

Summary

Central position of ALPINE Bau Within the ALPINE Group:

ALPINE Bau GmbH took over de facto all important functions within the Group. Although the ALPINE Bau a subsidiary ALPINE Holding GmbH, took over the ALPINE construction in the broadest sense, the holding functions of the ALPINE Group. Firstly, the majority of the subsidiaries depends hierarchically under the ALPINE Bau, on the other hand, the most important central functions such as the entire Treasury, Corporate Reporting, Controlling etc. were carried out in the Alpine Bau.

Consequently, the risk of entanglement between the Alpine Bau and its subsidiaries, is very strong.

Expansion:

The ALPINE Group in the years 2004 to 2011, construction output almost doubled (increase of about MEUR MEUR 1,912 in 2004 to 3,620 in 2011; in 2012, construction output fell back to around 3,213 MEUR).

While domestic business grew moderately (by approximately MEUR 1,221 in 2004 to approximately MEUR 1,442 in 2012), foreign business has disproportionately contributed to the overall growth (increase of approximately MEUR 691 in 2004 to about EUR 1,770 in 2012).

On the earnings side shows that the domestic business reported positive and could achieve results, while the foreign sector from 2007 was consistently negative. The culmination of this development is reflected in 2012; While in Austria still a barely positive result of could be achieved plus MEUR 10, the result abroad broke with minus MEUR 505. The cause of this dramatic negative Result is justified in relation to project assets and depreciation in the first made in 2012 accounting loss-realization.

This rapid expansion - which happened sales-oriented and not earnings-oriented - was driven by long-time co-owner and "Strong man" of ALPINE, Mr Aluta-Oltyan and the Spanish Majority owner FCC.

The strategy of gaining market share and the consequent Entry into new markets had a devastating impact on the Profitability of the ALPINE Group.

Business model:

In order to gain a foothold abroad, have been - in addition to the acquisition of local Construction companies which had business area - however, especially Major projects acquired; they are subject to significantly different and relatively higher risk structure and are characterized mainly by German

Lich higher from capital bonds.

While in Germany continued to dominate the business area, were the construction abroad by major projects (later known as

"Major pro-

jects ") is achieved. With this change, the sales structure has significantly increased the risk of the business. This changeover

ment of the business model and the associated risk profile was also a major reason for the problems of ALPINE in the recent years.

Lack of structures, control and transparency:

The company pursued an aggressive growth strategy - specifically in Southeastern and Eastern Europe - in these markets without having sufficiently robust structures. The successful market entry into these new markets with at this time not adequately established controlling. The risk management systems were available for

Number of new markets not to the extent necessary and with the necessary know-how. There was a lack of qualified and experienced project management team, which had the necessary regional expertise.

After the control functions were not or not sufficiently exercised (Insufficient project cost control, no or extremely poor internal audits, no reasonable risk-evaluation in submit an offer etc) were detected the exorbitant losses in foreign projects too late.

The management, which was responsible for the implementation of appropriate controls, was dominated by early 2012 by Mr Aluta-Oltyan even though he was not in a formal management function but

Supervisory Board member of ALPINE Bau GmbH. Mr. Aluta-Oltyan particular was from the entry of FCC on without a significant corrective in

the active management, and he was together with the FCC the decisionmaker of the group. It was only by the occupation of CEO function by Mr. Dotter in 2012 that limited his exercise of power.

This tailored to an individual leadership style and the associated corporate culture contributed to the identified

deficiencies in terms of structures, controls and transparency in decision.

The weaknesses and problem areas of the ALPINE described in more detail above meant that flowed on for way too long enormous Cash in loss-making foreign or large projects. This high liquidity outflows led to correspondingly high capital bonds in the respective projects. The analyzes of the use of funds to show that flowed through May 2013, a net amount in the amount of approximately MEUR 1,300 in foreign branch offices or subsidiaries of ALPINE Bau is. (Note: These figures represent the detail above analysis presented in net cash flows based on the settlement accounts of the financial statements of ALPINE Bau and are therefore not directly derived from the consolidated and individual financial statements).

From the Group's perspective were already the end of 2011 about 1,502 MEUR in various claims against clients or customers bound. These receivables were among other substantial portions of claims (about the original contract value exceeding After-have offset) as well as from without expecting benefits for the so-called Major Projects.

The auditor Deloitte had in his additions to the auditor's report since 2009 on this matter existing risks associated with the project listed there shops or the corresponding receivables from building contractors daughters out. KPMG in their - in the summer of 2012 - already created report an impairment charge of about MEUR 400 proof; thus KPMG met this Findings only a few months after publication of the 2011 annual financial statements of ALPINE Bau (this dated April 27, 2012).

The restructuring of BCG consultants also commissioned in 2012 (Or later PwC) considered the observed impairment of KPMG largely correct. Thus, all presented from 2012 had moved outside consultant significant impairment requirements related to the capitalized receivables fixed (or corresponding provision requirements). These assessments were ultimately reflected in the preliminary (Still assuming a continuation of the company balance sheet) results for 2012.

Very critically question therefore is the extent to which the management

concerning the years 2009, 2010 and 2011 made assessment - namely, that these claims or claims are valuable - rightly was carried out. So even in the bankruptcy petition is the ALPINE Bau (S 17) stated that "... due to necessary adjustments (Mainly for large projects abroad) in the preliminary Jahresabschluss 2012, a loss of MEUR 434 must be accepted ...".

Insofar was examined whether financial provision - particularly among

To meet - Observance of the UGB inherent prudence would have been, or whether the approach of these claims on the merits

was justified by the objective and collectibility of receivables mentioned above was not given in previous periods. Based on the studied by us Major Projects are presented massive

Impairment requirements or lack of recognition criteria these "claims" already for the Annual and Consolidated Financial Statements

2009 represents.

The main reason for this is that the ALPINE not to a great extent

contractual, above and beyond the original contract value Subsequent adjustments ("Claims") taken into account in the accounting of construction projects. As a result, the in these projects already incurred losses in 2009 were only recognized in accordance correctly.

According to our studies, we found a need for correction in terms of consolidated net income for 2009 in the amount of approximately MEUR 203 for 2010 in the amount of MEUR 19 and for 2011 in the amount of MEUR 128 fixed.

Until 31.12.2011 there are thus cumulative result corrections in the amount of MEUR 350 on a Group basis.

Regarding the ALPINE Bau GmbH, the identified needs correction amounted in 2009 to MEUR 209 MEUR in 2010 to 18 in 2011 and 85 MEUR, thus cumulated MEUR 312th

Financing

These - sometimes very long or to the end - not recoverable claims in turn, led to sharply rising financing costs and the need to ever new funding to support further Take projects.

"The financial liabilities existed until 2007, de facto only from bank loans and were from the group's perspective in terms of value at the end of 2004 approximately MEUR 117. By the end of 2012, the financial

liabilities are on a Value of approximately 898 MEUR increased. Included are emitted in the years 2010 to 2012 bonds in the amount of approximately MEUR 290th

As part of the borrowings were loans in the amount of approximately MEUR 360 (ULSG - Secured loans) was added, the repayment to compliance with certain - agreed in these credit agreements - covenants was attached (note: the covenants were essentially labeling payable out of the Consolidated income statement and consolidated balance sheet derived from the "Ratios"). These covenants, however, were not only for the ULSG loans in the amount of MEUR 360 but also on behalf of other contracts due to the configuration of the respective "Cross-Default clauses "relevant.

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According graphics MEUR 210 (relates to rounding difference).

By the use of an entire set of measures from the Dates was able to comply with the covenants. This very short effective action ("Window Dressing" - Measures) had in 2011, a volume in the amount of approximately MEUR 277, in 2010 approximately MEUR 206 and in 2009 approximately MEUR 172nd

Annual financial statements and audit reports:

Given above is shown measures to improve the reporting date key indicators as well as the failure to corrections of Claims noted that the consolidated financial statements of ALPINE Holding and the Financial statements of ALPINE Bau in the years 2009, 2010 and 2011 not give a true picture of the financial position and results reproductions.

The auditor Deloitte issued in terms of these financial statements in all years an unqualified opinion to complement a suffix indicating. The individual financial statements of ALPINE Holding was also an unqualified audit opinion in these years - unaudited - but without supplementary addition.

Concerning the annual accounts of ALPINE Bau, the ALPINE Holding and the consolidated statements of ALPINE Holding for the period 2009 -

2011, we conclude that the auditor's report for 2009 each (at least) would have been limiting. For the years 2010 and 2011, the audit report would have been to fail each. However, in respect of the year 2009, we were the detectability for

not off the auditor of the findings made by us Closing judge. Regarding consist the years 2010 and 2011 no doubt about this recognition in our opinion.

Date of insolvency

By determined by us correction requirements of the consolidated financial statements for 2009, it would have been a breach of agreed covenants in various loan agreements. The result of this breach of the covenants would be the repayment of the been directly and indirectly affected (by cross default clauses) credit lines.

The emissions of public bonds (as done in 2010) would be due to

the dramatically worse consolidated financial statements and consequent breach of the covenants not very likely have been possible.

This would have - as noted by ALPINE itself internally - for "Loss of financial base" out.

On the basis of above findings and on the basis of present us cash forecasts and assumptions by management and is based, among

correct interpretation and consolidated financial statements, we therefore anticipate with

high probability of an objective to the insolvency of ALPINE Bau GmbH and thus indirectly also the ALPINE

Holding GmbH from no later than the fall of 2010.