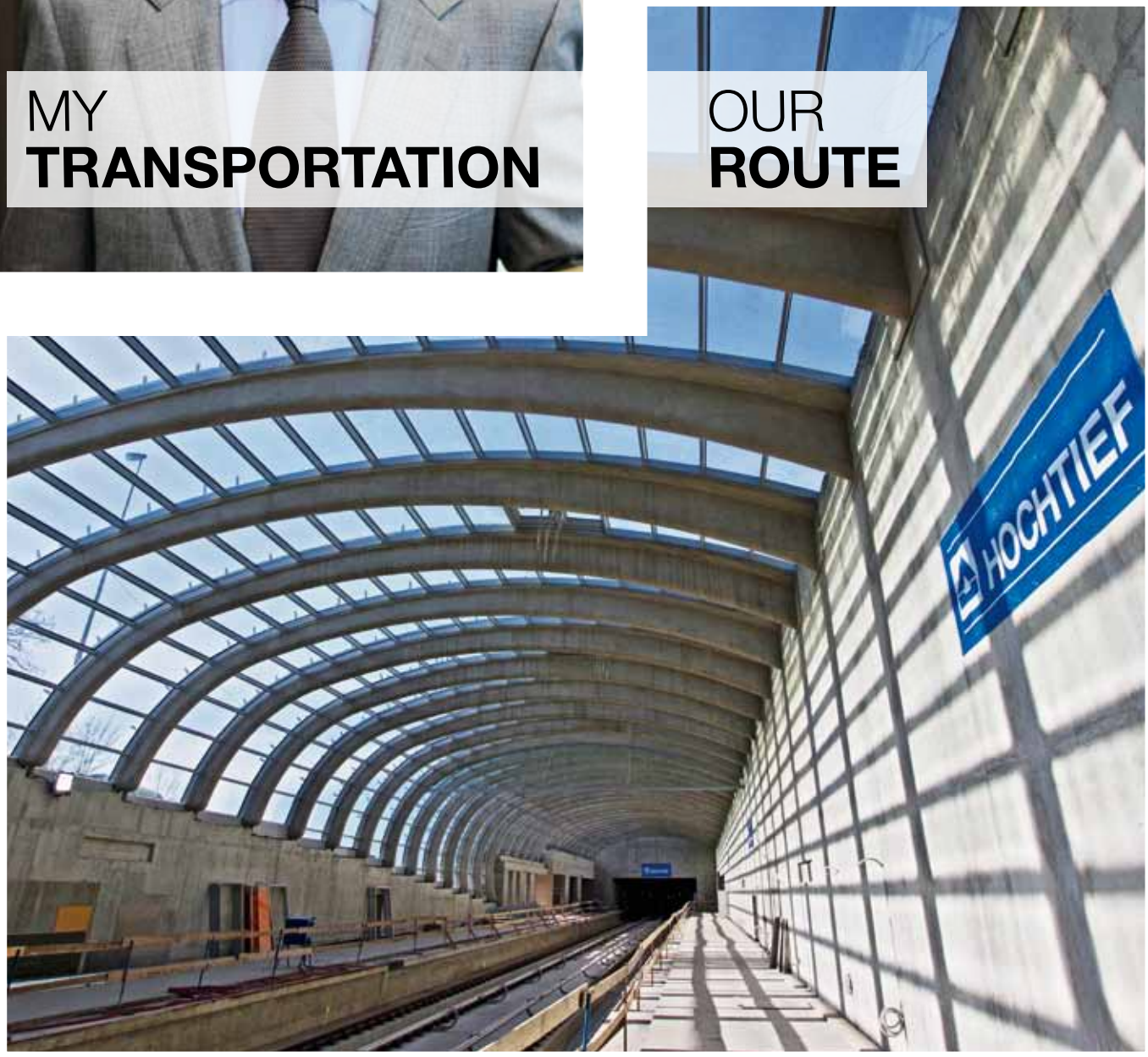
Half-Year Report
January to June 2014



Turning Vision into Value.

HOCHTIEF

*Restated for IFRS 11. For details on the restatement, please see pages 17 et seq.

1) Operational figures excluding one-off impacts such as deconsolidation effects

The HOCHTIEF Group: Key Operating Variables (like-for-like)

(EUR million)	H1 2014	H1 2013 (restated)*	Percentage change yoy	Q2 2014	Q2 2013 (restated)*	Full year 2013 (restated)*
EBIT[1]	**407.4**	391.5	**4.1%**	**220.8**	216.9	834.5
Profit before taxes[1]	**296.0**	267.2	**10.8%**	**162.0**	153.0	569.6
EBT margin[1]	**2.4**	2.1	**0.3%p**	**2.4**	2.1	2.2
Net profit[1]	**116.0**	83.9	**38.3%**	**62.7**	40.5	178.1
Earnings per share (EUR)[1]	**1.67**	1.14	**46.5%**	**0.90**	0.55	2.47

New orders	like-for-like, i.e. adjusted for f/x effects and deconsolidation (year on year)	**4.7%**
Order backlog		**-6.5%**
External sales		**6.2%**
Work done		**5.1%**

**Note: The percentage changes are calculated at the level of precision used in the interim financial statements (thousands of euros).

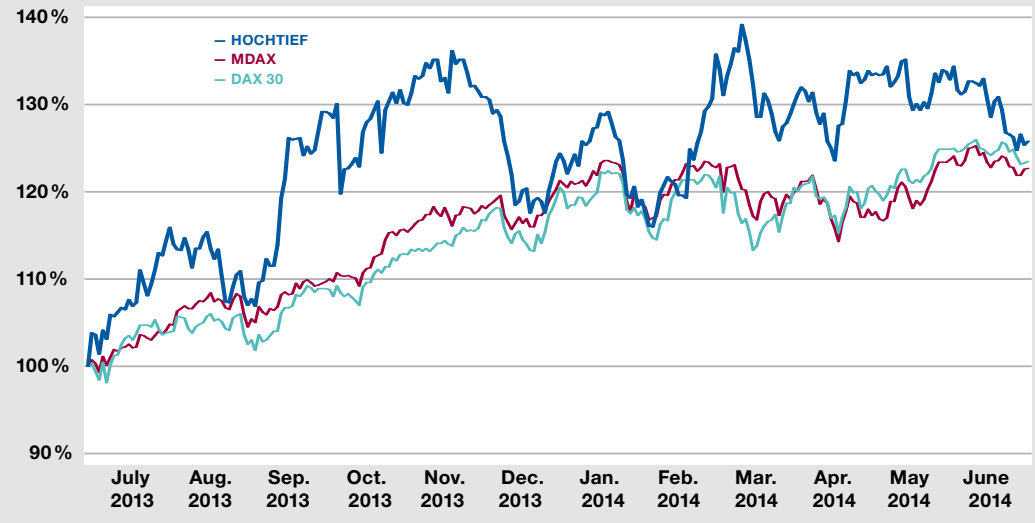
2) Corresponds to net cash used in operating activities in the Consolidated Statement of Cash Flows on page 15.

3) Corresponds to purchases of intangible assets, property, plant and equipment, and investment properties in the Consolidated Statement of Cash Flows on page 15.

The HOCHTIEF Group: Reported Figures

(EUR million)	H1 2014	H1 2013 (resated)*	Percentage change yoy	Q2 2014	Q2 2013 (restated)*	Full year 2013 (restated)*
EBIT**	**401.5**	586.3	**-31.5%**	**222.6**	398.8	1,172.7
Profit before taxes/EBT**	**266.7**	452.6	**-41.1%**	**144.2**	330.0	801.2
Net profit**	**100.5**	126.2	**-20.4%**	**56.4**	82.7	171.2
Earnings per share (EUR)	**1.45**	1.72	**-15.7%**	**0.81**	1.13	2.37
Cash flow from operations**[2]	**(332,1)**	(359,2)	**7,5%**	**156.8**	247,7	280,8
Operating capital expenditure**[3]	**349.8**	605.6	**-42.2%**	**228.2**	333.0	931.8
Net cash (+)/net debt (-)	**(1,299.6)**	(1,701.6)	**-23.6%**	**(1,299.6)**	(1,701.6)	(39.6)
New orders	**10,880.8**	11,605.6	**-6.2%**	**5,187.3**	6,056.8	26,491.5
Order backlog	**39,073.2**	45,314.0	**-13.8%**	**39,073.2**	45,314.0	39,940.4
External sales**	**12,294.5**	13,225.7	**-7.0%**	**6,695.5**	7,439.2	27,022.2
Work done	**13,275.4**	14,356.1	**-7.5%**	**7,100.5**	7,861.0	29,049.2
Employees	**71,337** (End H1 2014)	86,241 (End H1 2013)	**-17.3%**	**71,337** (End Q2 2014)	86,241 (End Q2 2013)	80,912 (2013 average)

HOCHTIEF stock



Dear shareholders,

Marcelino Fernández Verdes, Chairman of the Executive Board

The first half of 2014 was a period of further progress for HOCHTIEF. The positive Q1 trends were sustained through the second quarter, as can be seen from the performance figures adjusted for one-off non-operational items—that is, our operating performance on a like-for-like basis.

Earnings before taxes for January to June 2014, at EUR 296 million, were over 10% higher than in the prior-year period. Consolidated net profit increased by 38.3% to EUR 116 million. All HOCHTIEF divisions contributed to the growth in operational earnings.

Net cash used in operating activities once again improved, with a further decrease in the seasonal cash outflow associated with changes in net working capital. We also significantly reduced net debt compared with the prior-year period: At just under EUR 1.3 billion at the end of the first half of 2014, this was around EUR 400 million lower than at the same point in the prior year.

On a comparable basis, new orders were 4.7% higher than the prior-year figure. Work done also went up, with an increase of 5.1% in the first half of 2014 on a like-for-like basis. Our solid order backlog totaling nearly EUR 40 billion is at a similar level to the end of 2013.

The successful performance of the business also benefited HOCHTIEF's shareholders. By resolution of the Annual General Meeting in May 2014, we distributed a dividend of EUR 1.50 per share for 2013—that represents an increase of 50%.

We will continue to steadily deliver on our strategy. We will focus the HOCHTIEF Group on its core business—delivering complex building construction and infrastructure projects—and develop it as a leading global infrastructure contractor with sustained improvements in cash profitability, risk management, and solidity. To achieve this, we are systematically pursuing the necessary changes in all parts of the business.

A strategic review is currently taking place in our Group company, Leighton. Following a conditional offer to the remaining shareholders ending in May 2014, HOCHTIEF now holds a 69.62% share in the Australian group. The HOCHTIEF Group invested some EUR 577 million on this transaction—an investment in our core business, because Leighton is a major part of HOCHTIEF and we are convinced of its potential.

To further leverage that potential, Leighton presented a strategic update in June. This is the outcome of an ongoing, indepth analysis of the current situation. The core points of the plan are strengthening the balance sheet, streamlining the operating model, focussing on core business, and improving project delivery.

Leighton will maintain its focus on recovering existing receivables. In parallel, the Group is analyzing options for its Services, Property, and John Holland businesses. In all three cases, we are looking at both potential divestments and the incorporation of new partners; a final decision is yet to be made. Leighton's operating business will focus in future on the four segments of construction, mining, public-private partnerships, and engineering. The group's diverse activities will be reorganized on this basis. This allows us to generate synergies, lower our cost base, pool expertise, and improve our competitive advantage. Project delivery will be improved by standardizing processes and systems as well as by fine-tuning the entrepreneurial approach applied by our project managers.

With the restructuring of HOCHTIEF Solutions, now largely completed, the HOCHTIEF Europe division is on a successful path. This positive trend is reflected in the improved cash flow and in new orders. Final decisions are still pending for our non-core real estate activities in Europe. We have examined a number of options for releasing capital from this business. We have made good progress in our search for strategic partners. In July 2014, we have completed the sale of our property management business.

The capital market continues to show confidence in HOCHTIEF's strategy and credit standing, as is demonstrated by the strong interest generated by two financing instruments for our Group: In May 2014, HOCHTIEF launched its third bond issue. The EUR 500 million non-rated bond with a coupon of 2.625% p.a. and a maturity to 2019 was more than four times oversubscribed, at EUR 2.3 billion. Shortly prior to that, we had successfully extended our existing EUR 2 billion credit and guarantee facility to 2019 with significantly improved conditions.

Rating agency Standard and Poor's has affirmed Leighton Holdings' BBB-/A-3 rating and removed it from CreditWatch. The outlook is stable.

Our operating companies in all divisions once again secured attractive new orders in the second quarter of 2014. As the leading general builder in the USA, Turner is to deliver a range of projects in the commercial and educational property segment. Contracts awarded to our civil engineering specialists at Flatiron included construction of a multi-lane freeway in North Carolina. In the HOCHTIEF Asia Pacific division, Leighton Contractors and John Holland were selected as preferred operator to deliver another package at the North West Rail Link project in Sydney. In Hong Kong, Leighton Asia is to construct the passenger clearance building for the large-scale Hong Kong-Zhuhai-Macao Bridge project. In addition, the Habtoor Leighton Group—whose order backlog almost doubled year on year in the first half of 2014—was awarded the contract for Package 8 of the mixed-use building complex "Jewel of the Creek" in Dubai. New contracts in transportation infrastructure for the HOCHTIEF Europe division include expanding the subway network in Copenhagen, widening the A7 freeway near Hamburg, and a PPP project for a ballet rehearsal building for the Deutsche Oper in Düsseldorf.

Outlook

The Group guidance remains unchanged. In 2013, our operational net profit was EUR 207.5 million (including aurelis). In 2014, the Group continues to expect to achieve further progress with an operational Group net profit in the range of EUR 225-250 million. We anticipate that this will be achieved with improved profit margins in all our divisions.

As our business performance in the second quarter of 2014 shows, HOCHTIEF's strategy of focusing on complex building construction and infrastructure projects is delivering results. We will systematically continue to implement this strategy. Our efforts are paying off. I look forward to reporting back to you on our further progress.

Yours

Marcelino Fernández Verdes
Chairman of the Executive Board

Interim Management Report

Orders and work done

New orders of nearly EUR 10.9 billion for the half year ending June 30, 2014 represent an increase of almost 5% year on year on a like-for-like basis. The HOCHTIEF Americas division set a new record for the first half of a year, with EUR 4.7 billion in new orders thanks to the awarding of major contracts in both building construction and civil engineering. The HOCHTIEF Asia Pacific division is down on the prior-year figure (by 13.7% on a like-for-like basis) but expects significant new contract awards in the second half of the year. The HOCHTIEF Europe division is on a par with the prior-year period but adjusted for deconsolidation and foreign exchange effects, it shows growth of 30.3%.

On a like-for-like basis, **work done** increased 5.1%. The HOCHTIEF Asia Pacific division improved on the prior year after adjusting for exchange rate and deconsolidation effects (up 4.3%). Work done in the HOCHTIEF Americas division marked a new record for the first half of a year (up 7.6% on an exchange rate and deconsolidation adjusted basis). HOCHTIEF Europe is up 1.8% on the prior-year level after adjusting for exchange rate and deconsolidation effects.

The **order backlog**, at EUR 39.07 billion as of June 30, 2014, is at a similar level to the end of last year (down 2.2%). Adjusting for the negative exchange rate effects (of EUR 1.23 billion, mainly relating to the Australian and the U.S. dollar) and deconsolidation effects (as of June 30, 2013 a negative EUR 2.21 billion), the order backlog is 6.5% below the comparable prior-year figure. With work done at a sustained high level, the order backlog represents a forward order book of nearly 17 months.

Financial Review

Earnings

On a like-for-like basis—adjusted for exchange rate effects and deconsolidation—**operating sales** in the first six months of 2014 showed an increase of 6.2% to EUR 13.57 billion (H1 2013: EUR 12.78 billion). **Nominal sales** came to EUR 12.29 billion—a 7% decline. Leighton retains its good position in the Australian market and the Asia-Pacific region, generating sales of AUD 11 billion in January to June 2014, compared with AUD 10.52 billion in the same period a year earlier—an increase of 4.6%. However, a steep drop in the average exchange rate for the Australian dollar meant that, when translated into euros, the HOCHTIEF Asia Pacific division's sales, at EUR 7.34 billion, were down on the prior-year period. The sales trend in the American market was likewise positive, notably thanks to growth in the building construction business. The high level of new orders and work done made for 11.4% growth in sales at Turner, to USD 5.03 billion. Sales across the HOCHTIEF Americas division as a whole grew to EUR 3.98 billion in the first half of 2014, compared with EUR 3.83 billion a year earlier. The HOCHTIEF Europe division's sales of EUR 918 million in January to June 2014 were down on the prior-year comparative figure of EUR 1.29 billion. The decrease is largely due to the deconsolidation of the service business line, which accounted for sales of EUR 343 million in the first half of the prior year.

The proportion of sales made internationally in the first half of 2014 was 95% (H1 2013: 93%).

Like-for-like, the **operational EBIT** was EUR 407.4 million in the first six months of this year, an increase of 4.1%. HOCHTIEF generated a **nominal EBIT** of EUR 401.5 million. The prior-year figure (EUR 586.3 million) included contributions to earnings from the airport business and the service business line at HOCHTIEF Europe and, most notably, a EUR 165 million one-off capital gain from the sale of telecommunications activities at Leighton. Like-for-like, Leighton's (local-currency) EBIT was nearly 19% higher. However, the nominal figure for the HOCHTIEF Asia Pacific division (EUR 354 million) was below the prior-year figure due to the above mentioned one-off gain in the previous year (telecommunications sale). Driven by the strong performance from its building construction business, the HOCHTIEF Americas division increased EBIT by over 60%

Figures in table form are provided in the interim financial statements starting on page 14.

from the prior-year level of EUR 47.6 million to EUR 76.5 million. In the first half of 2014, operational EBIT (adjusted for one-offs) in the HOCHTIEF Europe division reached nearly EUR 10 million—a significant improvement on the EUR 2.2 million of H1 2013. The nominal figure is affected by the absence this time of the previous year's positive contribution from the now divested services business.

Net income from participating interests came to EUR 46.2 million in the reporting period, compared with EUR 149.4 million in the first half of 2013. The prior-year figure included EUR 64.2 million in income from the airport business, which has since been sold. Net income from participating interests in the HOCHTIEF Asia Pacific division was once again well into positive figures at EUR 34.2 million and showed a slight improvement on the prior-year period (EUR 25.4 million). Net income from participating interests in the HOCHTIEF Americas division, at EUR 14.5 million in the reporting period, was down on the prior-year period due to lower income from jointly controlled entities at Flatiron (H1 2013: EUR 27.3 million). In the HOCHTIEF Europe division, net income from participating interests decreased substantially to a negative EUR 2.5 million in the first half of 2014 (H1 2013: positive EUR 32.5 million). This mainly reflected lower net income from German construction joint ventures in the HOCHTIEF Infrastructure unit.

In the first half of 2014, **net investment and interest income** improved by EUR 17.2 million relative to the prior-year period (a negative EUR 128.6 million) to a negative EUR 111.4 million. In a further improvement to its financing structure, HOCHTIEF made use of the currently favorable capital market environment in the second quarter of 2014 to secure early renewal of the existing credit and guarantee facility to April 2019 on improved terms. Alongside this, we followed up on our 2012 and 2013 bond issues with a third bond issue for a nominal EUR 500 million at an even lower nominal coupon of 2.625%.

Operating earnings before taxes—on a like-for-like basis—came to EUR 296 million in the first six months of this year, surpassing the EUR 267.2 million prior-year figure by nearly 11%. **Nominal earnings before taxes** came to EUR 266.7 million. The much higher prior-year figure of EUR 452.6 million included the one-off effect to earnings from the sale of the telecommunications activities at Leighton (EUR 165 million) and contributions to earnings from the now sold airport business and the service business line at HOCHTIEF Europe.

Tax expense in the first half of 2014, at EUR 102.3 million, was below the prior-year comparative figure of EUR 166.3 million. Leighton showed a particularly large decrease in tax expense which in 2013 included the effect from the sale of the telecommunications activities.

HOCHTIEF's like-for-like **operating consolidated net profit**, at EUR 116 million, shows a strong improvement on the prior year (H1 2013: EUR 83.9 million). EUR 100.5 million of the post-tax profit is **nominal consolidated net profit** attributable to HOCHTIEF shareholders (H1 2013: EUR 126.2 million). HOCHTIEF increased its shareholding in Leighton by some 11% to 69.62% in the second quarter of 2014, thus significantly reducing the minority interest in profit after taxes.

Cash flow

Net cash used in operating activities came to EUR 332.1 million in the first half of 2014. Working capital (net current assets) increased by EUR 634.9 million, most of all at Leighton, although this was EUR 346.8 million less than the outflow in the previous year. However, the smaller cash outflow in working capital was accompanied by a smaller cash inflow from earnings. The net cash outflow from operating activities consequently remained on a similar level to the prior-year period (H1 2013: EUR 359.2 million).

The HOCHTIEF Group registered a liquidity inflow of EUR 379.3 million in **net cash provided by investing activities** during the period January to June 2014. In the comparable prior-year period, the HOCHTIEF Group recorded net cash used in investing activities of EUR 259.4 million. EUR 407.1 million in capital expenditure has been incurred so far this year. In the first half of 2013, capital expenditure was significantly higher, at EUR 803.2 million. Capital expenditure on property, plant and equipment and intangible assets, at EUR 349.8 million, was sharply down on the EUR 605.6 million prior-year figure. The majority of this capital expenditure—EUR 312.9 million (H1 2013: EUR 572.2 million)—was accounted for by Leighton. The decrease mainly reflected optimized procurement and deployment management of plant and equipment, among other things by switching over to operating leases. This was countered by EUR 265.2 million in proceeds from asset disposals and divestments in the first half of 2014 (H1 2013: EUR 533.8 million). Most of the cash inflow from divestments (EUR 178.4 million) was accounted for by the sale of the shares in aurelis Real Estate GmbH & Co. KG. The substantially larger prior-year figure of EUR 516.7 million included some EUR 475 million for the cash inflow from the sale of telecommunications activities at Leighton. Changes in marketable securities and financial receivables made for a EUR 521.2 million increase in cash resources in the first half of 2014 (H1 2013: EUR 10.1 million). Much of this related to sales of securities at HOCHTIEF Aktiengesellschaft and Turner.

HOCHTIEF shows EUR 208.4 million in **net cash used in financing activities** for the first half of 2014. This contrasts with EUR 345.7 million net cash provided by financing activities in the prior-year period. Much of the cash outflow in the first half of 2014 was accounted for by an amount of EUR 606.4 million for the increase in the shareholding in Leighton. The transaction was completely funded from our existing cash position. At EUR 1.17 billion, the volume of new borrowing was reduced relative to the prior-year period (H1 2013: EUR 1.57 billion). The bond issue by HOCHTIEF Aktiengesellschaft in the second quarter of 2014 accounts for EUR 500 million of this total. Leighton also took out additional bank borrowing. Debt repayment—in part the repayment of promissory note loan issues by HOCHTIEF Aktiengesellschaft—accounted for a EUR 627.1 million cash outflow from the HOCHTIEF Group (prior-year period EUR 967.9 million). There were also dividend payments in the amount of EUR 163 million (H1 2013: EUR 168.7 million).

Cash and cash equivalents stood at EUR 2.09 billion as of the June 30, 2014 balance sheet date, similar to year-end 2013 (EUR 2.19 billion).

Net cash used in operating activities (EUR 332.1 million) and net cash provided by investing activities (EUR 379.3 million) made for a positive free cash flow of EUR 47.2 million in the first half of 2014 (H1 2013: negative free cash flow of EUR 618.6 million).

Balance sheet

Total assets increased relative to December 31, 2013 (EUR 14.95 billion) by EUR 225 million to EUR 15.18 billion as of June 30, 2014. The increase is due exclusively to exchange rate effects.

Non-current assets came to EUR 4.05 billion as of June 30, 2014, an increase of EUR 247.2 million on December 31, 2013 (EUR 3.8 billion). The intangible assets of EUR 903.3 million comprise goodwill recognized on initial consolidation of fully consolidated subsidiaries, plus concessions and similar rights. The additional amount of EUR 73.2 million compared with December 31, 2013 (EUR 830.1 million) is largely due to exchange rate effects. Property, plant and equipment rose slightly by EUR 107.4 million to EUR 1.49 billion. This reflected capital expenditure in excess of depreciation charges in the reporting period. Financial assets likewise went up—mainly due to exchange rate effects—by EUR 65 million to EUR 838.8 million. Financial receivables (EUR 546 million) showed practically no change compared with the 2013 year-end.

Current assets, at EUR 11.13 billion halfway into 2014, stayed on a level with the end of fiscal 2013 (EUR 11.15 billion). Inventories remained more or less constant at EUR 1.15 billion and mainly consist of work in progress on real estate developments. In contrast, trade receivables increased by EUR 701 million to EUR 6.68 billion, primarily at Leighton and Turner and as a result of exchange rate effects relating to the Australian dollar. Marketable securities decreased by a substantial EUR 519 million because of the sales at HOCHTIEF Aktiengesellschaft and Turner during the first half of 2014 and stood at EUR 604.3 million as of June 30, 2014. The funds released were used for increasing the shareholding in Leighton and other operative purposes. Cash and cash equivalents decreased slightly during the first half of 2014 by EUR 95.4 million to EUR 2.09 billion. The EUR 158.6 million in assets held for sale as of June 30, 2014 related exclusively to mining assets at Leighton.

Shareholders' equity decreased by EUR 470.7 million in the first half of 2014 compared with December 31, 2013 (EUR 3.29 billion) to EUR 2.82 billion. The reduction is mainly a result of the increase in HOCHTIEF's shareholding in Leighton accounted for in other changes not recognized in the Statement of Earnings (a negative figure of EUR 597.1 million). Dividend payments also reduced shareholders' equity (by EUR 163 million), as did changes from the remeasurement of defined benefit plans (by EUR 26.8 million). These factors were countered by the positive impact of profit after taxes (EUR 164.4 million) together with currency translation differences and changes in fair value of financial instruments (EUR 151.6 million).

The equity ratio (shareholders' equity to total assets) remained on a solid level of 18.6% as of June 30, 2014 (December 31, 2013: 22%).

Non-current liabilities increased during the first half of 2014 by EUR 496.6 million to EUR 4.11 billion. The major factor here was the corporate bond issue by HOCHTIEF Aktiengesellschaft and the resulting EUR 448.6 million increase in non-current financial liabilities to EUR 3.15 billion. Non-current provisions also went up by EUR 37.5 million to EUR 785.2 million.

Current liabilities grew in the first half of 2014 by EUR 199.2 million to EUR 8.24 billion. This primarily related to new borrowings at Leighton, which made for a EUR 196.5 million increase in current financial liabilities to EUR 923.3 million. The increase in trade payables by EUR 69.5 million to EUR 5.92 billion was countered by a decrease in other liabilities by EUR 75.5 million to EUR 385.3 million. Current provisions remained near-constant at EUR 920.2 million. The EUR 62.5 million in liabilities associated with assets held for sale (December 31, 2013: EUR 68.1 million) relate as before to the planned sale of mining assets at Leighton.

Risk and opportunities report

The presentation of the opportunities and risks* of likely future developments given in the 2014 Quarterly Report and in the combined company and Group management report as of December 31, 2013 continues to apply. There has been no material change in the situation of the Group from that presented in our 2013 Annual Report.

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

Due partly to deconsolidation effects and the impact of foreign-exchange movements, we expect new orders, work done and order book to be somewhat lower at year-end 2014 compared with December 2013.

In 2014 we expect to achieve operational consolidated net profit in the range of EUR 225-250 million, compared with EUR 207.5 million (including aurelis) in 2013. We anticipate that this will be achieved with improved profit margins in all our divisions.

We will continue to focus on our strategy to structurally improve Group profitability and cash performance in 2014.

***Our risk report is provided starting on page 119 of our 2013 Annual Report and on our website, www.hochtief.com.**

Divisions

HOCHTIEF Americas division

HOCHTIEF Americas Division: Key Operating Variables (like-for-like)

(EUR million)	**H1 2014**	H1 2013	**Percentage change yoy**	**Q2 2014**	Q2 2013	Full year 2013
EBIT[1)]	**76.5**	49.6	**54.2%**	**49.7**	27.8	115.9
Profit before taxes[1)]	**68.7**	40.0	**71.8%**	**46.0**	23.6	96.5
EBT margin[1)]	**1.7**	1.0	**0.7%p**	**2.1**	1.0	1.2
Net profit[1)]	**42.5**	29.2	**45.5%**	**24.3**	16.6	61.9

New orders	**like-for-like, i.e. adjusted for f/x effects and deconsolidation (year on year)**	**25.8%**
Order backlog		**-8.3%**
External sales		**8.7%**
Work done		**7.6%**

1) Operational figures excluding one-off impacts; adjusted for deconsolidation effects

HOCHTIEF Americas Division: Reported Figures

(EUR million)	**H1 2014**	H1 2013	**Percentage change yoy**	**Q2 2014**	Q2 2013	Full year 2013
EBIT	**76.5**	47.6	**60.7%**	**49.7**	26.0	115.1
Profit before taxes/EBT	**68.7**	38.0	**80.8%**	**46.0**	21.8	94.0
Divisional sales	**3,981.3**	3,829.6	**4.0%**	**2,151.6**	2,303.3	7,943.8
New orders	**4,660.8**	3,875.1	**20.3%**	**1,848.1**	2,349.7	7,457.3
Order backlog	**9,931.2**	11,313.0	**-12.2%**	**9,931.2**	11,313.0	9,278.8
External sales	**3,981.3**	3,829.6	**4.0%**	**2,151.6**	2,303.3	7,943.8
Work done	**4,227.2**	4,109.7	**2.9%**	**2,267.2**	2,448.5	8,546.3
Operating capital expenditure	**11.3**	13.5	**-16.3%**	**5.4**	2.3	19.3
Employees	**9,763** (End H1 2014)	9,408 (End H1 2013)	**3.8%**	**9,763** (End Q2 2014)	9,408 (End Q2 2013)	9,295 (2013 average)

***LEED: Leadership in Energy and Environmental Design**

The HOCHTIEF Americas division had a very successful second quarter 2014. **New orders** for the first half of 2014 were 20.3% up on the prior-year period (25.8% on an exchange rate adjusted basis), setting a record for the first half of any year. This increase is mainly due to major successes in securing new business in the building construction segment in the first quarter of the year, although new contracts in the civil engineering segment in the second quarter also contributed to the improvement compared with the prior-year period.

Divisional **work done** topped the prior-year record by another 2.9% (exchange rate adjusted: 7.6%) to set a new all-time high. **External sales** likewise increased by 4.0%, or 8.7% on an exchange rate adjusted basis.

The **order backlog** showed a decrease of 12.2% on the very high prior-year figure and was also affected by a year-on-year fall in the U.S. dollar (adjusted for exchange rates, the decrease was 8.3%).

For the first half of 2014, the HOCHTIEF Americas division reported solid **EBIT** of EUR 76.5 million and **earnings before taxes** of EUR 68.7 million—a substantial increase on the prior-year period thanks to exceptionally good performance in the second quarter due to projects in the building construction segment.

Operating capital expenditure was down 16.3% year on year. The total number of **employees** increased to 9,763, primarily due to the increase in work done.

New contracts secured by Turner in the second quarter of 2014 underline its favorable market position in the U.S. general building sector. In California, the company is to build the 12-story Stockton Courthouse. With nearly 28,000 square meters, the building will provide space for 30 courtrooms. The contract totals just short of EUR 147 million. In Sunrise, Florida, Turner is building a new service center for American Express. The office facility featuring a total of 33,500 square meters and a 1,000-car parking garage is to be delivered based on sustainability criteria, meeting LEED* Gold certification standards. Schwan Cosmetics has selected Turner to design and build an approximately 14,000-square-meter complex in Murfreesboro, Tennessee. The project comprises a two-story office and administrative area together with a single-story manufacturing facility featuring a research and development lab. Work is scheduled for completion in March 2015.

In the construction of the new ambulatory care center for NY Presbyterian Hospital, New York City, Turner has begun the first phase of work including the excavation and foundation of a nine-story-tall building with a floor area of some 42,000 square meters. In Detroit, Michigan, Turner is to carry out large-scale renovations to the Wayne State University Student Center Building, which was originally constructed in 1969.

New contracts at Flatiron, HOCHTIEF's subsidiary specialized in transportation infrastructure, include the Interstate 73/Piedmont Triad International Airport project in North Carolina worth some EUR 90 million. Involving the design and construction of around 15 kilometers of four-lane freeway with three interchanges, the design-build project will

significantly ease congestion around the airport. Flatiron has a 70% share in the construction joint venture. Moreover, Flatiron as partner of a joint venture will construct the Greensboro Eastern Loop Project in North Carolina by December 2018. Works on the four-lane highway started in July 2014. The contract value for Flatiron is a good EUR 49 million.

HOCHTIEF Amercias Outlook

The HOCHTIEF Americas division can look back on a successful first half year. Assuming a stable U.S. dollar exchange rate, the division continues to anticipate profit before taxes in 2014 in the range of EUR 100–120 million.

HOCHTIEF Asia Pacific division

New orders at Leighton decreased by 13.7% like-for-like compared with the prior-year period. With a large number of contract awards pending for the second half of 2014, however, Leighton expects an improvement in this situation by the end of the year. Figures for **work done** and **sales** showed growth on last year, up by 4.3% and 5.9% respectively. The **order backlog** declined as a result by 6.2% year on year, although it remains at a very strong level. The high level of work done and the positive effects from the restructuring process that Leighton started in 2013 improved **operating earnings before taxes** in the HOCHTIEF Asia Pacific division by 9.2% (all percentages adjusted for exchange rate effects and deconsolidation)

In May 2014, HOCHTIEF closed its offer to acquire three out of eight shares in Leighton Holdings Limited for AUD 22.50 cash per share. HOCHTIEF's shareholding in Leighton increased to 69.62% as a result of the offer. Leighton remains included the Australian Securities Exchange's S&P/ASX 200 index with a more than 30% free float.

Leighton is working to complete a broad based, strategic review of Leighton's operating model. The strategic blueprint** for the future of its business involves strengthening the company's balance sheet; streamlining its operating model, and improving project delivery. Leighton will streamline its operating model and group similar activities to establish dedicated businesses focused on Construction (branded Leighton Contractors), Mining (branded Thiess), Public Private Partnerships and Engineering.

Leighton retains a strong market share, with several contract wins and extensions and variations during the period. John Holland and Leighton Contractors, as part of the Northwest Rapid Transit Consortium, were selected by the New South Wales Government as preferred operator to deliver the operations, trains and systems package for the North West Rail Link (NWRL) in Sydney. This adds to the EUR 894 million NWRL contract won in June 2013 by Thiess and John Holland in joint venture with Dragados to deliver tunnels and civil works for five of the eight new stations and two service facilities.

HOCHTIEF Asia Pacific Division: Key Operating Variables (like-for-like)

(EUR million)	**H1 2014**	H1 2013 (restated)*	**Percentage change yoy**	**Q2 2014**	Q2 2013 (restated)*	Full year 2013 (restated)*
EBIT[1)]	**348.5**	344.4	**1.2%**	**181.5**	192.3	734.1
Profit before taxes[1)]	**271.4**	248.5	**9.2%**	**140.5**	143.4	534.6
EBT margin[1)]	**3.7**	3.1	**0.6%p**	**3.5**	3.3	3.3
Net profit[1)]	**115.7**	89.8	**28.8%**	**67.4**	52.3	215.1

New orders	**like-for-like, i.e. adjusted for f/x effects and deconsolidation (year on year)**	**-13.7%**
Order backlog		**-6.2%**
External sales		**5.9%**
Work done		**4.3%**

***Restated for IFRS 11. For details on the restatement, please see pages 17 et seq.**
1) Operational figures excluding one-off impacts; adjusted for deconsolidation effects

HOCHTIEF Asia Pacific Division: Reported Figures

(EUR million)	**H1 2014**	H1 2013 (restated)*	**Percentage change yoy**	**Q2 2014**	Q2 2013 (restated)*	Full year 2013 (restated)*
EBIT	**354.0**	502.8	**-29.6%**	**187.0**	350.7	742.9
Profit before taxes/EBT	**253.5**	406.9	**-37.7%**	**126.3**	301.8	501.2
Divisional sales	**7,341.7**	8,053.5	**-8.8%**	**3,997.7**	4,414.1	16,146.8
New orders	**4,625.1**	6,124.3	**-24.5%**	**2,119.3**	3,028.2	16,044.1
Order backlog	**24,898.8**	27,810.2	**-10.5%**	**24,898.8**	27,810,2	26,524.9
External sales	**7,341.7**	8,053.5	**-8.8%**	**3,997.7**	4,414.1	16,146.8
Work done	**7,737.4**	8,607.9	**-10.1%**	**4,078.7**	4,563.6	17,159.3
Operating capital expenditure	**312.9**	572.2	**-45.3%**	**204.9**	323.7	864.8
Employees	**52,095** (End H1 2014)	61,041 (End H1 2013)	**-14.7%**	**52,095** (End Q2 2014)	61,041 (End Q2 2013)	58,715 (2013 average)

****For further information, please see the Foreword on page 3.**

Leighton Asia, in a joint venture with Hong Kong construction company Chun Wo, secured a contract worth EUR 759 million to construct the Passenger Clearance Building for the Hong Kong-Zhuhai-Macao Bridge.

Leighton subsidiary, the Habtoor Leighton Group (HLG) was awarded a contract valued at EUR 219 million for the construction of pipelines for two sections of Doha's Mega Reservoir Corridor Main 1 (Packages A & B) for KAHRAMAA – Qatar's General Electricity and Water Corporation. HLG was also awarded a EUR 290 million contract by Dubai International Real Estate to deliver Package 8 of its Jewel of the Creek mixed-use project in Port Saeed, Dubai, UAE.

In addition Thiess was awarded a EUR 224 million contract by Samsung C&T to construct the mine process plant facilities for the Roy Hill iron ore mine in Western Australia. Leighton Asia, India and Offshore was awarded a EUR 146 million contract by Manila North Tollways Corporation to construct Segment 10 of the North Luzon Expressway in the Philippines; and John Holland was awarded a EUR 66 million contract by Rio Tinto for mine infrastructure in the Pilbara region of Western Australia. Leighton also secured several extensions and variations during the period, including within its significant LNG and telecommunications pipeline.

HOCHTIEF Asia Pacific Outlook

Leighton remains well positioned with a solid level of work in hand. Leighton's markets offer a range of new project opportunities, particularly as governments in Australia and Asia roll out ambitious initiatives in the infrastructure sector.

The outlook remains unchanged: Leighton continues to anticipate an operational net profit in the range of between AUD 540 million to AUD 620 million for 2014. Gearing is expected to be between 20% and 35% at year-end.

HOCHTIEF Europe division

The HOCHTIEF Europe division reported very strong second quarter **new orders** totaling EUR 1.19 billion in 2014. Adjusted for deconsolidation (primarily the sale of the services business) and exchange rate effects, new orders were more than double than in the second quarter of the prior year; the increase in the first half of 2014 was 30%. This largely reflected new large-scale contracts for the widening of the A7 highway, the Gemeinschaftskraftwerk Inn power plant and a highway project in Slovakia.

Work done went up slightly (1.8%) compared with the prior-year period. **Divisional sales** were 2% below the prior-year figure. In line with the strong orders situation, the **order backlog** of EUR 4.2 billion is only 4.0% down on the comparable figure for the prior year. The majority of this reduction is due to reduced business volume in the real estate segment.

EBIT came to EUR 9.8 million, a substantial increase on the comparative prior-year figure (EUR 2.2 million). This mainly reflects improved performances in the Real Estate, Building and PPP Solutions businesses.

After net investment and interest income, **earnings before taxes**, which showed a loss of EUR 6.5 million in the first half of 2014, likewise marked an improvement on the prior-year period (a loss of EUR 13.2 million).

The decline in the number of **employees**, by 6,281 to 9,232, is mainly attributable to the sale of the services business last year.

In the second quarter of 2014, the units that form HOCHTIEF Solutions AG— HOCHTIEF Building, HOCHTIEF Infrastructure, HOCHTIEF Engineering, and HOCHTIEF PPP Solutions, which each operates in its markets as a standalone legal entity—secured attractive new contracts and made successful progress on projects. In June, a consortium including HOCHTIEF PPP Solutions and HOCHTIEF Infrastructure won the contract worth EUR 406 million to extend the A 7 freeway north of Hamburg on a public-private-partnership (PPP) basis. In addition to planning and building a 65-kilometer stretch, the consortium—in which HOCHTIEF holds a 49 percent stake—will also be responsible for maintaining and operating a 59-kilometer section from Hamburg-Nord-

west to Neumünster-Nord over a period of 30 years. In Copenhagen, HOCHTIEF Infrastructure is part of a joint venture that is to add a total of 3.5 kilometers of tunneling to the subway network and construct the Nordhavn subway station on a turnkey basis. HOCHTIEF has a 40% stake in the joint venture and the contract is worth some EUR 59 million. Under a contract worth EUR 102 million, HOCHTIEF Infrastructure is part of a joint venture building a section of the D3 highway extending over four kilometers around the city of Zilina, Slovakia.

In Austria, HOCHTIEF Infrastructure is part of a joint venture that is to build the Gemeinschaftskraftwerk Inn, a jointly operated power plant on the river Inn. The contract worth just over EUR 132 million for HOCHTIEF includes the Maria Stein works water channel, for which the company will construct a 22.6-kilometer pressure tunnel measuring 6.5 meters in diameter. Starting in mid-2018, the hydroelectric power plant will generate electricity for over 100,000 households.

The HOCHTIEF PPP Solutions and HOCHTIEF Building units are to design and construct the new ballet rehearsal building for the Deutsche Oper am Rhein in Düsseldorf. HOCHTIEF will also be responsible for the subsequent operation of the building for a period of 30 years under a lease agreement. The contract is worth around EUR 26 million. Under a project valued at EUR 34 million, HOCHTIEF Building is to design and build a five-story fire station in Mannheim, including outside facilities, technical equipment, and the construction of the new building on a turnkey basis. In April 2014, HOCHTIEF Building completed the shell for Südzucker's new administrative headquarters, also in Mannheim. Under a contract worth over EUR 40 million to HOCHTIEF, the office property including a four-level underground parking lot will be delivered on a turnkey basis by the end of 2014.

In the real estate segment, both HOCHTIEF Projektentwicklung and formart chalked up successes on the letting and sales front in the second quarter of 2014. The Barbarossaplatz complex in Berlin comprising 86 apartments, for example, has been fully let, the Caleido office property in Stuttgart has been sold, and all 113 condominiums under the "Lahn'sche Höfe" project in Frankfurt had already been sold by the time of the topping-out ceremony in May 2013.

HOCHTIEF Europe Division: Key Operating Variables (like-for-like)

(EUR million)	**H1 2014**	H1 2013 (restated)*	**Percentage change yoy**	**Q2 2014**	Q2 2013 (restated)*	Full year 2013 (restated)*
EBIT[1)]	**9.8**	2.2	**345.5%**	**6.6**	4.6	(5.0)
Profit before taxes[1)]	**(6.5)**	(13.2)	**50.8%**	**0.5**	(0.7)	(31.8)
EBT margin[1)]	**(0.7)**	(1.4)	**0.7%p**	**0.1**	(0.1)	(1.3)
Net profit[1)]	**(17.6)**	(24.4)	**27.9%**	**(10.4)**	(15.7)	(60.4)

New orders	**like-for-like, i.e. adjusted for f/x effects and deconsolidation (year on year)**	**30.3%**
Order backlog		**-4.0%**
External sales		**-2.0%**
Work done		**1.8%**

***Restated for IFRS 11. For details on the restatement, please see pages 17 et seq.**
1) Operational figures excluding one-off impacts; adjusted for deconsolidation effects

HOCHTIEF Europe Division: Reported Figures

(EUR million)	**H1 2014**	H1 2013 (restated)*	**Percentage change yoy**	**Q2 2014**	Q2 2013 (restated)*	Full year 2013 (restated)*
EBIT	**(0.8)**	7.0	**–**	**3.7**	4.5	152.5
Profit before taxes/EBT	**(17.1)**	(17.9)	**4.5%**	**(2.4)**	(5.8)	62.8
Divisional sales	**918.0**	1,290.5	**-28.9%**	**514.3**	696.0	2,819.5
New orders	**1,542.6**	1,554.3	**-0.8%**	**1,186.7**	652.8	2,879.0
Order backlog	**4,245.0**	6,201.7	**-31.6%**	**4,245.0**	6,201.7	4,138.1
External sales	**916.6**	1,287.1	**-28.8%**	**513.5**	693.8	2,813.7
Work done	**1,258.1**	1,588.2	**-20.8%**	**721.3**	824.2	3,235.1
Operating capital expenditure	**20.4**	19.5	**4.6%**	**12.8**	6.9	45.6
Employees	**9,232** (End H1 2014)	15,513 (End H1 2013)	**-40.5%**	**9,232** (End Q2 2014)	15,513 (End Q2 2013)	12,662 (2013 average)

HOCHTIEF Europe Outlook

HOCHTIEF Solutions with its four operating companies will improve the profitability of our division on a sustained basis. For the Real Estate business line, we continue to forge strategic partnerships with other investors in an effort to release tied-up capital.

We continue to expect an improvement in operational earnings in 2014.

Interim Financial Statements (Condensed)

Consolidated Statement of Earnings

(EUR thousand)	**H1 2014**	H1 2013 (restated)*	**Percentage change**	**Q2 2014**	Q2 2013 (restated)*	Full year 2013 (restated)*
Sales	12,294,457	13,225,745	-7.0%	6,695,469	7,439,181	27,022,186
Changes in inventories	26,808	103,370	-74.1%	20,512	17,001	(77,851)
Other operating income	95,948	242,116	-60.4%	40,468	202,464	608,644
Materials	(8,656,099)	(8,923,724)	-3.0%	(4,775,562)	(5,010,972)	(18,729,386)
Personnel costs	(2,551,930)	(3,056,076)	-16.5%	(1,388,481)	(1,753,779)	(5,715,577)
Depreciation and amortization	(239,704)	(439,480)	-45.5%	(111,470)	(233,070)	(735,630)
Other operating expenses	(637,547)	(720,071)	-11.5%	(307,687)	(387,903)	(1,515,883)
Profit from operating activities	**331,933**	**431,880**	**-23.1%**	**173,249**	**272,922**	**856,503**
Share of profits and losses of equity-method assoiates and jointly controlled entities	29,996	99,487	-69.8%	17,856	98,712	153,662
Net income from other participating interests	16,155	49,886	-67.6%	11,820	24,316	57,535
Investment and interest income	42,099	33,481	25.7%	29,074	16,986	80,568
Investment and interest expenses	(153,451)	(162,110)	-5.3%	(87,840)	(82,909)	(347,052)
Profit before taxes	**266,732**	**452,624**	**-41.1%**	**144,159**	**330,027**	**801,216**
Income taxes	(102,296)	(166,266)	-38.5%	(67,920)	(144,648)	(255,857)
Profit after taxes	**164,436**	**286,358**	**-42.6%**	**76,239**	**185,379**	**545,359**
Of which: Attributable to the Group	[100,519]	[126,204]	[-20.4%]	[56,409]	[82,671]	[171,196]
Of which: Minority interest	[63,917]	[160,154]	[-60.1%]	[19,830]	[102,708]	[374,163]
Diluted and undiluted earnings per share (EUR)	1.45	1.72	-15.7%	0.81	1.13	2.37

***Restated for IFRS 11. For notes on the adjustment, please see pages 17 et seq.**

Consolidated Balance Sheet

***Restated for IFRS 11. For notes on the adjustment, please see pages 17 et seq.**

(EUR thousand)	**June 30, 2014**	Dec. 31, 2013 (restated)*
Assets		
Non-current assets		
Intangible assets	903,349	830,094
Property, plant and equipment	1,485,767	1,378,357
Investment properties	15,659	15,996
Equity-method investments	756,058	698,508
Other financial assets	82,764	75,268
Financial receivables	545,995	526,730
Other receivables and other assets	76,780	93,831
Current income tax assets	52,817	57,047
Deferred tax assets	129,029	125,175
	4,048,218	**3,801,006**
Current assets		
Inventories	1,150,615	1,159,342
Financial receivables	170,962	126,934
Trade receivables	6,684,087	5,983,079
Other receivables and other assets	198,326	198,676
Current income tax assets	66,374	34,947
Marketable securities	604,266	1,123,258
Cash and cash equivalents	2,094,740	2,190,132
Assets held for sale	158,599	333,773
	11,127,969	**11,150,141**
	15,176,187	**14,951,147**

(EUR thousand)	**June 30, 2014**	Dec. 31, 2013 (restated)*
Liabilities and Shareholders' Equity		
Shareholders' equity		
Attributable to the Group	1,979,264	2,265,615
Minority interest	843,689	1,028,085
	2,822,953	**3,293,700**
Non-current liabilities		
Provisions for pensions and similar obligations	283,395	242,471
Other provisions	501,818	505,260
Financial liabilities	3,148,874	2,700,235
Other liabilities	43,543	42,648
Deferred tax liabilities	135,704	126,149
	4,113,334	**3,616,763**
Current liabilities		
Other provisions	920,180	921,153
Financial liabilities	923,284	726,786
Trade payables	5,917,841	5,848,382
Other liabilities	385,297	460,845
Current income tax liabilities	30,761	15,402
Liabilities associated with assets held for sale	62,537	68,116
	8,239,900	**8,040,684**
	15,176,187	**14,951,147**

Consolidated Statement of Cash Flows

(EUR thousand)	**H1 2014**	H1 2013 (restated)*
Profit after taxes	164,436	286,358
Depreciation, amortization, impairments and impairment reversals	240,375	437,859
Changes in provisions	(70,666)	(82,692)
Changes in deferred taxes	12,138	126,349
Gains/(losses) from disposals of non-current assets and marketable securities	(25,813)	(10,644)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	(6,340)	(124,019)
Changes in working capital (net current assets)	(634,891)	(981,682)
Changes in other balance sheet items	(11,328)	(10,741)
Net cash used in operating activities	**(332,089)**	**(359,212)**
Intangible assets, property, plant and equipment, and investment properties		
Purchases	(349,808)	(605,613)
Proceeds from asset disposals	86,838	17,075
Acquisitions and participating interests		
Purchases	(57,277)	(197,618)
Proceeds from asset disposals/divestments	178,397	516,720
Changes in securities holdings and financial receivables	521,180	10,051
Net cash provided by/(used in) investing activities	**379,330**	**(259,385)**
Payments for repurchase of treasury stock	–	(22,608)
Payments received from sale of treasury stock	–	518
Payments for the purchase of additional shares in subsidiaries	(609,225)	(76,400)
Payments into equity by minority shareholders	18,103	13,686
Dividends to HOCHTIEF's and minority shareholders	(162,977)	(168,726)
Proceeds from new borrowing	1,172,831	1,567,056
Debt repayment	(627,088)	(967,865)
Net cash provided by/(used in) financing activities	**(208,356)**	**345,661**
Net cash decrease in cash and cash equivalents	**(161,115)**	**(272,936)**
Effect of exchange rate changes	65,723	(80,276)
Overall change in cash and cash equivalents	**(95,392)**	**(353,212)**
Cash and cash equivalents at the start of the year	2,190,132	2,651,939
Of which: Included in assets held for sale	[–]	[10,761]
Of which: Cash and cash equivalents as per Consolidated Balance Sheet	[2,190,132]	[2,641,178]
Cash and cash equivalents at end of reporting period	**2,094,740**	**2,298,727**
Of which: Included in assets held for sale	[–]	[11,063]
Of which: Cash and cash equivalents as per Consolidated Balance Sheet	[2,094,740]	[2,287,664]

***Restated for IFRS 11. For notes on the adjustment, please see pages 17 et seq.**

Statement of Changes in Equity

(EUR thousand)	Subscribed capital of HOCHTIEF Aktiengesellschaft	Capital reserve of HOCHTIEF Aktiengesellschaft	Revenue reserves* including unappropriated net income	Remeasurement of defined benefit plans	Accumulated other comprehensive income		Attributable to the Group	Attributable to minority interest	Total
					Currency translation differences	Changes in fair value of financial instruments			
Balance as of Jan. 1, 2013	**197,120**	**784,050**	**1,877,131**	**(239,783)**	**148,876**	**(127,032)**	**2,640,362**	**1,603,445**	**4,243,807**
Dividends paid	–	–	(73,613)	–	–	–	(73,613)	(95,113)	(168,726)
Profit after taxes	–	–	126,204	–	–	–	126,204	160,154	286,358
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	(113,256)	12,514	(100,742)	(84,085)	(184,827)
Changes from remeasurement of defined benefit plans	–	–	–	6,036	–	–	6,036	(35)	6,001
Total comprehensive income	–	–	126,204	6,036	(113,256)	12,514	31,498	76,034	107,532
Other changes not recognized in the Statement of Earnings	–	276	(60,421)	–	–	–	(60,145)	(18,260)	(78,405)
Balance as of June 30, 2013	**197,120**	**784,326**	**1,869,301**	**(233,747)**	**35,620**	**(114,518)**	**2,538,102**	**1,566,106**	**4,104,208**
Balance as of Jan. 1, 2014	**197,120**	**784,326**	**1,599,743**	**(201,696)**	**(81,450)**	**(32,428)**	**2,265,615**	**1,028,085**	**3,293,700**
Dividends paid	–	–	(103,964)	–	–	–	(103,964)	(59,013)	(162,977)
Profit after taxes	–	–	100,519	–	–	–	100,519	63,917	164,436
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	90,047	21,330	111,377	40,259	151,636
Changes from remeasurement of defined benefit plans	–	–	–	(26,890)	–	–	(26,890)	112	(26,778)
Total comprehensive income	–	–	100,519	(26,890)	90,047	21,330	185,006	104,288	289,294
Other changes not recognized in the Statement of Earnings	(19,688)	19,692	(367,397)	–	–	–	(367,393)	(229,671)	(597,064)
Balance as of June 30, 2014	**177,432**	**804,018**	**1,228,901**	**(228,586)**	**8,597**	**(11,098)**	**1,979,264**	**843,689**	**2,822,953**

***As of June 30, 2013, treasury stock with a purchase cost of EUR 115,505 thousand was accounted for as a deduction from revenue reserves. This treasury stock was cancelled in the reporting year. As a result, HOCHTIEF Aktiengesellschaft's subscribed capital decreased by EUR 19,688 thousand and HOCHTIEF Aktiengesellschaft's capital reserve increased by EUR 19,688 thousand.**

Consolidated Statement of Comprehensive Income

(EUR thousand)

	H1 2014	H1 2013	Change	Full year 2013
Profit after taxes	**164,436**	**286,358**	**(121,922)**	**545,359**
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	132,327	(201,666)	333,993	(365,648)
Changes in fair value of financial instruments				
Primary	15,694	(1,158)	16,852	(144,079)
Derivative	4,512	17,775	(13,263)	19,034
Profits and losses of equity-method associates and jointly controlled entities recognized directly in equity	(897)	222	(1,119)	150,382
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	(26,778)	6,001	(32,779)	18,244
Other comprehensive income (after taxes)	**124,858**	**(178,826)**	**303,684**	**(322,067)**
Total comprehensive income after taxes	**289,294**	**107,532**	**181,762**	**223,292**
Of which: HOCHTIEF Group	[185,006]	[31,498]	[153,508]	[53,712]
Of which: Minority interest	[104,288]	[76,034]	[28,254]	[169,580]

Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of June 30, 2014, which were released for publication on July 31, 2014, 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 neither audited nor reviewed. 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 ending December 31, 2013.

HOCHTIEF has applied a number of new standards on business combinations commencing January 1, 2014: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, in conjunction with Amendments to IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

IFRS 10 replaces the previous control approach in IAS 27 and SIC-12 with a uniform approach applicable to all business combinations. The rules for separate financial statements remain in IAS 27. The new control approach has three elements:

- Power over the investee
- Variable returns
- Ability to use the power over the investee to affect the amount of the variable returns.

The application of IFRS 10 does not require any disclosures in the HOCHTIEF Interim Financial Statements.

IFRS 11 replaces IAS 31 and abolishes proportionate consolidation. The core principle of the standard is the rule that a party to a joint arrangement classifies the arrangement either as a joint operation or a joint venture by assessing its rights and obligations arising from the arrangement. With a joint operation, each party accounts for the assets, liabilities, revenues, and expenses relating to its interest in the joint operation, together with its share of such items held or incurred jointly, in accordance with the applicable IFRSs. With a joint venture, in contrast, each party accounts for its investment in the joint venture using the equity method in accordance with IAS 28.

The first-time application of IFRS 11 in the HOCHTIEF Group primarily results in the reclassification of equity-method jointly controlled entities as joint operations, mostly involving the following companies in the HOCHTIEF Asia Pacific division:

Name	Domicile	Activities	Shareholding (%)
Thiess Balfour Beatty	Australia	Construction	67
Baulderstone Leighton Joint Venture (Regional Rail Link Pack E)	Australia	Construction	50
GHD & John Holland (Perth City Link Rail Alliance)	Australia	Construction	81
SA Health Partnership (New Royal Adelaide Hospital)	Australia	Construction	50
Silcar Thiess Services Joint Venture	Australia	Services	50
Leighton-Gammon Joint Venture - H2561	Hong Kong	Construction	50
BJB	Australia	Services	38
Thiess Degremont Joint Venture	Australia	Construction	65
Abigroup-Coleman-John Holland (Integrated Rail Joint Venture)	Australia	Construction	40
Leighton Fulton Hogan Joint Venture (Sapphire to Woolgoolga)	Australia	Construction	50

The tables below show restated figures following the retrospective application of IFRS 11.

IFRS 12 brings together the revised disclosures under IFRS 10, IFRS 11, IAS 27, and IAS 28 in a separate standard. The notes disclosures may be omitted in condensed interim financial statements unless there are material circumstances requiring mandatory disclosure. No disclosures are therefore required in the Notes to the HOCHTIEF Interim Financial Statements.

Due to reduced capital market interest rates, the discount factor used to value pension obligations in Germany was lowered as of June 30, 2014 to 3.00% (December 31, 2013: 3.50%).

In all other respects, this report has been prepared using the same accounting policies as the 2013 Consolidated Financial Statements. Information on those accounting policies is given in the 2013 Annual Report.

Presentation of changes as a result of IFRS 11

Consolidated Statement of Earnings

(EUR thousand)	H1 2013	restatement	H1 2013 (restated)
Sales	12,610,167	615,578	13,225,745
Changes in inventories	103,370	–	103,370
Other operating income	241,841	275	242,116
Materials	(8,399,088)	(524,636)	(8,923,724)
Personnel costs	(2,949,448)	(106,628)	(3,056,076)
Depreciation and amortization	(440,532)	1,052	(439,480)
Other operating expenses	(698,862)	(21,209)	(720,071)
Profit from operating activities	**467,448**	**(35,568)**	**431,880**
Share of profits and losses of equity-method assoiates and jointly controlled entities	64,458	35,029	99,487
Net income from other participating interests	49,886	–	49,886
Investment and interest income	31,847	1,634	33,481
Investment and interest expenses	(162,110)	–	(162,110)
Profit before taxes	**451,529**	**1,095**	**452,624**
Income taxes	(165,171)	(1,095)	(166,266)
Profit after taxes	**286,358**	**–**	**286,358**
Of which: Attributable to the Group	[126,204]	[–]	[126,204]
Of which: Minority interest	[160,154]	[–]	[160,154]
Diluted and undiluted earnings per share (EUR)	1.72	–	1.72

Consolidated Statement of Earnings

(EUR thousand)	Full year 2013	restatement	Full year 2013 (restated)
Sales	25,693,245	1,328,941	27,022,186
Changes in inventories	(77,851)	–	(77,851)
Other operating income	608,365	279	608,644
Materials	(17,680,296)	(1,049,090)	(18,729,386)
Personnel costs	(5,472,911)	(242,666)	(5,715,577)
Depreciation and amortization	(734,891)	(739)	(735,630)
Other operating expenses	(1,476,550)	(39,333)	(1,515,883)
Profit from operating activities	**859,111**	**(2,608)**	**856,503**
Share of profits and losses of equity-method assoiates and jointly controlled entities	152,877	785	153,662
Net income from other participating interests	57,535	–	57,535
Investment and interest income	77,348	3,220	80,568
Investment and interest expenses	(347,052)	–	(347,052)
Profit before taxes	**799,819**	**1,397**	**801,216**
Income taxes	(254,460)	(1,397)	(255,857)
Profit after taxes	**545,359**	**–**	**545,359**
Of which: Attributable to the Group	[171,196]	[–]	[171,196]
Of which: Minority interest	[374,163]	[–]	[374,163]
Diluted and undiluted earnings per share (EUR)	2.37	–	2.37

Consolidated Balance Sheet

(EUR thousand)	Dec. 31, 2013	restatement	Dec. 31, 2013 (restated)
Assets			
Non-current assets			
Intangible assets	829,835	259	830,094
Property, plant and equipment	1,357,539	20,818	1,378,357
Investment properties	15,996	–	15,996
Equity-method investments	698,508	–	698,508
Other financial assets	75,268	–	75,268
Financial receivables	526,730	–	526,730
Other receivables and other assets	93,831	–	93,831
Current income tax assets	57,047	–	57,047
Deferred tax assets	125,175	–	125,175
	3,779,929	**21,077**	**3,801,006**
Current assets			
Inventories	1,149,540	9,802	1,159,342
Financial receivables	126,934	–	126,934
Trade receivables	5,983,132	(53)	5,983,079
Other receivables and other assets	190,162	8,514	198,676
Current income tax assets	34,947	–	34,947
Marketable securities	1,123,258	–	1,123,258
Cash and cash equivalents	2,035,251	154,881	2,190,132
Assets held for sale	333,773	–	333,773
	10,976,997	**173,144**	**11,150,141**
	14,756,926	**194,221**	**14,951,147**
Liabilities and Shareholders' Equity			
Shareholders' equity			
Attributable to the Group	2,265,615	–	2,265,615
Minority interest	1,028,085	–	1,028,085
	3,293,700	**–**	**3,293,700**
Non-current liabilities			
Provisions for pensions and similar obligations	242,471	–	242,471
Other provisions	505,202	58	505,260
Financial liabilities	2,700,235	–	2,700,235
Other liabilities	42,648	–	42,648
Deferred tax liabilities	126,149	–	126,149
	3,616,705	**58**	**3,616,763**
Current liabilities			
Other provisions	915,889	5,264	921,153
Financial liabilities	995,517	(268,731)	726,786
Trade payables	5,410,953	437,429	5,848,382
Other liabilities	440,644	20,201	460,845
Current income tax liabilities	15,402	–	15,402
Liabilities associated with assets held for sale	68,116	–	68,116
	7,846,521	**194,163**	**8,040,684**
	14,756,926	**194,221**	**14,951,147**

Consolidated Statement of Cash Flows

(EUR thousand)	H1 2013	restatement	H1 2013 restated
Profit after taxes	286,358	–	286,358
Depreciation, amortization, impairments and impairment reversals	438,911	(1,052)	437,859
Changes in provisions	(80,086)	(2,606)	(82,692)
Changes in deferred taxes	126,349	–	126,349
Gains/(losses) from disposals of non-current assets and marketable securities	(10,369)	(275)	(10,644)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	(124,019)	–	(124,019)
Changes in working capital (net current assets)	(1,025,203)	43,521	(981,682)
Changes in other balance sheet items	722	(11,463)	(10,741)
Net cash provided by/(used in) operating activities	**(387,337)**	**28,125**	**(359,212)**
Intangible assets, property, plant and equipment, and investment properties			
Purchases	(605,071)	(542)	(605,613)
Proceeds from asset disposals	16,800	275	17,075
Acquisitions and participating interests			
Purchases	(197,618)	–	(197,618)
Proceeds from asset disposals/divestments	516,720	–	516,720
Changes in securities holdings and financial receivables	10,051	–	10,051
Net cash provided by/(used in) investing activities	**(259,118)**	**(267)**	**(259,385)**
Payments for repurchase of treasury stock	(22,608)	–	(22,608)
Payments received from sale of treasury stock	518	–	518
Payments for the purchase of additional shares in subsidiaries	(76,400)	–	(76,400)
Payments into equity by minority shareholders	13,686	–	13,686
Dividends to HOCHTIEF's and minority shareholders	(168,726)	–	(168,726)
Proceeds from new borrowing	1,567,056	–	1,567,056
Debt repayment	(967,865)	–	(967,865)
Net cash provided by/(used in) financing activities	**345,661**	**–**	**345,661**
Net cash increase/(decrease) in cash and cash equivalents	**(300,794)**	**27,858**	**(272,936)**
Effect of exchange rate changes	(66,443)	(13,833)	(80,276)
Overall change in cash and cash equivalents	**(367,237)**	**14,025**	**(353,212)**
Cash and cash equivalents at the start of the year	2,525,543	126,396	2,651,939
Of which: Included in assets held for sale	[10,761]	[–]	[10,761]
Of which: Cash and cash equivalents as per Consolidated Balance Sheet	[2,514,782]	[126,396]	[2,641,178]
Cash and cash equivalents at end of reporting period	**2,158,306**	**140,421**	**2,298,727**
Of which: Included in assets held for sale	[11,063]	[–]	[11,063]
Of which: Cash and cash equivalents as per Consolidated Balance Sheet	[2,147,243]	[140,421]	[2,287,664]

Consolidation changes

The Consolidated Financial Statements for the first half of fiscal 2014 include 16 foreign companies for the first time. A total of six domestic and three foreign companies have been removed from the consolidated group.

The number of companies accounted for using the equity method decreased by 59 internationally. The changes mainly result from the reclassification of jointly controlled entities as joint operations in the HOCHTIEF Asia Pacific division.

The Consolidated Financial Statements as of June 30, 2014 include HOCHTIEF Aktiengesellschaft as well as a total of 68 domestic and 422 foreign consolidated companies, 23 domestic and 204 foreign companies accounted for using the equity method, and 72 foreign joint operations.

As an independent listed group, HOCHTIEF Aktiengesellschaft 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.

Non-current assets held for sale (disposal group)

Leighton Holdings plans to sell assets of PT Thiess Contractors Indonesia (HOCHTIEF Asia Pacific division) which, in accordance with IFRS 5, are therefore accounted for as assets held for sale (comprising a disposal group).

Under IFRS 5, assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The assets and liabilities classified as held for sale are presented separately in the Balance Sheet. The table below shows the major classes of assets and liabilities held for sale. Additionally, a cumulative expense of EUR 1,914 thousand was recognized in other comprehensive income as of December 31, 2013.

(EUR thousand)	**June 30, 2014**	Dec. 31, 2013
Intangible assets and property, plant and equipment	140,013	130,896
Financial assets	–	132,307
Other assets	18,586	70,570
Total assets	**158,599**	**333,773**
Liabilities	**62,537**	**68,116**

Treasury stock

As of June 30, 2014, HOCHTIEF Aktiengesellschaft held a total of 0 shares of treasury stock. By resolution of the Annual General Meeting of May 7, 2014, HOCHTIEF Aktiengesellschaft is authorized, at any time up to May 6, 2019, to repurchase its own shares totaling up to 10% of the capital stock, in accordance with Section 71 (1) 8 of the German Stock Corporations Act (AktG).

HOCHTIEF Aktiengesellschaft made use of this authorization to purchase 13,991 shares in HOCHTIEF Aktiengesellschaft for a total price of EUR 924,205 (an average price of EUR 66.06 per share) between May 12, 2014 and May 23, 2014. These shares represent EUR 35,817 (0.02%) of the Company's capital stock.

In May 2014, 13,991 shares of treasury stock were transferred to members of the Executive Board of the Company and to members of the Executive Board of HOCHTIEF Solutions AG at a price of EUR 66.35 per share on condition that the shares be held for at least two years after transfer. The transfer settled the transferees' variable compensation entitlements in place of cash settlement. The shares represent EUR 35,817 (0.02%) of the Company's capital stock.

Corporate bond issue

HOCHTIEF Aktiengesellschaft issued a third corporate bond effective May 28, 2014. The bond with a face value of EUR 500 million carries a fixed coupon of 2.625% p.a. and has a five-year term to maturity ending May 28, 2019. The bond is listed on Luxembourg Stock Exchange as well as all German stock exchanges and was issued in denominations of EUR 1,000.

Dividend

A resolution was adopted at the Annual General Meeting of HOCHTIEF Aktiengesellschaft on May 7, 2014 to pay a dividend for fiscal 2013 of EUR 1.50 per eligible no-par-value share.

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees; they have decreased since December 31, 2013 by EUR 1,738 thousand to EUR 7,641 thousand.

Reporting on financial instruments

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

(EUR thousand)	**June 30, 2014**	Level 1	Level 2	Level 3
Assets				
Other financial assets	68,697	1,331	–	67,366
Other receivables and other assets				
Non-current	9,637	–	9,637	–
Current	10,753	–	10,753	–
Marketable securities	604,266	527,868	76,398	–
Liabilities				
Other liabilities				
Non-current	3,444	–	3,444	–
Current	10,938	–	4,993	5,945

Within each class of financial instrument, where fair value can be measured reliably, fair value generally corresponds to carrying amount.

Reconciliation of opening to closing balances for financial instruments categorized within Level 3 of the fair value hierarchy:

(EUR thousand)	Balance as of Jan. 1, 2014	Currency adjustments	Gains/(losses) recognized in profit or loss	Other changes	**Balance as of June 30, 2014**
Other financial assets	59,098	4,088	–	4,180	67,366
Other liabilities					
Non-current	–	–	–	–	–
Current	5,945	–	–	–	5,945

There were no transfers of financial instruments measured at fair value between Levels 1 and 2 of the fair value hierarchy during the first half year. Likewise, there were no transfers into or out of Level 3 relative to December 31, 2013. The gain in fair value within Level 3 is recognized in other comprehensive income.

Segment reporting

HOCHTIEF's structure reflects the operating focus of the Group as well as its presence in key national and international regions and markets. Segments are identified in the HOCHTIEF Group on the basis of internal reporting.

Detailed information on the individual divisions/segments of the HOCHTIEF Group is contained in the preceding Interim Management Report.

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.

All transactions with related parties were conducted on an arm's length basis, with the exception of an interest-free loan for EUR 80,282 thousand (Dec. 31, 2013: EUR 75,040 thousand) to an associate in the HOCHTIEF Asia Pacific division.

No other material transactions were entered into during the first half of fiscal 2014 between HOCHTIEF Aktiengesellschaft or any HOCHTIEF Group company and any related party or parties having material influence over the results of operations or financial condition of the Company or the Group.

Reconciliation of profit from operating activities to EBIT

(EUR thousand)	**H1 2014**	H1 2013 (restated)*	**Q2 2014**	Q2 2013 (restated)*
Profit from operating activities	**331,933**	**431,880**	**173,249**	**272,922**
+ Net income from participating interests	46,151	149,373	29,676	123,028
– Non-operational earnings	(+) 23,371	(+) 5,085	(+) 19,627	(+) 2,857
EBIT	**401,455**	**586,338**	**222,552**	**398,807**

***Restated for IFRS 11. For notes on the adjustment, please see pages 17 et seq.**

Income and expenses classified as exceptional items for business management purposes or resulting from exceptional transactions hinder analysis of ordinary operations and should be attributed to non-operational earnings. The non-operational earnings item mostly consists of restructuring expenses in the HOCHTIEF Asia Pacific division (prior year: HOCHTIEF Europe division).

Undiluted and diluted earnings per share

	H1 2014	H1 2013	**Q2 2014**	Q2 2013
Consolidated net profit (EUR thousand)	**100,519**	**126,204**	**56,409**	**82,671**
Number of shares in circulation (weighted average)	69,309,434	73,539,746	69,309,434	73,466,217
Earnings per share (EUR)	**1.45**	**1.72**	**0.81**	**1.13**

This indicator 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 undiluted earnings per share are identical.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the 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 fiscal year.

Essen, July 31, 2014

The Executive Board

Fernández Verdes Sassenfeld

Legorburo Graf von Matuschka

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Published by:
HOCHTIEF Aktiengesellschaft
Opernplatz 2, 45128 Essen, Germany
Tel.: +49 201 824-0
Fax: +49 201 824-2777
info@hochtief.de
www.hochtief.com

Investor relations contact:
HOCHTIEF Investor Relations
Opernplatz 2, 45128 Essen, Germany
Tel.: +49 201 824-2127
Fax: +49 201 824-92127
investor-relations@hochtief.de

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www.hochtief.com/ir-calendar

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Cover photo:
Making new connections: Prague's metro is poised to enter the testing phase. Over the past four years, the tunneling specialists at HOCHTIEF Solutions extended metro line A by over six kilometers, added two stations, and completed the adjoining aboveground infrastructure. This includes the station serving Motol University Hospital in the west of the Czech capital. The metro line extension will ease congestion on public transportation in the country's most populous city—and help make travel even faster and easier for the residents of this large metropolis and the many visitors and tourists it attracts.