Half-Year Report
January to June 2019

Financial Highlights

- Operational net profit +25% yoy to EUR 296 million, nom. net profit +21% to EUR 279 million
- Net cash from operating activities shows positive momentum
- Group net cash of EUR 1.3 billion, all divisions up yoy
- Strong new orders of EUR 14.6 billion (+13%), order backlog of EUR 49.4 billion (+8%)
- Guidance confirmed: operational net profit FY 2019 of EUR 640–680 million (+22–30% yoy)

We are building the world of tomorrow.

HOCHTIEF

**Note: Operational profits are adjusted for non-operational effects/
2018 figures restated for IFRS 16/
Prior year EBIT(DA) restated due to new definition**

The HOCHTIEF Group: Key Figures							
(EUR million)	**H1 2019**	H1 2018	**Change**	**Q2 2019**	Q2 2018	**Change**	Full year 2018
Sales	**12,009.4**	11,203.0	**7.2%**	**6,276.8**	5,936.8	**5.7%**	23,882.3
Operational profit before tax/PBT	**506.0**	454.2	**11.4%**	**268.4**	247.0	**8.7%**	968.6
Operational PBT margin (%)	**4.2**	4.1	**0.1**	**4.3**	4.2	**0.1**	4.1
Operational net profit	**296.4**	238.0	**24.5%**	**163.7**	131.7	**24.3%**	523.3
Operational earnings per share (EUR)	**4.20**	3.70	**13.5%**	**2.32**	2.05	**13.2%**	8.0
EBITDA	**909.0**	777.6	**16.9%**	**465.8**	424.8	**9.7%**	1,686.2
EBITDA margin (%)	**7.6**	6.9	**0.7**	**7.4**	7.2	**0.2**	7.1
EBIT	**561.0**	523.3	**7.2%**	**289.3**	287.5	**0.6%**	1,124.0
EBIT margin (%)	**4.7**	4.7	**0.0**	**4.6**	4.8	**-0.2**	4.7
Nominal profit before tax/PBT	**489.5**	446.4	**9.7%**	**256.6**	247.2	**3.8%**	979.0
Nominal net profit	**278.7**	229.7	**21.3%**	**150.7**	131.8	**14.3%**	543.0
Nominal earnings per share (EUR)	**3.95**	3.57	**10.6%**	**2.13**	2.05	**3.9%**	8.30
Net cash from operating activities	**414.1**	358.6	**15.5%**	**588.0**	488.4	**20.4%**	1,573.9
Net operating capital expenditure	**234.4**	163.6	**43.3%**	**121.2**	89.8	**35.0%**	343.9
Free cash flow from operations	**179.7**	195.0	**-7.8%**	**466.8**	398.6	**17.1%**	1,230.0
Net cash (+)/net debt (-)	**1,306.9**	1,353.7	**-3.5%**	**1,306.9**	1,353.7	**-3.5%**	1,564.3
New orders	**14,553.3**	12,841.5	**13.3%**	**7,465.8**	6,087.3	**22.6%**	28,098.1
Work done	**12,602.0**	12,041.3	**4.7%**	**6,528.0**	6,359.8	**2.6%**	25,446.2
Order backlog	**49,424.9**	45,584.3	**8.4%**	**49,424.9**	45,584.3	**8.4%**	47,267.4
Employees (end of period) (direct employees)	**54,675**	58,228	**-6.1%**	**54,675**	58,228	**-6.1%**	55,777

About the cover photo: The new Samuel de Champlain Bridge, Montreal, Canada
Stretching 3.4 kilometers across the St. Lawrence River, the new Samuel de Champlain Bridge has now been opened to traffic. The imposing span is a major transportation link for the region, connecting Montreal's eastern suburbs with the city center. HOCHTIEF worked as part of a public-private partnership that financed, designed, and built the project and will now operate it as part of the Signature on the Saint-Lawrence Group consortium. Flatiron was a member of the construction consortium, which attached great importance to protecting the environment and conserving resources.

Dear Shareholders and friends of HOCHTIEF,

Marcelino Fernández Verdes, Chairman of the Executive Board

HOCHTIEF has delivered a robust performance during the first six months of 2019 with a solid increase in the Group's profits, sales and order book, compared with a year ago, accompanied by an increase in net cash from operating activities.

Operational net profit, which excludes non-operational effects, increased by EUR 58 million, or 25%, year on year to EUR 296 million. **Nominal net profit** rose by 21% year on year to EUR 279 million. Both profit measures include a EUR 52 million contribution from our 20% equity-consolidated stake in Abertis. In addition to this positive impact, all three HOCHTIEF divisions contributed to the increase in operational net profit.

Sales in the January–June 2019 period increased by over EUR 800 million to EUR 12.0 billion, or an f/x-adjusted 4%, year on year. In nominal terms, sales were 7% higher, with an increased contribution coming from our construction management and services activities, thus driving an improved risk profile for the Group. HOCHTIEF's **operational PBT margin** was steady at 4.2% of sales.

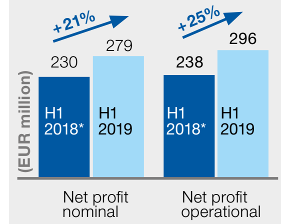
First-half **net cash from operating activities** of EUR 414 million was EUR 56 million higher year on year. If we consider the last-twelve-month period, to eliminate the impact of seasonality, HOCHTIEF has generated a strong level of net cash from operating activities of over EUR 1.6 billion. This reflects both continued growth in cash-backed profits and further cash inflow from working capital.

Due to increased mining and job-costed tunneling work, **net operating capital expenditure** increased by EUR 71 million to EUR 234 million. Looking at the last twelve months, HOCHTIEF has delivered over EUR 1.2 billion of free cash flow from operations.

HOCHTIEF Group—H1 2019 highlights

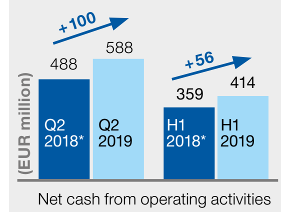
Operational net profit +25% yoy to EUR 296 million, nom. net profit +21% to EUR 279 million

- Sales of EUR 12.0 billion, up over EUR 800 million or +7% yoy (f/x-adj. + 4%)
- Profit growth in all divisions with steady margins; EUR 52 million Abertis contribution
- Op. PBT +11% yoy to EUR 506 million; nom. PBT of EUR 490 million (+10% yoy)



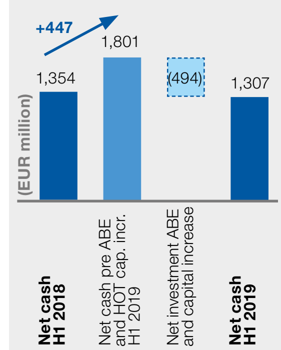
Net cash from operating activities shows positive momentum

- H1 cash flow of EUR 414 million is up EUR 56 million yoy; eliminating seasonality EUR 1.6 billion LTM
- Q2 2019 EUR 588 million inflow shows a EUR 100 million yoy increase
- EBITDA LTM cash-conversion of 103%; free cash flow from ops. of EUR 1.2 billion LTM



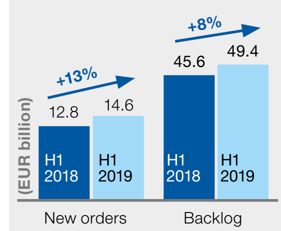
Group net cash of EUR 1.3 billion, all divisions up yoy

- Group net cash position of EUR 1.3 billion after EUR 494 million net investment in 20% Abertis stake in 2018
- S&P affirmed BBB rating and stable outlook (July 2019)



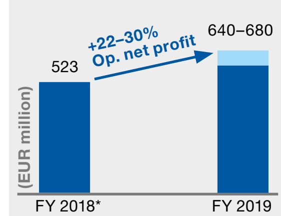
Strong new orders of EUR 14.6 billion (+13%), order backlog of EUR 49.4 billion (+8%)

- Strong new order growth, +10% f/x-adj; represents 1.2x work done in H1 2019—disciplined bidding approach continued across the Group
- Sustained growth in order backlog of EUR 3.8 billion yoy (+9% f/x-adj.), EUR +2.2 billion ytd



Guidance confirmed: operational net profit FY 2019 of EUR 640–680 million (+22–30% yoy)

- Positive outlook for seasonally stronger H2 across the three divisions, based on solid order book
- Robust tender pipeline in our core markets: USA, Canada, Asia-Pacific and Europe approaching EUR 600 billion for 2019 and beyond; PPP project pipeline of approximately EUR 230 billion



*2018 figures restated for IFRS 16

yoy = year on year
LTM = last twelve months

As a consequence of the Group's solid cash generation, HOCHTIEF ended June 2019 with a **net cash position** of EUR 1.3 billion, with all three divisions increasing their net cash position compared with June 2018. The Group's net cash level is after the EUR 494 million net investment in the 20% Abertis stake in 2018.

A strong level of **new orders**, EUR 14.6 billion, has been secured in the first half of 2019, an increase of EUR 1.7 billion year on year, or 10% f/x-adjusted. The disciplined bidding approach, across the Group's geographical footprint, remains a priority for our teams.

One of the most significant new orders received in the second quarter was the large-scale Cross River Rail project in Brisbane, which involves several CIMIC companies. Flatiron has also taken on a rail contract—the Redlands Passenger Rail project in California. Elsewhere in North America, Turner has been awarded the redevelopment of the 2 Penn Plaza building in New York whilst in Germany, HOCHTIEF is responsible for the Heinrich Campus office building in Düsseldorf.

The June 2019 **order book** of EUR 49.4 billion shows sustained growth and has increased by EUR 3.8 billion year on year, or 9% on an exchange rate adjusted basis (nominal +8%).

Looking forward, our local teams have identified a **project tender pipeline** worth approaching the EUR 600 billion level of relevant projects coming to our markets in North America, Asia-Pacific and Europe for the remainder of 2019 and beyond. Our strong position in developed PPP markets is reflected in the **PPP project pipeline** the Group has identified and which stands at EUR 230 billion.

The **dividend for 2018** of EUR 4.98 per share, approved at our Annual General Meeting in May, and which has been increased by 47% year on year, was distributed in early July. Shareholder remuneration continues to be a key element of the Group's capital allocation strategy along with focusing on attractive organic and strategic growth opportunities.

Group Outlook

As a consequence of the positive Group outlook, we expect to achieve an **operational net profit in 2019 in the range of EUR 640–680 million compared with EUR 523 million in 2018**. This represents an increase of 22–30% with all our divisions driving this further improvement in our Group performance in addition to the significant contribution expected from our investment in Abertis.

Yours,

Marcelino Fernández Verdes
Chairman of the Executive Board

Interim Management Report
Financial review

Overview

HOCHTIEF further increased its sales, earnings, divisional net cash and order backlog in the first half of 2019 compared with the prior-year period. The Group's net cash position remained very robust and amounted to EUR 1.3 billion as of June 30, 2019.

Rating agency Standard & Poor's affirmed the Group's BBB investment grade rating in July, with a stable outlook. This rating reflects the strength of the Group's financial position.

Sales and earnings

Since the beginning of 2019, HOCHTIEF has applied the new financial reporting standard IFRS 16 "Leases". First-time application was carried out according to the full retrospective method. Accordingly, the Group applies the IFRS 16 rules to the first half year ended June 30, 2019 and the comparative periods presented for 2018. The prior-year figures were restated accordingly. This ensures full comparability.

Group **sales** in the first half of 2019 rose by over EUR 800 million or 7% year on year to EUR 12.0 billion.

Sales

(EUR million)	**H1 2019**	H1 2018	Change	Change f/x-adjusted
HOCHTIEF Americas	7,017.4	6,051.5	16.0%	8.7%
HOCHTIEF Asia Pacific	4,352.1	4,416.7	-1.5%	0.3%
HOCHTIEF Europe	573.9	682.1	-15.9%	-15.7%
Corporate	66.0	52.7	25.2%	17.2%
Group	**12,009.4**	**11,203.0**	**7.2%**	**3.9%**

The HOCHTIEF Americas division continued the sales growth of the first three months in the second quarter of 2019. For the first half of 2019 as a whole, sales amounted to EUR 7.0 billion, an increase of 16% on the prior-year figure. The key factor here was a continued strong sales performance at our U.S. subsidiaries Turner and Flatiron. Adjusted for exchange rate effects, sales increased by 9% year on year.

CIMIC Group revenues for the first half of 2019 were slightly higher at AUD 7.0 billion (+0.3%), with growth in mining and Australian construction. At divisional level, HOCHTIEF Asia Pacific's sales of EUR 4.4 billion were virtually unchanged from the prior year.

The HOCHTIEF Europe division's sales performance in the reporting period was again shaped by a continued disciplined bidding approach in construction and reduced real estate development activities. In the first half of 2019, sales amounted to EUR 574 million (previous year: EUR 682 million).

In the first half of 2019, the HOCHTIEF Group generated sales of EUR 11.7 billion on markets outside Germany. The international share of Group sales was thus 97%.

In the first half of 2019, **nominal profit before tax (PBT)** rose by 10% year on year to EUR 490 million. In operational PBT—meaning nominal PBT adjusted for non-operational effects—HOCHTIEF achieved an increase of 11% to EUR 506 million.

Profit before tax (PBT)

(EUR million)	**H1 2019**	H1 2018	Change
HOCHTIEF Americas	152.6	142.1	7.4%
HOCHTIEF Asia Pacific	286.1	288.9	-1.0%
HOCHTIEF Europe	24.8	23.2	6.9%
Corporate	26.0	(7.8)	–
Group nominal PBT	**489.5**	**446.4**	**9.7%**
Non-operational effects	**16.5**	**7.8**	**111.5%**
Restructuring	7.3	4.5	62.2%
Investments/Divestments	0.7	(5.8)	–
Impairments	0.0	0.0	n.a.
Others	8.5	9.1	-6.6%
Group operational PBT	**506.0**	**454.2**	**11.4%**

Note: Operational profits are adjusted for non-operational effects/2018 figures restated for IFRS 16

The HOCHTIEF Americas division achieved good earnings growth in the first half of 2019. Nominal PBT rose by 7% year on year to EUR 153 million, helped by an operational development and a positive f/x effect.

The profit of the HOCHTIEF Asia Pacific division largely reflects HOCHTIEF's stake in CIMIC (72.7% as of June 30, 2019, unchanged from the prior year). The PBT margin at CIMIC remained steady, delivering a PBT of AUD 504 million for H1 2019, in line with the trend in revenue. At divisional level, nominal PBT (EUR 286 million) thus remained at the prior-year level.

Note: Operational profits are adjusted for non-operational effects/2018 figures restated for IFRS 16

The HOCHTIEF Europe division continues to be selective when tendering for new orders while focusing on improvements in project delivery in its core businesses of construction and public-private partnerships. In the first half of 2019, nominal PBT improved from EUR 23 million in the prior-year period to EUR 25 million.

Net income from equity-method associates, joint ventures, and other participating interests amounted to EUR 106 million for the HOCHTIEF Group in the first half of 2019 (prior-year period: EUR 118 million). This figure includes a profit contribution of EUR 52 million (previous year: EUR 12 million) from the Abertis investment which has been equity-accounted in HOCHTIEF's consolidated financial statements since June 1, 2018.

The **net investment and interest expense** for the first six months of 2019 was EUR 80 million (previous year: EUR 71 million).

At EUR 134 million, **income tax expenses** were slightly lower than in the previous year (EUR 138 million). The effective tax rate fell by four percentage points year on year to 27% (prior year: 31%), mainly due to higher earnings contributions from equity-method associates in connection with our investment in Abertis.

In the first half of 2019, **nominal consolidated net profit** rose to EUR 279 million, up EUR 49 million or 21% on the corresponding figure for the previous year (EUR 230 million). Non-controlling interests of EUR 77 million primarily related—as in the previous year (EUR 79 million)—to the CIMIC Group. HOCHTIEF also continued to grow its **operational consolidated net profit**. After EUR 238 million in the first half of 2018, the figure for the 2019 reporting period was 25% higher at EUR 296 million.

Consolidated net profit

(EUR million)	**H1 2019**	H1 2018	Change
HOCHTIEF Americas	97.8	89.1	9.8%
HOCHTIEF Asia Pacific	137.7	136.7	0.7%
HOCHTIEF Europe	19.3	15.5	24.5%
Corporate	23.9	(11.6)	–
Group nominal net profit	**278.7**	**229.7**	**21.3%**
Non-operational effects	**17.7**	**8.3**	**113.3%**
Restructuring	7.7	4.3	79.1%
Investments/Divestments	1.0	(5.1)	–
Impairments	0.0	0.0	n.a.
Others	9.0	9.1	-1.1%
Group operational net profit	**296.4**	**238.0**	**24.5%**

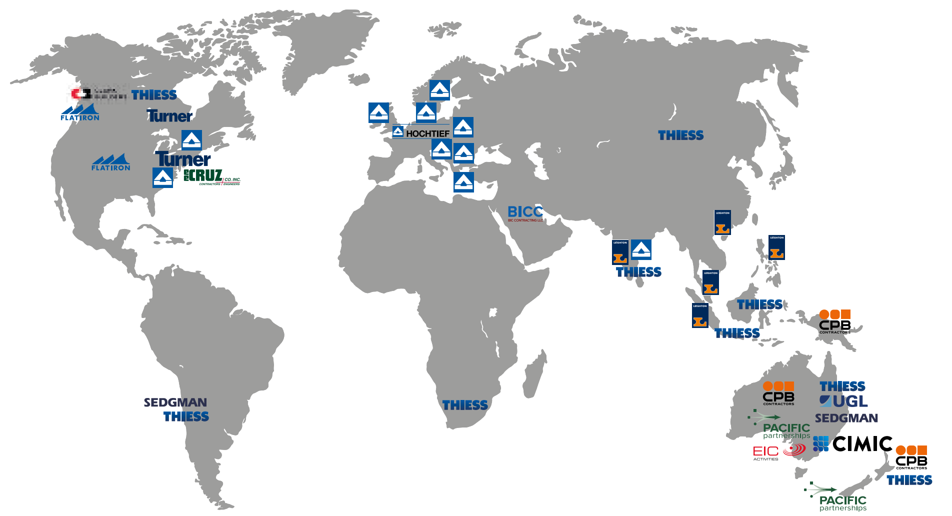
New orders and order backlog

HOCHTIEF secured **new orders** with a value of EUR 14.6 billion in the first half of 2019. Compared with the prior-year period, new orders increased by 10% f/x-adjusted (13% nominal). New orders equaled 1.2 times the work done during the period; a disciplined bidding approach continued across the Group.

In the HOCHTIEF Americas division, new orders remain solid at EUR 8.5 billion, with a significant increase year on year in Q2 2019, equaling 1.3 times work done in the period. New orders at HOCHTIEF Asia Pacific came to EUR 5.0 billion—on a par with the work executed during the first six months. The HOCHTIEF Europe division reported a good level of new orders in a volume of EUR 0.9 billion equivalent to 1.3 times work done.

At the end of June 2019, the **order backlog** stood at EUR 49.4 billion, up EUR 4 billion or 9% f/x-adjusted compared to the prior-year period (nominal 8%). HOCHTIEF was able to expand its forward order book to 23 months, compared with 22 months in H1 2018. Prospects for the remainder of 2019 remain positive for all divisions thanks to a strong tender pipeline and solid order backlog.

HOCHTIEF Group—Selected Recent Significant Project Announcements

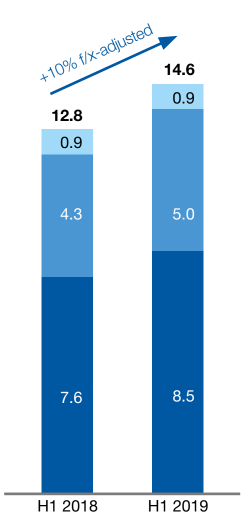


Contract values are total project volumes.

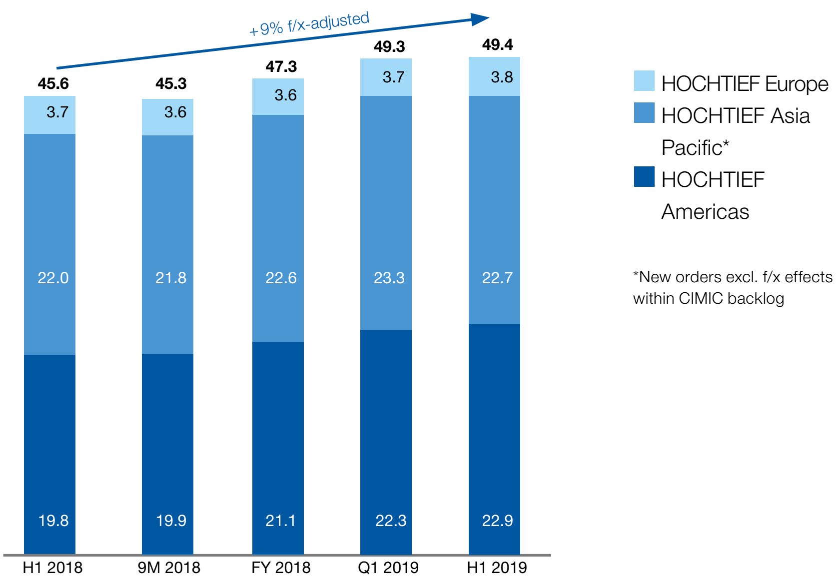
Sustainable Buildings, EUR 365 million, Germany
Suburban railway trunk route, EUR 400 million, Munich, Germany
Social Infrastructure PPP Projects, EUR 150 million, Germany
Penn Plaza, USA
Route 5 Oso Parkway, EUR 115 million, USA
Redlands Passenger Rail Project, EUR 137 million, USA
Triangle Expressway Toll Road, EUR 140 million, North Carolina, USA
Hampton Roads Bridge Tunnel, EUR 2.9 billion, Virginia, USA
Three Data Centers, EUR 570 million, USA
San Francisco Airport, EUR 629 million, USA

Las Vegas Convention Center District Plan (2nd phase), EUR 578 million, USA
The Spiral, New York, USA
Sydney Trains contract extension, EUR 559 million, Australia
Cross River Rail Tunnel, for the EUR 3.3 billion Brisbane Cross River Rail project, Australia
Regional Rail Project, EUR 795 million, New South Wales, Australia
Byerwen Coal Mine, EUR 97 million, Queensland, Australia
TasWater's Capital Works, EUR 373 million, Tasmania, Australia
Westconnex Rozelle interchange, EUR 2.5 billion, Sydney, Australia
Parramatta Light Rail Stage 1, EUR 523 million, New South Wales, Australia
Auckland International Airport, EUR 117 million, New Zealand
Jwaneng Mine Cut 9 project, EUR 1.1 billion, Botswana

New orders (EUR billion)



Order backlog (EUR billion)



*New orders excl. f/x effects within CIMIC backlog

Cash flow

1) last twelve months

(EUR million)	**H1 2019**	H1 2018	Change	**LTM[1] 07/2018–06/2019**	Full year 2018 (restated)
Net cash from operating activities pre net working capital change	852.6	673.6	179.0	1,500.1	1,321.1
Net working capital change	(438.5)	(315.0)	(123.5)	129.3	252.8
Net cash from operating activities	**414.1**	**358.6**	**55.5**	**1,629.4**	**1,573.9**
Gross operating capital expenditure	(247.0)	(177.3)	(69.7)	(481.1)	(411.4)
Operating asset disposals	12.6	13.7	(1.1)	66.4	67.5
Net operating capital expenditure	(234.4)	(163.6)	(70.8)	(414.7)	(343.9)
Free cash flow from operations	**179.7**	**195.0**	**(15.3)**	**1,214.7**	**1,230.0**

Cash flow

Cash flow development in the first half of 2019 shows a positive momentum. **Net cash from operating activities** increased by EUR 56 million year on year to EUR 414 million supported by profit growth. During Q2 2019, net cash from operating activities increased by EUR 100 million, more than offsetting the impact of Q1 seasonality. Over the last twelve months (July 2018 to June 2019), a perspective that eliminates seasonality impacts, net cash from operating activities remained at a high level of EUR 1.6 billion.

Gross operating capital expenditure for the HOCHTIEF Group as a whole amounted to EUR 247 million in the first half of 2019 (prior-year period: EUR 177 million). This increase reflects a higher level of investment in mining equipment enabling sales growth in the mining business and in tunneling equipment to support the delivery of large transport-related infrastructure projects. At EUR 13 million, proceeds from operating asset disposals was almost at the previous year's level (EUR 14 million). Net operating capital expenditure resulted in a total cash outflow of EUR 234 million (previous year: EUR 164 million).

Free cash flow from operations amounted to EUR 1.2 billion in the twelve-month period from July 2018 to June 2019.

Balance sheet

The HOCHTIEF Group's **total assets** amounted to EUR 16.2 billion as of June 30, 2019. Compared with December 31, 2018 (EUR 15.5 billion), total assets grew by EUR 745 million in the first six months of the current year.

Non-current assets remained stable at EUR 5.6 billion in the first half of 2019. Property, plant and equipment rose by EUR 67 million to EUR 1.7 billion, mainly due to investments in job-costed tunneling machines and ongoing investment in CIMIC's mining equipment, driven by revenue growth. The right-of-use assets recognized under property, plant and equipment in connection with the application of IFRS 16 amounted to EUR 638 million (December 31, 2018: EUR 668 million). Financial assets amounted to EUR 1.8 billion with a decline of EUR 105 million in the first half of 2019. This was mainly due to the recognition of the Abertis dividend which reduces the equity book value of the Abertis investment.

Current assets increased by EUR 717 million to EUR 10.6 billion (December 31, 2018: EUR 9.9 billion). As a result of strong growth and seasonality in our operations, trade receivables and other receivables increased by EUR 912 million to EUR 6.3 billion in the first six months of 2019. The factoring volume for the HOCHTIEF Group as a whole was EUR 1.7 billion, consistent with December 31, 2018. Cash and cash equivalents amounted to EUR 3.5 billion as of June 30, 2019. Compared with June 30, 2018, cash and cash equivalents increased by EUR 252 million.

As of June 30, 2019, **shareholders' equity** of the HOCHTIEF Group stood at EUR 2.3 billion (December 31, 2018: EUR 2.4 billion). The change in the first half of 2019 includes profit after tax (EUR 356 million), exchange rate effects (EUR 39 million), dividend payments (minus EUR 405 million) and other effects (minus EUR 85 million).

Non-current liabilities amounted to EUR 3.4 billion as of June 30, 2019 and thus remained virtually unchanged from December 31, 2018. Financial liabilities decreased by EUR 225 million to EUR 1.8 billion. The reclassification of a EUR 750 million HOCHTIEF bond maturing in March 2020 from non-current to current liabilities was largely offset by additions of EUR 419 million from the issue of promissory notes and bonds by HOCHTIEF Aktiengesellschaft. These bor-

HOCHTIEF Group net cash (+)/net debt (-) development[1]

(EUR million)	**June 30, 2019**	June 30, 2018	Change	Dec. 31, 2018
HOCHTIEF Americas	1,164.0	1,092.1	71.9	1,142.1
HOCHTIEF Asia Pacific	802.0	778.7	23.3	984.7
HOCHTIEF Europe	257.1	(10.9)	268.0	475.3
Corporate	(916.2)	(506.2)	(410.0)	(1,037.8)
Group	**1,306.9**	**1,353.7**	**(46.8)**	**1,564.3**

1) For definition, please see Group Report 2018, page 230.

rowings were used to partially refinance a HOCHTIEF bond maturing in May 2019 (nominal volume: EUR 500 million). In connection with the application of IFRS 16, non-current lease liabilities of EUR 512 million (December 31, 2018: EUR 536 million) were recognized as of June 30, 2019. Provisions for pensions were mainly affected by the adjustment of the discount rate to the lower market interest rate level and increased by EUR 78 million to EUR 468 million.

Current liabilities increased by EUR 885 million to EUR 10.5 billion in the first half of 2019. The aforementioned reclassification of the HOCHTIEF bond maturing in March 2020 (nominal value: EUR 750 million) from non-current liabilities increased current financial liabilities. This was partially offset by the repayment of the aforementioned HOCHTIEF bond (nominal value: EUR 500 million) due in May 2019. Current financial liabilities increased by a net EUR 266 million to EUR 866 million. Trade payables and other liabilities seasonally increased by EUR 739 million to EUR 8.6 billion. This was due to the operational growth and the EUR 352 million in liabilities from HOCHTIEF Aktiengesellschaft's dividend payment due on July 5, 2019. At EUR 247 million, the current lease liabilities reported in accordance with the application of IFRS 16 are at a similar level to the end of 2018.

Net cash increased by EUR 134 million in Q2 2019 to a robust level of EUR 1.3 billion as of June 30, 2019. All divisions improved their net cash position year on year, underlining the strong cash flow performance in the last twelve months. The **net investment in Abertis** of EUR 494 million was the main factor for the increase in net debt at Corporate by a total of EUR 410 million. The Group thus continues to have a strong financial position.

Risk and opportunities report

There has been no material change in the situation of the Group from that presented in our 2018 Group Report with regard to opportunities and risks. The statements regarding the opportunities and risks[2] made in the Group Report as of December 31, 2018 therefore continue to apply.

2) Our opportunities and risks report is provided starting on page 113 of our 2018 Group Report and on our website, www.hochtief.com.

Report on forecast and other statements relating to the Company's likely future development

As a consequence of the positive Group outlook, we expect to achieve an **operational net profit in 2019 in the range of EUR 640–680 million compared with EUR 523 million in 2018**, with all our divisions driving this further improvement in our Group performance in addition to the significant contribution expected from our investment in Abertis.

Divisions

HOCHTIEF Americas

Note: Operational profits are adjusted for non-operational effects/ 2018 figures restated for IFRS 16

HOCHTIEF Americas Division: Key Figures

(EUR million)	**H1 2019**	H1 2018	**Change**	Full year 2018
Divisional sales	**7,017.4**	6,051.5	**16.0%**	13,068.7
Operational profit before tax/PBT	**155.0**	142.1	**9.1%**	302.6
Operational PBT margin (%)	**2.2**	2.3	**-0.1**	2.3
Operational net profit	**99.5**	89.1	**11.7%**	193.3
Nominal profit before tax/PBT	**152.6**	142.1	**7.4%**	297.3
Nominal net profit	**97.8**	89.1	**9.8%**	189.5
Net cash from operating activities	**143.0**	106.4	**34.4%**	354.1
Gross operating capital expenditure	**25.4**	9.0	**182.2%**	40.3
Net cash (+)/net debt (-)	**1,164.0**	1,092.1	**6.6%**	1,142.1
New orders	**8,531.8**	7,626.0	**11.9%**	15,290.8
Work done	**6,744.4**	5,860.5	**15.1%**	12,662.8
Order backlog	**22,935.6**	19,842.9	**15.6%**	21,057.9
Employees (end of period)	**12,729**	11,833	**7.6%**	11,720

The performance of the HOCHTIEF Americas division continued to be very positive during the first six months of 2019.

Operational PBT rose by 9% year on year to EUR 155 million. Operational net profit increased 12% to EUR 100 million driven by increased contributions from Turner and Flatiron. Margins were broadly stable year on year whilst **sales** grew strongly, up 16% (+9% f/x-adjusted) to over EUR 7.0 billion.

Americas achieved a strong cash flow performance. **Net cash from operating activities** in H1 2019 of EUR 143 million represents a significant increase compared with the EUR 106 million of H1 2018. Over the last twelve months, the division has generated over EUR 390 million of net cash from its operating activities.

The divisional **net cash** position at the end of June 2019 stood at EUR 1.2 billion, up EUR 72 million year on year.

The **order backlog** rose to a new all-time high of EUR 22.9 billion, up EUR 3.1 billion or 16% compared with June 2018, helped by the EUR 8.5 billion of new orders secured during the first half of 2019.

The HOCHTIEF Americas division companies secured an array of new orders in the second quarter. In California, Flatiron will deliver a section of the Redlands Passenger Rail project. Construction is scheduled for completion at the end of 2021. The contract value for Flatiron amounts to some EUR 137 million. Flatiron also secured various contracts in the airports segment where the company sees great potential for growth. Also in California, the company is responsible for the Route 5 Oso Parkway project valued at around EUR 115 million.

Turner was selected by Centers for Disease Control and Prevention for the design and construction of a Parking Deck and Infrastructure project in Atlanta, Georgia, with a contract value of about EUR 98 million. Additional Turner projects include redeveloping the building at 2 Penn Plaza in New York City; the renovation, repair and replacement of several facilities for the Grosse Pointe Public School System in Michigan; and constructing a new academic and research building for the Department of Veterinary and Biomedical Science for Pennsylvania State University.

HOCHTIEF Americas Outlook

We expect further growth at HOCHTIEF Americas in 2019 with **operational profit before tax** in the range of **EUR 305–320 million** compared with EUR 303 million in 2018.

HOCHTIEF Asia Pacific

HOCHTIEF Asia Pacific Division: Key Figures

(EUR million)	**H1 2019**	H1 2018	**Change**	Full year 2018
Divisional sales	**4,352.1**	4,416.7	**-1.5%**	9,266.3
Nominal profit before tax/PBT	**286.1**	288.9	**-1.0%**	618.2
Nominal PBT margin (%)	**6.6**	6.5	**0.1**	6.7
Nominal net profit	**137.7**	136.7	**0.7%**	298.7
Net cash (+)/net debt (-)	**802.0**	778.7	**3.0%**	984.7
Order backlog (end of period)	**22,682.3**	22,047.9	**2.9%**	22,630.0
Employees (end of period)	**36,342**	40,695	**-10.7%**	38,425

Note: 2018 figures restated for IFRS 16

The performance of the **HOCHTIEF Asia Pacific** division reflects HOCHTIEF's stake in CIMIC (72.7% at the end of June 2019, unchanged year on year) as well as associated financing and holding costs, and the impact of variations in the AUD/EUR exchange rate.

HOCHTIEF Asia Pacific's nominal **profit before tax (PBT)** in H1 2019 was stable year on year at EUR 286 million on **sales** of 4.4 billion, in line with the comparable period in 2018. On an f/x-adjusted basis, sales were slightly higher (+0.3%) and PBT was up 0.9%. The PBT margin remained solid at 6.6% and at a similar level to a year ago (6.5%).

Net cash from operating activities during the last twelve months stood at around EUR 920 million. At the end of the period, the divisional net cash position of EUR 802 million is EUR 23 million higher than a year ago.

The division's robust EUR 22.7 billion **order backlog** has increased by 3% year on year with new orders during the period of EUR 5.0 billion, up 17% year on year.

CIMIC's key figures

CIMIC reported a solid set of numbers for H1 2019. Margins across the Group remained steady on an unchanged AUD 7.0 billion of sales which included growth in both mining and Australian construction.

Net profit after tax (NPAT) at CIMIC was up 1% in H1 2019 year on year to AUD 367 million. Cash generation at CIMIC continues to be robust with operating cash flow in the last twelve months of AUD 1.8 billion.

The Group increased net capital expenditure during the first six months by around AUD 90 million to AUD 327 million, due to increased investments in job-costed tunneling equipment and higher spending on mining equipment.

CIMIC's balance sheet strengthened further, ending H1 2019 with a **net cash** position of AUD 1.4 billion, up from AUD 1.3 billion a year ago.

The operating companies' work in hand grew by a solid 8% year on year to AUD 34.3 billion with total work in hand of AUD 36.8 billion. Whilst maintaining bidding discipline, total new work of AUD 8.3 billion was secured in H1 2019.

The HOCHTIEF Asia Pacific division's most significant new order is Cross River Rail, a railway project in Brisbane, Australia, designed to ease congestion in the area's regional transportation. Group companies Pacific Partnerships, CPB Contractors, and UGL are part of the Pulse consortium that reached contractual close to deliver the Tunnel, Stations and Development PPP package, and will maintain the infrastructure for 24 years. The contract value is around EUR 1.7 billion (AUD 2.7 billion). In addition, CPB Contractors, and UGL were selected as preferred contractors in an Alliance partnership to deliver the Rail, Integration and Systems package of the project.

CIMIC Group company UGL has reported securing a five-year extension to its maintenance and service contract with the client Sydney Trains. UGL is to perform maintenance on a portion of Sydney's metropolitan rail fleet while providing supply chain and other services. This new contract amounting to some EUR 392 million (AUD 630 million) replaces the two-year extension announced in January 2019.

In addition, CPB Contractors is to build the new Avon River Bridge, a rail bridge in the state of Victoria, by early 2021. Another project scheduled for delivery the same year is Kingaroy Hospital, which CIMIC company Broad Construction is building northwest of Brisbane.

CPB Contractors has been selected as the preferred bidder for work at the airport in Auckland, New Zealand. This contract involves building a new taxiway and new remote stands by the end of 2021. The project has a value of approximately EUR 117 million (NZD 200 million).

HOCHTIEF Asia Pacific Outlook

CIMIC confirmed its **NPAT (net profit after tax)** guidance for 2019 in the range of **AUD 790–840 million**, subject to market conditions, compared to the AUD 779 million reported for 2018.

HOCHTIEF Europe

HOCHTIEF Europe Division: Key Figures

(EUR million)	H1 2019	H1 2018	Change	Full year 2018
Divisional sales	**573.9**	682.1	**-15.9%**	1,422.6
Operational profit before tax/PBT	**32.1**	28.6	**12.2%**	62.4
Operational PBT margin (%)	**5.6**	4.2	**1.4**	4.4
Operational net profit	**28.5**	21.0	**35.7%**	50.3
Nominal profit before tax/PBT	**24.8**	23.2	**6.9%**	51.8
Nominal net profit	**19.3**	15.5	**24.5%**	39.4
Net cash from operating activities	**(45.0)**	(145.2)	**69.0%**	120.0
Gross operating capital expenditure	**4.1**	5.3	**-22.6%**	14.4
Net cash (+)/net debt (-)	**257.1**	(10.9)	**–**	475.3
New orders	**929.0**	860.1	**8.0%**	1,938.1
Work done	**706.8**	815.0	**-13.3%**	1,760.8
Order backlog	**3,812.2**	3,695.2	**3.2%**	3,585.9
Employees (end of period)	**5,393**	5,508	**-2.1%**	5,435
of which in Germany	**3,288**	3,320	**-1.0%**	3,291

Note: Operational profits are adjusted for non-operational effects/ 2018 figures restated for IFRS 16

The positive momentum at HOCHTIEF Europe has continued during the first half of 2019.

Operational PBT increased by EUR 3 million year on year to EUR 32 million helped by a solid margin performance in the construction business. The division's operational PBT margin continues to exhibit a positive trend.

Sales performance in the reporting period was again shaped by a continued disciplined bidding approach in construction and reduced real estate development activities.

HOCHTIEF Europe's **net cash from operating activities** improved strongly during the six-month period by EUR 100 million year on year, due to a solid contribution from the construction and PPP businesses, and stands at EUR 220 million during the last twelve months.

At the end of June 2019, HOCHTIEF Europe's balance sheet showed a strong **net cash** position of EUR 257 million, up EUR 268 million year on year.

New orders of around EUR 929 million have been secured during the first half of 2019 which represents 1.3 times the level of work done during the period.

The divisional **order backlog** at the end of June 2019 stood at EUR 3.8 billion and has increased by EUR 0.2 billion compared with December 2018.

HOCHTIEF Europe's new orders include the construction of the EUR 107 million Heinrich Campus in Düsseldorf. The Group aims to obtain the German Sustainable Council's gold certification for the office building, which is to be handed over in 2021.

Additionally, HOCHTIEF has been contracted to build the 3 Höfe residential and office complex in Berlin, valued at EUR 74 million. Scheduled for completion by the end of 2021, the property will encompass 223 apartments, 38 offices, and two commercial units.

In Poland, HOCHTIEF is responsible for the construction of the University of Warsaw's new science and didactic building, which is to be completed in the next 30 months.

Other projects include an approximately 90-meter-high office building in Berlin and a contract for the Prague Metro.

HOCHTIEF Europe Outlook

Looking forward we expect further growth in divisional **operational profit before tax** to **EUR 65–70 million** for 2019 compared with EUR 62 million in 2018.

Interim Financial Statements (Condensed)

Consolidated Statement of Earnings

Note: The comparative figures in these Interim Financial Statements (Condensed) are restated on the basis of IFRS 16

(EUR thousand)	**H1 2019**	H1 2018 (restated)	**Change**	**Q2 2019**	Q2 2018 (restated)	Full year 2018 (restated)
Sales	**12,009,370**	**11,203,019**	**7.2%**	**6,276,813**	**5,936,777**	**23,882,290**
Changes in inventories	(385)	19,788	–	(799)	9,084	(19,438)
Other operating income	103,224	67,866	52.1%	40,013	21,589	170,455
Materials	(8,704,446)	(8,134,675)	7.0%	(4,665,389)	(4,342,622)	(17,355,300)
Personnel costs	(2,116,703)	(1,994,600)	6.1%	(1,023,682)	(1,040,610)	(4,168,083)
Depreciation and amortization	(347,951)	(254,239)	36.9%	(176,474)	(137,175)	(562,189)
Other operating expenses	(478,806)	(507,736)	-5.7%	(226,925)	(243,016)	(1,143,555)
Share of profits and losses of equity-method associates and joint ventures	89,020	104,434	-14.8%	61,168	68,215	231,842
Net income from other participating interests	16,579	13,655	21.4%	8,835	5,170	58,285
Investment and interest income	38,513	34,760	10.8%	16,861	17,054	107,406
Investment and interest expenses	(118,915)	(105,881)	12.3%	(53,785)	(47,315)	(222,675)
Profit before tax	**489,500**	**446,391**	**9.7%**	**256,636**	**247,151**	**979,038**
Income taxes	(133,860)	(137,939)	-3.0%	(69,674)	(73,802)	(258,921)
Profit after tax	**355,640**	**308,452**	**15.3%**	**186,962**	**173,349**	**720,117**
Thereof: Attributable to non-controlling interest	76,930	78,799	-2.4%	36,214	41,614	177,122
Thereof: Attributable to HOCHTIEF shareholders (Group net profit)	278,710	229,653	21.4%	150,748	131,735	542,995
Earnings per share (EUR)	**3.95**	**3.57**	**10.6%**	**2.13**	**2.05**	**8.30**

Consolidated Statement of Comprehensive Income

(EUR thousand)	**H1 2019**	H1 2018 (restated)	**Change**	**Q2 2019**	Q2 2018 (restated)	Full year 2018 (restated)
Profit after tax	**355,640**	**308,452**	**15.3%**	**186,962**	**173,349**	**720,117**
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	38,503	18,339	110.0%	(32,290)	109,049	56,203
Changes in fair value of financial instruments						
Primary	6,799	1,619	320.0%	(4,223)	7,334	(7,707)
Derivative	(1,276)	(2,547)	49.9%	141	(3,279)	494
Share of other comprehensive income of equity-method associates and joint ventures	(21,915)	(28,344)	22.7%	(21,928)	(21,068)	(8,584)
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(75,378)	(4,477)	–	(36,887)	(4,500)	(13,667)
Other comprehensive income (after tax)	**(53,267)**	**(15,410)**	**-245.7%**	**(95,187)**	**87,536**	**26,739**
Total comprehensive income after tax	**302,373**	**293,042**	**3.2%**	**91,775**	**260,885**	**746,856**
Thereof: Attributable to non-controlling interest	87,216	84,970	2.6%	32,366	65,519	191,742
Thereof: Attributable to HOCHTIEF shareholders	215,157	208,072	3.4%	59,409	195,366	555,114

Consolidated Balance Sheet

(EUR thousand)	**June 30, 2019**	Dec. 31, 2018 (restated)	Jan. 1, 2018 (restated)
Assets			
Non-current assets			
Intangible assets	1,196,514	1,159,395	1,191,858
Property, plant and equipment	1,714,067	1,647,150	1,494,526
Investment properties	12,522	7,195	9,488
Equity-method investments	1,751,644	1,865,368	305,540
Other financial assets	82,024	73,481	73,528
Financial receivables	503,585	486,760	484,306
Other receivables and other assets	184,932	168,385	153,785
Non-current income tax assets	23,270	21,162	3,327
Deferred tax assets	114,613	126,398	263,604
	5,583,171	**5,555,294**	**3,979,962**
Current assets			
Inventories	423,260	378,018	424,942
Financial receivables	138,866	178,045	105,169
Trade receivables and other receivables	6,261,426	5,349,650	4,780,669
Marketable securities	350,557	445,474	428,759
Cash and cash equivalents	3,460,443	3,565,888	3,094,924
Assets held for sale	415	920	20,983
	10,634,967	**9,917,995**	**8,855,446**
	16,218,138	**15,473,289**	**12,835,408**
Liabilities and Shareholders' Equity			
Shareholders' equity			
Attributable to HOCHTIEF shareholders	1,723,775	1,860,537	614,989
Attributable to non-controlling interest	592,954	550,789	467,336
	2,316,729	**2,411,326**	**1,082,325**
Non-current liabilities			
Provisions for pensions and similar obligations	467,557	390,013	367,751
Other provisions	386,384	370,271	348,751
Financial liabilities	1,844,524	2,069,838	2,183,235
Lease liabilities	512,021	535,601	498,865
Trade payables	122,475	50,572	99,049
Other liabilities	34,909	20,517	22,428
Deferred tax liabilities	74,156	51,020	32,381
	3,442,026	**3,487,832**	**3,552,460**
Current liabilities			
Other provisions	721,131	842,152	728,590
Financial liabilities	865,702	599,623	235,561
Lease liabilities	247,164	245,921	149,664
Trade payables and other liabilities	8,625,386	7,886,435	7,086,808
	10,459,383	**9,574,131**	**8,200,623**
	16,218,138	**15,473,289**	**12,835,408**

Consolidated Statement of Cash Flows

(EUR thousand)	**H1 2019**	H1 2018 (restated)
Profit after tax	355,640	308,452
Depreciation, amortization, impairments and impairment reversals	336,277	239,120
Changes in provisions	(15,409)	(3,756)
Changes in deferred taxes	36,830	113,851
Gains/(losses) from disposals of non-current assets and marketable securities	(6,670)	(7,637)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	146,453	22,682
Disbursements for the acquisition of Abertis (for resale)	–	(12,764,541)
New borrowing for the acquisition of Abertis (for resale)	–	12,764,541
Net working capital change	(475,929)	(315,661)
Changes in other balance sheet items	(507)	901
Cash flow from operating activities	**376,685**	**357,952**
Intangible assets, property, plant and equipment, and investment properties		
Operational purchases	(246,959)	(177,199)
Other purchases	(40,658)	–
Payments from asset disposals	12,554	13,681
Acquisitions and participating interests		
Disbursements for the acquisition of Abertis (HOCHTIEF shareholding)	–	(3,191,135)
Other purchases	(101,741)	(30,588)
Payments from asset disposals/divestments	24,425	989
Changes in cash and cash equivalents due to changes in the scope of consolidation	12,259	(584)
Changes in marketable securities and financial receivables	(1,778)	(52,426)
Cash flow from investing activities	**(341,898)**	**(3,437,262)**
Payments received from sale of treasury stock	1,475	1,432
Payments into equity by non-controlling interests	678	13,147
Other financing activities	–	(87,211)
Dividends to non-controlling interests	(5,484)	(5,422)
Proceeds from new borrowing		
New borrowing for the acquisition of Abertis (HOCHTIEF shareholding)	–	3,191,135
Other new borrowing	618,751	347,910
Debt repayment	(638,086)	(213,690)
Repayment of lease liabilities	(139,283)	(85,373)
Cash flow from financing activities	**(161,949)**	**3,161,928**
Net change in cash and cash equivalents	**(127,162)**	**82,618**
Effect of exchange rate changes	21,717	31,124
Overall change in cash and cash equivalents	**(105,445)**	**113,742**
Cash and cash equivalents at the start of the year	3,565,888	3,094,924
Cash and cash equivalents at end of reporting period	**3,460,443**	**3,208,666**

Consolidated Statement of Changes in Equity

(EUR thousand)	Subscribed capital of HOCHTIEF Aktiengesellschaft	Capital reserve of HOCHTIEF Aktiengesellschaft	Retained earnings including distributable profit	Accumulated other comprehensive income: Remeasurement of defined benefit plans	Accumulated other comprehensive income: Currency translation differences	Accumulated other comprehensive income: Changes in fair value of financial instruments	Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
Balance as of Dec. 31, 2017	**164,608**	**818,177**	**1,061,484**	**(306,683)**	**79,298**	**(28,770)**	**1,788,114**	**745,988**	**2,534,102**
Change of accounting and evaluation methods IFRS 9/15	–	–	(1,067,010)	–	(57,567)	–	(1,124,577)	(269,918)	(1,394,495)
Change of accounting and evaluation methods IFRS 16	–	–	(48,548)	–	–	–	(48,548)	(8,734)	(57,282)
Balance as of Jan. 1, 2018[1)]	**164,608**	**818,177**	**(54,074)**	**(306,683)**	**21,731**	**(28,770)**	**614,989**	**467,336**	**1,082,325**
Dividends	–	–	(217,184)	–	–	–	(217,184)	(47,720)	(264,904)
Profit after tax[1)]	–	–	229,653	–	–	–	229,653	78,799	308,452
Currency translation differences and changes in fair value of financial instruments[1)]	–	–	–	–	12,108	(29,212)	(17,104)	6,171	(10,933)
Changes from remeasurement of defined benefit plans	–	–	–	(4,477)	–	–	(4,477)	–	(4,477)
Total comprehensive income[1)]	–	–	229,653	(4,477)	12,108	(29,212)	208,072	84,970	293,042
Other changes not recognized in the Statement of Earnings	–	737	729	–	–	–	1,466	12,829	14,295
Balance as of June 30, 2018[1)]	**164,608**	**818,914**	**(40,876)**	**(311,160)**	**33,839**	**(57,982)**	**607,343**	**517,415**	**1,124,758**
Balance as of Dec. 31, 2018	**180,856**	**1,710,499**	**317,434**	**(320,350)**	**62,329**	**(44,776)**	**1,905,992**	**559,391**	**2,465,383**
Change of accounting and evaluation methods IFRS 16	**–**	**–**	**(46,649)**	**–**	**1,194**	**–**	**(45,455)**	**(8,602)**	**(54,057)**
Balance as of Jan. 1, 2019	**180,856**	**1,710,499**	**270,785**	**(320,350)**	**63,523**	**(44,776)**	**1,860,537**	**550,789**	**2,411,326**
Dividends	–	–	(351,647)	–	–	–	(351,647)	(53,156)	(404,803)
Profit after tax	–	–	278,710	–	–	–	278,710	76,930	355,640
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	26,199	(14,374)	11,825	10,286	22,111
Changes from remeasurement of defined benefit plans	–	–	–	(75,378)	–	–	(75,378)	–	(75,378)
Total comprehensive income	–	–	278,710	(75,378)	26,199	(14,374)	215,157	87,216	302,373
Other changes not recognized in the Statement of Earnings	–	558	(830)	–	–	–	(272)	8,105	7,833
Balance as of June 30, 2019	**180,856**	**1,711,057**	**197,018**	**(395,728)**	**89,722**	**(59,150)**	**1,723,775**	**592,954**	**2,316,729**

1) Restated due to the first-time application of IFRS 16

Explanatory Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of and for the six months ended June 30, 2019, which were released for publication on July 22, 2019, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The Interim Financial Statements and the Interim Management Report have been reviewed by our auditor. In accordance with IAS 34, the reported information is presented in condensed form relative to the full Consolidated Financial Statements.

This interim report is based on the Consolidated Financial Statements as of and for the year ended December 31, 2018.

As of January 1, 2019, the HOCHTIEF Group adopted **IFRS 16 "Leases"**, which replaces IAS 17 "Leases", IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC-15 "Operating Leases—Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

The Group adopted IFRS 16 using the full retrospective approach. HOCHTIEF did apply the practical expedient not to reassess whether a contract is, or contains, a lease at the date of initial application. It applies the definition of a lease only to contracts entered into (or changed) on or after the date of initial application. The Group also exercises the option of aggregating lease and non-lease components with the exception of real estate leases and recognizing them uniformly as leases in the balance sheet.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17 and has no material impact on the Group.

From a lessee perspective, at the commencement date of a lease, a lessee recognizes a liability to make lease payments ("lease liability") and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). HOCHTIEF presents the interest expense on the lease liability separately from the depreciation charge on the right-of-use asset.

Lessees are also required to remeasure the lease liability upon the occurrence of certain events (such as a change in the lease term or lease payments). The amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

Operating lease expenses continue to exist for short-term leases (up to 12 months) as well as for low-value assets.

Effects of first-time application of IFRS 16

The Group has applied IFRS 16 in full retrospectively and therefore, the comparative figures have been restated as if the new accounting policy had always been applied. The disclosure notes have also been restated where required for comparatives under new disclosure requirements. The adjustments due to the application of the new standard for the Consolidated Balance Sheet, Consolidated Statement of Earnings and Consolidated Statement of Cash Flows are presented below.

Impact on Consolidated Balance Sheet as of December 31, 2018

(EUR thousand)	**Dec. 31, 2018**	Restatement IFRS 16	**Dec. 31, 2018 (restated)**
Assets			
Non-current assets			
Property, plant and equipment[1]	979,232	667,918	1,647,150
Deferred tax assets[2]	113,894	12,504	126,398
Total assets impact		**680,422**	
Liabilities and Shareholders' Equity			
Shareholders' equity			
Attributable to HOCHTIEF shareholders[3]	1,905,992	(45,455)	1,860,537
Attributable to non-controlling interest	559,391	(8,602)	550,789
Total equity impact	**2,465,383**	**(54,057)**	**2,411,326**
Non-current liabilities			
Lease liabilities	–	535,601	535,601
Trade payables	69,690	(19,118)	50,572
Other liabilities	28,249	(7,732)	20,517
Deferred tax liabilities[2]	51,702	(682)	51,020
Current liabilities			
Lease liabilities	–	245,921	245,921
Trade payables	7,905,946	(19,511)	7,886,435
Total liabilities impact		**734,479**	

1) IFRS 16 has led to recognized amounts for right-of-use assets within property, plant and equipment and lease liabilities on the face of the balance sheet representing the Group's portfolio of leased assets made up by property, plant, operating equipment and vehicles utilized by the Group.
2) Adjustments under IFRS 16 are subject to tax effect accounting and therefore the net deferred tax position has been impacted.
3) At December 31, 2018, the retained earnings adjustment has increased by around EUR 3 million (EUR 45.5 million).

Impact on Consolidated Balance Sheet as of January 1, 2018

(EUR thousand)	**Jan. 1, 2018**	Restatement IFRS 16	**Jan. 1, 2018 (restated)**
Assets			
Non-current assets			
Property, plant and equipment[4]	959,854	534,672	1,494,526
Deferred tax assets[5]	251,221	12,383	263,604
Total assets impact		**547,055**	
Liabilities and Shareholders' Equity			
Shareholders' equity			
Attributable to HOCHTIEF shareholders[6]	663,537	(48,548)	614,989
Attributable to non-controlling interest	476,070	(8,734)	467,336
Total equity impact	**1,139,607**	**(57,282)**	**1,082,325**
Non-current liabilities			
Lease liabilities	–	498,865	498,865
Other liabilities	30,333	(7,905)	22,428
Deferred tax liabilities[5]	32,848	(467)	32,381
Current liabilities			
Lease liabilities	–	149,664	149,664
Trade payables	7,122,628	(35,820)	7,086,808
Total liabilities impact		**604,337**	

4) IFRS 16 has led to recognized amounts for right-of-use assets within property, plant and equipment and lease liabilities on the face of the balance sheet representing the Group's portfolio of leased assets made up by property, plant, operating equipment and vehicles utilized by the Group.
5) Adjustments under IFRS 16 are subject to tax effect accounting and therefore the net deferred tax position has been impacted.
6) Retained earnings have been adjusted at January 1, 2018 for the impact of IFRS 16 using the full retrospective method which led to a decrease in equity of EUR 48.5 million.

Impact on Consolidated Statement of Earnings as of June 30, 2018

(EUR thousand)	**H1 2018**	Restatement	**H1 2018 (restated)**
Sales	11,203,019	–	11,203,019
Changes in inventories	19,788	–	19,788
Other operating income	67,776	90	67,866
Materials[1)]	(8,154,232)	19,557	(8,134,675)
Personnel costs	(1,994,600)	–	(1,994,600)
Depreciation and amortization[1)]	(182,579)	(71,660)	(254,239)
Other operating expenses[1)]	(575,127)	67,391	(507,736)
Share of profits and losses of equity-method associates and joint ventures	104,434	–	104,434
Net income from other participating interests	13,655	–	13,655
Investment and interest income	34,760	–	34,760
Investment and interest expenses[1)]	(90,771)	(15,110)	(105,881)
Profit before tax	**446,123**	**268**	**446,391**
Income taxes	(138,398)	459	(137,939)
Profit after tax	**307,725**	**727**	**308,452**
Thereof: Attributable to non-controlling interest	78,823	(24)	78,799
Thereof: Attributable to HOCHTIEF shareholders (Group net profit)	228,902	751	229,653
Earnings per share (EUR)[2)]	**3.56**	**0.01**	**3.57**

1) IFRS 16 changed the amount and presentation of lease-related expenses. Under IAS 17, operating lease expenses were presented as operating expenses, whereas IFRS 16 splits the lease expense into depreciation of the right-of-use assets recognized and investment and interest expenses on lease liabilities. This has driven a decrease in the operating lease expense and increases in depreciation and finance costs. Consequently, this has also impacted the Group's EBITDA.
2) The adjusted profit has led to a marginal change in the Group's earnings per share.

Impact on Consolidated Statement of Cash Flows as of June 30, 2018

(EUR thousand)	**H1 2018**	Restatement	**H1 2018 (restated)**
Profit after tax	307,725	727	308,452
Depreciation, amortization, impairments and impairment reversals	167,460	71,660	239,120
Changes in provisions	(3,756)	–	(3,756)
Changes in deferred taxes	114,310	(459)	113,851
Gains/(losses) from disposals of non-current assets and marketable securities	(7,637)	–	(7,637)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	7,573	15,109	22,682
Disbursements for the acquisition of Abertis (for resale)	(12,764,541)	–	(12,764,541)
New borrowing for the acquisition of Abertis (for resale)	12,764,541	–	12,764,541
Net working capital change	(313,997)	(1,664)	(315,661)
Changes in other balance sheet items	901	–	901
Cash flow from operating activities[3)]	**272,579**	**85,373**	**357,952**
Intangible assets, property, plant and equipment, and investment properties			
Operational purchases	(177,199)	–	(177,199)
Proceeds from asset disposals	13,681	–	13,681
Acquisitions and participating interests			
Disbursements for the acquisition of Abertis (HOCHTIEF shareholding)	(3,191,135)	–	(3,191,135)
Other purchases	(30,588)	–	(30,588)
Proceeds from asset disposals/divestments	989	–	989
Changes in cash and cash equivalents due to changes in the scope of consolidation	(584)	–	(584)
Changes in marketable securities and financial receivables	(52,426)	–	(52,426)
Cash flow from investing activities	**(3,437,262)**	**–**	**(3,437,262)**
Payments received from sale of treasury stock	1,432	–	1,432
Payments into equity by non-controlling interests	13,147	–	13,147
Other financing activities	(87,211)	–	(87,211)
Dividends to non-controlling interests	(5,422)	–	(5,422)
Proceeds from new borrowing		–	
New borrowing for the acquisition of Abertis (HOCHTIEF shareholding)	3,191,135	–	3,191,135
Other new borrowing	347,910	–	347,910
Debt repayment	(213,690)	–	(213,690)
Repayment of lease liabilities	–	(85,373)	(85,373)
Cash flow from financing activities[3)]	**3,247,301**	**(85,373)**	**3,161,928**
Net change in cash and cash equivalents	**82,618**	**–**	**82,618**
Effect of exchange rate changes	31,124	–	31,124
Overall change in cash and cash equivalents	**113,742**	**–**	**113,742**
Cash and cash equivalents at the start of the year	3,094,924	–	3,094,924
Cash and cash equivalents at end of reporting period	**3,208,666**	**–**	**3,208,666**

3) Lease payments are now classified within financing activities which were previously operating cash flows. The interest portion of the cash payment has also been included as financing activities. This has led to an increase in cash flows from operating activities and a decrease in net cash inflows from financing activities.

Lease recognition

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In such instances, the Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements, except for short-term, cancelable leases that if canceled by the lessee, the losses associated with the cancellation are borne by the lessor and low-value leased assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group has a significant lease portfolio, comprising of predominately property, plant, operating equipment and fleet vehicle rentals. Given the Group's operational involvement in the construction, construction management and services sectors, leasing equipment is a key component of the business.

Measurement and presentation of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The following items are also included in the measurement of the lease liability:

- Fixed lease payments offset by any lease incentives;
- Variable lease payments, for lease liabilities which are tied to a floating index;
- The amounts expected to be payable to the lessor under residual value guarantees;
- The exercise price of purchase options (if it is reasonably certain that the option will be exercised); and
- Payments of penalties for terminating leases, if the lease term reflects the lease terminating early.

The lease liability is separately disclosed in the balance sheet. The liabilities which will be repaid within 12 months are recognized as current and the liabilities which will be repaid in excess of 12 months are recognized as non-current.

The lease liability is subsequently measured by reducing the balance to reflect the principal lease repayments made and increasing the carrying amount by the interest on the lease liability.

The Group is required to remeasure the lease liability and make an adjustment to the right-of-use asset in the following instances:

- The term of the lease has been modified or there has been a change in the Group assessment of the purchase option being exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- The lease payments are adjusted due to changes in the index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate. However, where the lease payments change is due to a change in a floating interest rate a revised discount rate is used.

Measurement and presentation of right-of-use assets

The right-of-use assets recognized by the Group comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the Group to dismantle the asset, restore the site or restore the asset are included in the cost of the right-of-use asset.

It is subsequently measured under the cost model with any accumulated depreciation and impairment losses applied against the right-of-use asset. If the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the asset over the shorter period of either the useful life of the asset or the lease term. The depreciation starts at the commencement date of the lease and the carrying value of the asset is adjusted to reflect the accumulated depreciation balance.

Any remeasurement of the lease liability is also applied against the right-of-use asset value.

The right-of-use assets are presented within property, plant and equipment in the balance sheet.

Lessor recognition

The Group enters into lease agreements as a lessor with respect to some property subleases as well as renting equipment to its partners, suppliers and contractors. Those leases are recognized as either finance or operating leases. If the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. If this is not the case, then the lease is recognized as an operating lease. The income received from the operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are included in the carrying amount of the leased asset. Amounts due from lessees under finance leases are recognized as receivables.

Accounting estimates, judgments and assumptions

In preparing the consolidated interim financial statements, judgments made in the application of IFRSs that could have a significant effect on the financial statements and estimates with a risk of adjustment in the reporting period 2019 are the same as those disclosed in the December 31, 2018 HOCHTIEF Group Report, updated for the following:

Leasing

- determination of the existence of leases
- estimation of residual value guarantees and buy-out options of lease liabilities
- estimation of lease extension options.

Pensions

Due to a reduction in capital market interest rates, HOCHTIEF has modified the discount rates for the measurement of pension obligations as follows as of June 30, 2019:

(In %)	**June 30, 2019**	Dec. 31, 2018
Germany	1.25	2.00
USA	3.60	4.45
UK	2.25	2.90

Currency translation

For currency translation purposes, the following exchange rates have been used for the main Group companies outside the Euro zone:

	Average		Daily average at reporting date	
(All rates in EUR)	**H1 2019**	H1 2018	**June 30, 2019**	Dec. 31, 2018
1 U.S. dollar (USD)	0.88	0.83	0.88	0.87
1 Australian dollar (AUD)	0.63	0.64	0.62	0.62
1 British pound (GBP)	1.15	1.14	1.12	1.12
100 Polish złoty (PLN)	23.34	23.58	23.53	23.25
100 Qatari riyal (QAR)	24.20	22.70	24.00	23.91
100 Czech koruna (CZK)	3.89	3.91	3.93	3.89
100 Chilean pesos (CLP)	0.13	0.14	0.13	0.13

Changes in the scope of consolidation

The Consolidated Financial Statements for the first half of 2019 include ten foreign companies for the first time. One German company and 15 foreign companies have been removed from the scope of consolidation.

The number of companies accounted for using the equity method showed a net decrease of one German and one foreign company in the first half of 2019. In addition, the number of joint operations abroad included in the Consolidated Financial Statements increased by three.

The Consolidated Financial Statements as of June 30, 2019 include HOCHTIEF Aktiengesellschaft as well as a total of 44 German and 374 foreign consolidated companies, 16 German, and 128 foreign companies accounted for using the equity method as well as 74 foreign joint operations.

As an independent listed group, HOCHTIEF Aktiengesellschaft, Essen, Germany, Court of Registration: Essen District Court, HRB 279, publishes its own consolidated financial statements, which are also included in the consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A., Madrid, Spain.

Additional information on cash, cash equivalents and short-term financial assets and investments

(EUR thousand)	**June 30, 2019**	Dec, 31, 2018 (restated)
Cash and cash equivalents	3,460,443	3,565,888
Short-term financial assets and investments[1]	38,907	1,520
Cash and equivalent liquid assets	**3,499,350**	**3,567,408**

1) This balance represents liquid assets converted or readily convertible to cash subsequent to period end

(EUR thousand)	**H1 2019**	H1 2018 (restated)
Cash flow from operating activities	376,685	357,952
Change in short-term financial assets and investments	37,387	603
Net cash from operating activities	**414,072**	**358,555**

As of June 30, 2019, EUR 363,919 thousand (December 31, 2018: EUR 357,828 thousand) of cash at bank in relation to the sale of receivables and contract milestone receipts during the reporting period is classified as restricted cash.

Trade receivables and other receivables

(EUR thousand)	**June 30, 2019**	Dec, 31, 2018 (restated)
Trade receivables	3,389,477	2,672,171
Contract assets	2,033,892	2,108,327
Other receivables and other assets	812,514	545,708
Current income tax assets	25,543	23,444
	6,261,426	**5,349,650**

Part-performance already invoiced is accounted for in trade receivables. Performance not yet billed is accounted for in contract assets if progress payments do not exceed cumulative performance (contract costs and contract earnings). Where the net amount after deduction of progress payments is negative, the difference is presented under contract liabilities. This balanced presentation is hence carried out on a project basis for both periods, June 30, 2019 and December 31, 2018.

Trade payables and other liabilities

(EUR thousand)	**June 30, 2019**	Dec, 31, 2018 (restated)
Trade payables	6,453,388	6,191,473
Contract liabilities	1,393,408	1,282,936
Other liabilities	767,391	399,071
Current income tax liabilities	11,199	12,955
	8,625,386	**7,886,435**

Reporting on financial instruments

The fair value of the individual assets and liabilities is stated for each class of financial instrument. The following three-level fair value hierarchy is applied that reflects the observability of inputs to the valuation techniques used to measure fair value.

Level 1: Quoted prices in active markets for identical assets or liabilities as input parameter; e.g. quoted securities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); e.g. interest rate swaps and forward exchange contracts.

Level 3: No relevant observable inputs available, hence unobservable inputs are determined as an exit price from the perspective of a market participant that holds the asset or owes the liability; e.g. investments measured at fair value determined by business valuation.

	June 30, 2019				Dec. 31, 2018			
(EUR thousand)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	–	13,991	68,033	82,024	–	8,497	64,984	73,481
Other receivables and other assets								
Non-current	7	140	48,178	48,325	–	3,193	46,890	50,083
Current	105	6,255	–	6,360	–	9,602	–	9,602
Marketable securities	314,491	36,066	–	350,557	410,435	35,039	–	445,474
Total assets	**314,603**	**56,452**	**116,211**	**487,266**	**410,435**	**56,331**	**111,874**	**578,640**
Liabilities								
Other liabilities								
Non-current	–	4	–	4	–	–	–	–
Current	89	42	–	131	–	747	–	747
Total liabilities	**89**	**46**	**–**	**135**	**–**	**747**	**–**	**747**

Within each class of financial instrument, where fair value can be measured reliably, fair value generally corresponds to carrying amount. The only class of financial instrument for which the two differ is financial liabilities, which have a total carrying amount of EUR 2,710,226 thousand (December 31, 2018: EUR 2,669,461 thousand) and a fair value of EUR 2,772,363 thousand (December 31, 2018: 2,706,992 thousand).

As in the comparative prior-year period, there were no transfers of financial instruments measured at fair value between Levels 1 and 2 and Level 3 of the fair value hierarchy during the first half of 2019.

In Level 3, the fair value of investments in unlisted entities is measured using generally recognized valuation techniques based on discounted cash flow analysis. The unobservable inputs are the internal rate of return as well as the growth rate and discount rate. Options are measured using Monte Carlo simulation. The input parameters used are the expected exercise period, multiplier, and discount factor. Changes in input parameters to reasonably possible alternative assumptions would not change significantly amounts recognized in profit or loss, total assets or total liabilities or total equity. Reconciliation of opening to closing balances for Level 3 measurements of other financial assets as well as other receivables and other assets:

Level 3 reconciliation H1 2019:

(EUR thousand)	
Balance as of Jan. 1, 2019	111,874
Currency adjustments	1,140
Gains/(losses) recognized in profit or loss	3,191
Other changes	6
Balance as of June 30, 2019	**116,211**

Level 3 reconciliation FY 2018:

(EUR thousand)	
Balance as of Jan. 1, 2018	109,105
Currency adjustments	(1,781)
Gains/(losses) recognized in profit or loss	4,363
Other changes	187
Balance as of Dec. 31, 2018	111,874

The gains recognized in profit or loss are accounted for in net income from other participating interests; the remaining changes are accounted for in other comprehensive income.

Treasury stock

As of June 30, 2019, HOCHTIEF Aktiengesellschaft held a total of 22,346 shares of treasury stock. These shares were purchased since October 7, 2014 for the purposes provided for in the resolution of the Annual General Meeting of May 7, 2014 and that of May 6, 2015 and for all other purposes permitted under the German Stock Corporations Act (AktG).

The holdings of treasury stock represent EUR 57,205.76 (0.032%) of the Company's capital stock.

In May 2019, 12,478 shares of treasury stock were transferred to members of the Company's Executive Board at a price of EUR 118.20 per share on condition that the shares be held for at least two years after transfer. The transfer settled the transferees' variable compensation entitlements. The shares represent EUR 31,943.68 Euro (0.018%) of the Company's capital stock.

Dividend

The Annual General Meeting of HOCHTIEF Aktiengesellschaft resolved on May 7, 2019 to pay a dividend for 2018 of EUR 4.98 per eligible no-par-value share. This resulted in a dividend payment of EUR 351,647,117.34, which was made on July 5, 2019.

Promissory loan note issue and corporate bond issue

In May 2019, a maturing HOCHTIEF corporate bond with a principal amount of EUR 500 million was repaid in full and was refinanced in part by the issue of new HOCHTIEF promissory loan notes and bearer bonds on improved terms. In May 2019, HOCHTIEF Aktiengesellschaft launched a promissory loan note issue for a total of EUR 300 million. The notes have staggered terms of four, seven, and ten years. In June 2019, HOCHTIEF Aktiengesellschaft issued a further bilateral loan for EUR 25 million with a maturity of four years.

HOCHTIEF Aktiengesellschaft made use of the debt issuance program for the first time in order to issue several private placements in the form of bearer bonds. In April 2019, HOCHTIEF Aktiengesellschaft issued a private placement for EUR 50 million with a maturity of 15 years. The bond has an annual coupon of 2.3%. In June 2019, HOCHTIEF Aktiengesellschaft issued a private placement for CHF 50 million (EUR 44.6 million) with a maturity to June 2025. The issue proceeds were converted into euros by means of a currency derivative.

Trade finance arrangements

The Group enters into various factoring arrangements with banks and financial institutions to sell its receivables. The factoring of these receivables is done on a non-recourse basis for which the Group may incur a fee in certain instances. The amounts are derecognized where the risks and rewards of the receivables have been transferred.

The Group also enters into supply chain factoring arrangements with financial institutions for suppliers which may elect to receive early payment for goods and services to improve their liquidity. The terms of the arrangements mirror normal credit terms and do not modify the original liability, therefore the amounts continue to be classified within trade and other payables.

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees; they have increased since December 31, 2018 by EUR 88,981 thousand to EUR 458,766 thousand.

Segment reporting

The operating companies within the HOCHTIEF Group are organized under the three divisions HOCHTIEF Americas, HOCHTIEF Asia Pacific, and HOCHTIEF Europe. This structure reflects the operating focus of the Group and the Group's strong regional presence, focused on developed markets. Segmental reporting in the HOCHTIEF Group is based on the Group's divisional operations. The breakdown mirrors the Group's internal reporting systems.

The Group's reportable segments (divisions) are as follows:

HOCHTIEF Americas encompasses the construction activities of operational units in the USA and Canada;

HOCHTIEF Asia Pacific pools the construction, contract mining, services, and PPP activities in the Asia-Pacific region;

HOCHTIEF Europe brings together the core business focused on Europe and designs, develops, builds, operates, and manages real estate and infrastructure.

Corporate comprises Corporate Headquarters, other activities not assignable to the separately presented divisions, including management of financial resources and insurance activities, our investment in Abertis, plus consolidation effects. Insurance activities are managed from Corporate Headquarters under the responsibility of HOCHTIEF Insurance Broking and Risk Management Solutions GmbH with companies in Luxembourg, including Builders Reinsurance S.A. The HOCHTIEF insurance companies primarily provide reinsurance offerings for contractors' casualty and surety, subcontractor default, liability, and occupational accident insurance.

Detailed explanatory information on the individual divisions/segments of the HOCHTIEF Group are contained in the above Interim Management Report.

Disaggregation of sales from contracts with clients as of June 30, 2019 (in EUR thousand):

Activities / **Divisions**	Construction/PPP		Construction Management/Services		Other		**Total sales**	
HOCHTIEF Americas	647,929	5.4%	6,367,166	53.0%	2,327	0.0%	**7,017,422**	**58.4%**
HOCHTIEF Asia Pacific	2,274,127	19.0%	2,063,753	17.2%	14,205	0.1%	**4,352,085**	**36.3%**
HOCHTIEF Europe	532,200	4.4%	22,479	0.2%	15,907	0.1%	**570,586**	**4.7%**
Corporate	–	–	–	–	69,277	0.6%	**69,277**	**0.6%**
HOCHTIEF Group	**3,454,256**	**28.8%**	**8,453,398**	**70.4%**	**101,716**	**0.8%**	**12,009,370**	**100.0%**

Sales not related to contracts with clients amount to EUR 85,429 thousand.

Sales from contracts with clients in the comparative period (June 30, 2018) are consequently disaggregated as follows (in EUR thousand):

Divisions / **Activities**	Construction/PPP		Construction Management/Services		Other		**Total sales**	
HOCHTIEF Americas	573,497	5.1%	5,476,199	48.9%	1,760	0.0%	**6,051,456**	**54.0%**
HOCHTIEF Asia Pacific	2,486,700	22.2%	1,910,500	17.0%	19,498	0.2%	**4,416,698**	**39.4%**
HOCHTIEF Europe	626,825	5.6%	22,137	0.2%	30,569	0.3%	**679,531**	**6.1%**
Corporate	–	–	–	–	55,334	0.5%	**55,334**	**0.5%**
HOCHTIEF Group	**3,687,022**	**32.9%**	**7,408,836**	**66.1%**	**107,161**	**1.0%**	**11,203,019**	**100.0%**

Sales not related to contracts with clients amount to EUR 70,805 thousand.

Almost all sales in the above disaggregation are recognized over time.

Reconciliation of profit before tax to EBITDA

(EUR thousand)	**H1 2019**	H1 2018 (restated)	**Q2 2019**	Q2 2018 (restated)
Profit before tax	**489,500**	**446,391**	**256,636**	**247,151**
+ Investment and interest expenses	118,915	105,881	53,785	47,315
- Investment and interest income	(38,513)	(34,760)	(16,861)	(17,054)
- Net income from other participating interests (excluding gains/losses from disposals of participating interests)	(16,579)	(13,655)	(8,835)	(5,170)
+ Adjustment for non-operating net expenses	7,683	19,474	4,593	15,331
EBIT	**561,006**	**523,331**	**289,318**	**287,573**
+ Depreciation and amortization	347,951	254,239	176,474	137,175
EBITDA	**908,957**	**777,570**	**465,792**	**424,748**

The definition of the performance indicator EBIT/EBITDA was revised in the second quarter of 2019 and now additionally includes the share of profits and losses of equity-method associates (primarily Abertis). The prior-year figures have been restated accordingly.

Basic and diluted earnings per share

	H1 2019	H1 2018 (restated)	**Q2 2019**	Q2 2018 (restated)
Consolidated net profit (EUR thousand)	**278,710**	**229,653**	**150,748**	**131,735**
Number of shares in circulation (weighted average) in thousands	70,615	64,259	70,619	64,261
Earnings per share (EUR)	**3.95**	**3.57**	**2.13**	**2.05**

The change in the number of shares in circulation mainly relates to the capital increase in the fourth quarter of 2018.

Earnings per share can become diluted as a result of potential shares (mainly stock options and convertible bonds). HOCHTIEF's share-based payment arrangements do not have a dilutive effect on earnings. Consequently, diluted and basic earnings per share are identical.

Related party disclosures

The number of companies and individuals comprising related parties of HOCHTIEF Aktiengesellschaft and HOCHTIEF Group companies is determined in accordance with IAS 24; reference is consequently made in this regard to the information provided in the notes to the last consolidated financial statements.

In the first half of 2019, no material transactions were entered into between HOCHTIEF Aktiengesellschaft (or any HOCHTIEF Group company) and any related party or parties having a material influence on the results of operations or financial condition of the Company or the Group.

Events since the balance sheet date

In July 2019, HOCHTIEF Aktiengesellschaft issued a private placement for NOK 1 billion (EUR 103.6 million). The bond has a maturity to July 2029. The issue proceeds were converted into euros by means of currency derivatives. The issue proceeds serve to refinance part of a corporate bond which matured in May 2019.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the year.

Essen, July 22, 2019

The Executive Board

Marcelino Fernández Verdes

Peter Sassenfeld

José Ignacio Legorburo Escobar

Nikolaus Graf von Matuschka

For the condensed interim consolidated financial statements and interim group management report we have issued an unqualified review report. The English language text below is a translation of the review report.

Review Report

To HOCHTIEF Aktiengesellschaft, Essen

We have reviewed the condensed interim consolidated financial statements of HOCHTIEF Aktiengesellschaft, Essen – comprising the consolidated statement of earnings, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and explanatory notes – together with the interim group management report of HOCHTIEF Aktiengesellschaft, Essen, for the period from 1 January to 30 June 2019, that are part of the half-year financial report according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany] as well as in supplementary compliance with the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements of HOCHTIEF Aktiengesellschaft, Essen, have not been prepared, in material respects, in accordance with IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Essen, 23 July 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Ufer
Wirtschaftsprüfer
[German Public Auditor]

Salzmann
Wirtschaftsprüferin
[German Public Auditor]

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Current financial calendar:
www.hochtief.com/ir-calendar

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