situation

The past financial year 2016/17 was very satisfactory, even though the excellent result of 2015/16 could not be reproduced according to plan. The operating result before interest and tax declined in comparison with the previous year by EUR 14.3 million, but on the other hand profit contributions from the core markets, especially Hungary and Germany, were positive. An EBIT (earnings before interest and taxes) of EUR 72.8 million was achieved, considerably above the average of previous years. Due to the low tax burden, earnings after taxes, at EUR 56.1 million, are only around EUR 6.9 million below the previous year.

Financial position

FIGURES IN THOUSAND EUR	2016/17	%	2015/16	%	2014/15	%
Non-current assets	319,646	31	280,896	29	259,512	26
Current assets	710,445	69	689,168	71	727,961	74
ASSETS	**1,030,091**	**100**	**970,064**	**100**	**987,473**	**100**
Equity	324,282	31	306,276	32	269,938	27
Non-current liabilities	202,918	20	194,743	20	229,099	23
Current liabilities	502,891	49	469,045	48	488,436	50
EQUITY and LIABILITIES	**1,030,091**	**100**	**970,064**	**100**	**987,473**	**100**
Net debt						
Financial liabilities	140,024		145,528		170,353	
Provision for severance payments	21,730		18,992		20,215	
Pension provisions	276		256		280	
Cash and cash equivalents	-317,251		-290,497		-224,886	
Net debt	**-155,221**		**-125,721**		**-34,038**	
Gearing	**-0.48**		**-0.41**		**-0.13**	

Net debt = interest-bearing debt + non-current provisions – cash and cash equivalents
Gearing = net debt/equity

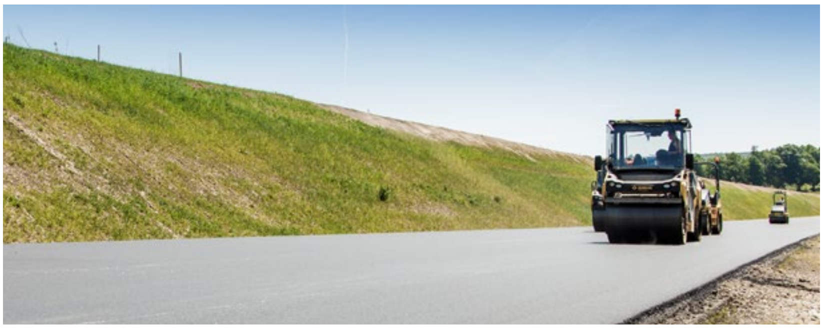
In the past financial year we invested heavily. Property investments were mainly in Austrian sites. Technical facilities and machinery in Austrian, German and Czech firms were substantially refurbished. Investment inflows to the total amount of EUR 82.7 million contributed to a growth of the balance sheet total, taking into account the outflows and depreciations amounting to EUR 43.9 million. Cash and cash equivalents, however, rose (EUR 26.8 million) and receivables, financial assets and miscellaneous assets dropped by EUR 10.7 million, with the result that the balance sheet total rose by EUR 60.0 million altogether to a current EUR 1,030 million.

On the liabilities side, an increase in liabilities at the reporting date was recorded (EUR 41.9 million). Despite a disbursement of EUR 35.0 million, equity capital rose to EUR 324.3 million. The equity capital ratio, above the industry average, was able to be held at 31.5%.

Selected key figures and financial performance indicators

FIGURES IN THOUSAND EUR	2016/17	2015/16	2014/15
Construction output	2,023,520	2,129,734	2,069,701
Revenue	1,904,973	2,155,766	1,976,128
Order level	1,990,292	1,845,807	1,854,274
Staff (yearly average)	8,957	8,713	8,366
Construction output/Staff	226	244	247
Earnings before interest, taxes, depreciation and amortisation **(EBITDA)**	**114,936**	**125,304**	**88,817**
Earnings before interest and taxes **(EBIT)**	**72,840**	**87,188**	**54,973**
Interest income	-5,335	-8,505	-6,888
Earnings before tax **(EBT)**	**68,611**	**78,614**	**48,122**
Earnings after tax	56,142	63,064	38,492
Operating Cash flow	100,947	92,433	53,106
Cash flow/Construction output	**5.0%**	**4.3%**	**2.6%**
Return on sales **(ROS)**	**3.8%**	**4.0%**	**2.8%**
Return on equity **(ROE)**	**21.8%**	**27.3%**	**19.0%**
Return on investment **(ROI)**	**7.3%**	**8.9%**	**5.6%**
Total assets	1.030,091	970,064	987,473
Equity	324,282	306,276	269,938
Equity ratio	**31.5%**	**31.6%**	**27.3%**

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



III. Risk management

In the course of its business activities, SWIETELSKY is exposed to many risks.

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 industry 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 dificult to predict. We operate on the assumption that, following due diligence for all pending litigation, appropriate financial provisions are established.

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, a written code of conduct has been produced and rolled out, 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.

In recent weeks, the importance of these efforts has been made clear. 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.

Supplier risk

SWIETELSKY strives to cooperate on a long-term basis with its partners. The processes and responsibilities for the selection and assessment of suppliers and contractors are set out in a mandatory procedural instruction, as are the compliant, contractual, environmentally compatible and on-schedule procurement of materials and services.

Procurement risk

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.

In the previous financial year the previous guidelines for optimisation of treasury risks (payment transactions, foreign currencies, interest rates, investments) for the group as a whole was reworked and documented in writing. As a result, the risks were newly quantified and more strictly defined and responsibilities across the group were redefined.

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 risks

The increasing digitalisation and networking of business processes provides increased scope for attacks by cybercriminals. The risks here relate to unauthorised access to sensitive company data as well as reduced availability of systems as a consequence of disruption and disasters. In order to tackle the increasing threat scenarios in information security and to ensure the permanent availability of our IT systems, a multi-level technical and organisational package of measures has been implemented.

This package of measures underpins an ongoing continuous process of improvement, supported by external audits.

The definition of guidelines for the use of information technology also serves to raise awareness of risk among staff in their use of information and communications technology and makes an important contribution to minimising IT security risks.

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 creditors and lending banks.

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.

Controlling 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 continously 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 8,957 staff in the previous financial year (2015/16: 8,713). Of these, 5,822 were employed as skilled workers and 3,135 as manual workers (2015/16: 5,683 skilled workers and 3,030 manual workers). After a steep increase in the past, growth has markedly levelled out. New staff admissions affect primarily Austria (95 individuals), Czech Republic (92 individuals), Germany (80 individuals) and Slovakia (32 individuals). Reductions in personnel were recorded mainly in Hungary.

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 160 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.

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 apprenticship 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 financial requirements und 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.

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.

In accordance with ISO 14001 regulations and the implementation documentation in the environmental management system, direct and indirect impacts on the environment at building sites and fixed premises are determined and evaluated. Furthermore, appropriate provisions for prevention and hazard response are met through a risk evaluation and emergency planning procedure.
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. For example, appropriate construction measures applied to a single asphalt mixer can result in a permanent energy saving of more than 1,300 MWh. Relevant energy usage is continually measured and evaluated.

In the case of the vehicle fleet, annual CO_2 monitoring takes place for essential vehicle types. 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 building operations and site management 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. In particular in tunnel construction, alpine construction and railway construction, new technologies are developed or innovative methods used, regularly developed further and improved.

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

Prospects for world economic growth are positive. For 2017 the IMF revised its prospects slightly to 3.5%. The OECD and the European Commission anticipate with 3.3% and 3.4% respectively. For 2018 these three international institutions forecast world economic growth of 3.6%, based on a strong contribution to growth from industrialised countries (Austrian National Bank report on the economic situation, May 2017). For the Euroconstruct countries, steady growth of 1.8% for 2017, 1.7% for 2018 and 1.6% in 2019 is predicted. The growth rates of the EC-4 countries will be around twice as high as those of the EC-15 countries. The labour market situation, based on 9.5%, showing the lowest level for eight years, should continue to improve.

Projections for the growth of the construction industry in the Euroconstruct countries have been corrected upwards compared with the previous conference, at 2.9% for 2017 and 2.5% in 2018 (24/25 November, Barcelona: 2.1% for 2017 and 2.2% for 2018). For 2019 further, albeit more moderate, growth is expected at 2.0%. The growth rates of the EC-4 countries, at 5.3% for 2017 and 7.0% for 2018, are expected to be considerably above those of the EC-15 countries (2017: 2.8%, 2018: 2.2%). In all three divisions – residential construction, other building construction and civil engineering – positive growth is expected for the years 2017-2019, although projections vary. Civil engineering, sustained by the eastern European member states, is expected to gain momentum, with 2.0% in 2017 and 3.6% for both 2018 and 2019. Building construction, however, shows a decline in growth at 3.1% in 2017, 2.2% in 2018 and 1.5% in 2019.

In the spring, the two economic research institutes WIFO (the Austrian Institute for Economic Research) and the Austrian Institute for Advanced Studies (IHS) revised their economic projections for Austria considerably upwards. WIFO's growth estimate for the years 2017 und 2018 now stands at 2.0% and 1.8%, and that of the IHS at

1.7% and 1.5%. Compared with the last release in December, the projections from WIFO and IHS for 2017 have been revised upwards by 0.5 and 0.3 percentage points respectively. WIFO also revised its growth estimate for 2018 upwards by 0.4 percentage points, while IHS left its projection for 2018 unchanged. In 2019 growth of 1.7%, above the average of recent years, is also expected.

This optimistic estimate is predicated on the absence of a negative 'Trump effect' in the USA, a better than expected economic trend in the United Kingdom and in Eastern Europe, as well as very good leading indicators for the eurozone and Austria. Global growth will accelerate slightly beyond forecasting horizon and will be more strongly sustained by growth in the industrialised countries than in the previous upturn phases. Growth in Austria will also be supported by strong domestic demand in the current year, but contribution to growth will weaken with the drop in various extraordinary effects (tax reform, refugee disbursements, the temporary boom in vehicle investments). Improved export momentum will certainly lead to an acceleration of economic growth in the current year (Austrian National Bank current economic situation, May 2017).

This positive economic development is likely to be subdued where construction industry growth is concerned. For 2017 an increase of 1.6% and for 2018 of 1.4% is predicted. In 2019 growth is expected to slow somewhat (1.1%). Other building construction is expected to show the strongest growth with 2.1% in 2017 and 1.6% in 2018. Residential construction, at 1.6% (2017) and 1.5% (2018) is still ahead of civil engineering, at 0.8% for 2017 and 1.0% for 2018. In 2019 the growth rates of these divisions are expected to align further.

SWIETELSKY estimates a moderate inflation-based performance increase in Austria, with a further continuous rate of return.

According to Euroconstruct, the German economy will grow by 1.5% in both 2017 and 2018. Current projections from the OECD estimate growth of 1.7% (2017) and 2.0% (2018). The expansive monetary policy of the European Central Bank continues to contribute significantly to the upturn. Positive development in the labour market results in rising incomes, even though rising consumer prices have somewhat weakened the increase in real incomes. Additionately, a moderate rise in export demand for the years 2017 and 2018 is expected to make a further positive impact.

The construction industry will also continue to grow, though new residential construction, after considerable rises in the past, will grow strongly only in 2017 (8.0%). Other building construction, following a rise in 2017 (1.4%) will show a slight decline in 2018 (-0.2%) and 2019 (-0.9%). Civil engineering will continue to grow in 2017 (2.0%), but will lose momentum in 2018 (0.4%) and eventually show slight negative growth (2019: -0.5%).

SWIETELSKY estimates a performance increase in Germany in the coming year as well, with a constant rate of return.

The Hungarian economy is likely to continue to grow. For 2017 growth of 3.6% and for 2018 growth of 3.7% is estimated. This is due to the newly increasing EU subsidies for industry and stable high private consumption, which will increase even further through significantly rising wages. Exports will continue to be the engine of growth, since there is a dependency on Germany on the demand side as well as on domestic investments through its automotive industry.

The construction industry should again be able to have above-average participation in this growth. New residential construction will more than double in growth (2017: 50%, 2018: 30%, 2019: 20%); however, maintenance and renovation are also expected to be able to show a considerable rise (2017: 10.6%, 2018: 12.1% and 2019: 7.0%). Civil engineering, which is more significant in Hungary than in most of the other Euroconstruct countries, with 31% of total construction output (2016), is expected to be able to profit from EU subsidies. Growth rates are expected to compensate for the decline in 2016 (2017: 27.6%, 2018: 15.0% and 2019: 10.0%).

SWIETELSKY expects to expand its construction output in Hungary, following the planned performance decrease of the past, whereby profit contributions are expected to decrease slightly.

The Czech economy is expected to continue its above-average growth of 2016 into the following years. According to Euroconstruct report, an increase in economic output of 2.5% for 2017 and 2018 and an increase of 2.4% in 2019 is estimated. Also of note is the low unemployment rate, which is expected to reduce further to 3.1% until 2019. This gives the Czech Republic the lowest unemployment rate in the EU and has already resulted in above-average increases of wages and salaries.

The construction industry is expected to profit from the increased demand for EU subsidies and to be able to halt the decline in economic output (2017: 0.0%). The funds of around EUR 370.0 million requested in 2016 are expected to increase to EUR 1.8 billion in 2017 and to be invested in significant infrastructure projects. The impacts should be visible in civil engineering at the earliest in 2018 (6.4%) and 2019 (12.1%) (2017: -1.9%). Building construction will again be supported by residential construction and after moderate growth in 2017 (0.8%) will be able to increase considerably (2018: 4.3%, 2019: 6.8%).

In the coming financial year, SWIETELSKY estimates a performance increase on a par with the previous year in the Czech Republic, with a continued stable rate of return. With regard to the other countries, SWIETELSKY continues to follow the strategy of acquiring projects in promising markets, according to the relevant division.

Building on a satisfactory order situation, SWIETELSKY estimates for the current financial year 2017/18 a moderate increase in output and results figures oriented towards the upper end of the sector environment.

SWIETELSKY continues to focus on the commitment and innovative capability of its successful staff as well as on its proven mix of markets and divisions.

Linz, 14 July 2017

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 2017, and the consolidated income statement/consolidated statement of comprehensive income, the development of equity and the consolidated cash flows statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 March 2017, 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 (ISA). Our responsibilities pursuant to these rules and standards are described in the "Auditors' Responsibility" section of our report. We are independent of the audited entity within the meaning of Austrian commercial law and professional regulations, and 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.

Management's Responsibility and Responsibility of the Audit Committee for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements 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) 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, and, where appropriate, to disclose matters that are relevant to the Group's ability to continue as a going concern and to apply the going concern assumption in its financial reporting, except in circumstances in which liquidation of the Group or closure of operations is planned or cases in which such measures appear unavoidable.

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

Auditors' Responsibility

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance represents a high degree of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the audit to be performed in accordance with ISA, will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are considered material if they could, individually or in the aggregate, 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, which require the audit to be performed in accordance with ISA, we exercise professional judgment and retain 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 plan and perform procedures to address such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk that material misstatements due to fraud remain undetected is higher than that of material misstatements due to error, since fraud may include collusion, forgery, intentional omissions, misleading representation 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 entity's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates as well as related disclosures made by management.

- We conclude on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. In case we conclude that there is a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention to the respective note in the financial statements in our audit report or, in case such disclosures are not appropriate, to modify our audit opinion. We conclude based on the audit evidence obtained until the date of our audit report. Future events or conditions however may result in the Company departing from the going concern assumption.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 with 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 in the course of our audit.

REPORT ON OTHER LEGAL REQUIREMENTS

Group Management Report

In accordance with the Austrian Commercial Code the group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it has been prepared in accordance with legal requirements.

The legal representatives of the Company are responsible for the preparation of the group management report in accordance with the Austrian Commercial Code.
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 has been prepared in accordance with legal requirements and is consistent with the consolidated financial statements.

Statement

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

Linz, 14 July 2017

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.

IMPRINT

Media owner and publisher:
Swietelsky Baugesellschaft m.b.H.
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Commercial register Linz

Graphical concept and design:
Fredmansky GmbH, Linz

Photos:
Swietelsky, Getty Images

Technical conversion online:
E-Conomix GmbH, Wels

Production Print:
Estermann GmbH, Aurolzmünster

Publication:
28 July 2017

www.fredmansky.at

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