Quarterly Report
January to March 2019

Financial Highlights

- Nominal net profit +31% yoy to EUR 128 million, operational +25% yoy to EUR 133 million
- Net cash from operating activities at sustained high level of over EUR 1.5 billion LTM
- Group net cash of EUR 1.2 billion, EUR +228 million yoy
- Order backlog of EUR 49.3 billion (+6% yoy f/x-adj.), new orders of EUR 7.1 billion (+1% f/x-adj.)
- Guidance: operational net profit FY 2019 of EUR 640–680 million (+22–30% yoy)

We are building the world of tomorrow.

HOCHTIEF

1) Operational earnings are adjusted for non-operational effects
2) Restated for IFRS 16

The HOCHTIEF Group: Key Figures					
(EUR million)		**Q1 2019**	Q1 2018 (restated)[2]	**Change**	Full year 2018 (restated)[2]
Sales		**5,732.6**	5,266.2	**8.9%**	23,882.3
Operational profit before tax/PBT[1]		**237.6**	207.2	**14.7%**	968.6
Operational PBT margin[1] (%)		**4.1**	3.9	**0.2**	4.1
Operational net profit[1]		**132.7**	106.3	**24.8%**	523.3
Operational earnings per share (EUR)[1]		**1.88**	1.65	**13.9%**	8.0
EBITDA		**419.3**	350.9	**19.5%**	1,615.8
EBITDA margin (%)		**7.3**	6.7	**0.6**	6.8
EBIT		**247.8**	233.8	**6.0%**	1,053.6
EBIT margin (%)		**4.3**	4.4	**-0.1**	4.4
Profit before tax/PBT		**232.9**	199.2	**16.9%**	979.0
Net profit		**128.0**	97.9	**30.7%**	543.0
Earnings per share (EUR)		**1.81**	1.52	**19.1%**	8.30
Net cash from operating activities		**(175.5)**	(130.1)	**-34.9%**	1,572.3
Net operating capital expenditure		**113.2**	73.8	**53.4%**	343.9
Free cash flow from operations		**(288.7)**	(203.9)	**-41.6%**	1,228.4
Net cash (+)/net debt (-)		**1,169.4**	941.6	**24.2%**	1,562.2
New orders		**7,087.5**	6,754.2	**4.9%**	28,098.1
Work done		**6,074.0**	5,681.5	**6.9%**	25,446.2
Order backlog		**49,286.2**	44,288.1	**11.3%**	47,267.4
Employees (end of period)	(direct employees)	**55,236**	55,530	**-0.5%**	55,777

Cover photo: Neckartal Bridge on the A6 highway in Germany
In early April 2019, the 1.3-kilometer Neckartal Bridge on the A6 highway in southern Germany was opened to traffic as planned. The Neckar valley crossing is the longest bridge in the German state of Baden-Württemberg and leads over roads, railway lines, the Neckar River as well as a flood retention area. It represents one of the major elements of the A6 PPP development for which HOCHTIEF is jointly responsible as part of the ViA6West project company.

Dear Shareholders and friends of HOCHTIEF,

Marcelino Fernández Verdes, Chairman of the Executive Board

HOCHTIEF has made a solid start to 2019 with an increase in profits, sales, net cash and order book compared with a year ago.

Nominal net profit rose by 31% year on year to EUR 128 million in the first quarter of 2019. **Operational net profit**, which excludes non-operational effects, increased by 25% year on year to EUR 133 million.

Both profit measures include a EUR 21 million contribution from our 20% equity-consolidated stake in Abertis during the first three months of 2019. In addition to the positive impact from the Abertis stake, all three HOCHTIEF divisions contributed to this solid increase in operational profit.

Adjusting for foreign exchange rate movements, **sales** in the January–March 2019 period were around 5% higher year on year at EUR 5.7 billion, or up 9% in nominal terms. As a percentage of sales, the Group's **operational PBT margin** was 4.1% in Q1 2019.

Over the last twelve months, HOCHTIEF has achieved a strong level of **net cash from operating activities** of over EUR 1.5 billion. This has been driven by solid growth in cash-backed profits and further cash inflow from working capital.

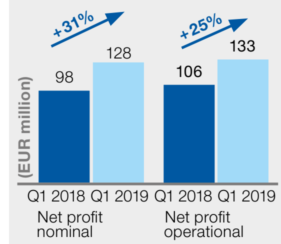
As a result of increasing mining and job-costed tunneling work, **net operating capital expenditure** increased by EUR 39 million to EUR 113 million. During the last twelve months, HOCHTIEF has achieved over EUR 1.1 billion of free cash flow from operations.

HOCHTIEF ended the first quarter of 2019 with a **net cash position** of almost EUR 1.2 billion, around EUR 230 million higher compared with March 2018, due to the strong cash flow performance of the last twelve months. All three

HOCHTIEF Group—Q1 2019 highlights

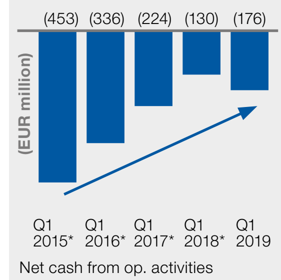
Nominal net profit +31% yoy to EUR 128 million, operational +25% yoy to EUR 133 million

- Profit growth driven by all divisions and includes Abertis' EUR 21 million earnings contribution
- Op. PBT +15% yoy to EUR 238 million; nom. PBT of EUR 233 million (+17% yoy)
- Sales of EUR 5.7 billion, +9% yoy (f/x-adj. +5%); solid op. PBT margin of 4.1%



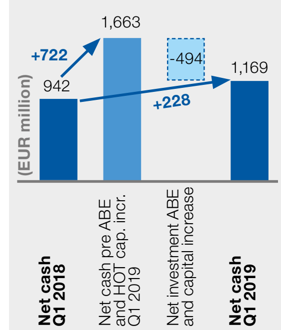
Net cash from operating activities at sustained high level of over EUR 1.5 billion LTM

- Q1 2019 net cash from operating activities reflects first-quarter seasonality
- Net operating capital expenditure up by EUR 39 million to EUR 113 million; increasing mining and job-costed tunneling work
- Free cash flow from ops. remains strong at over EUR 1.1 billion LTM



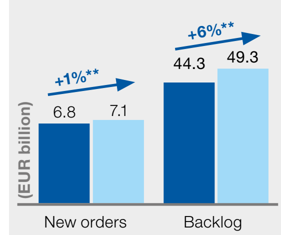
Group net cash of EUR 1.2 billion, EUR +228 million yoy

- All divisions achieved significantly higher net cash levels yoy
- Group net cash position of EUR 1.2 billion, after EUR 494 million net investment in 20% Abertis stake in FY 2018



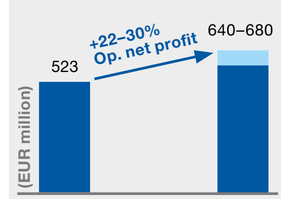
Order backlog of EUR 49.3 billion (+6% yoy f/x-adj.), new orders of EUR 7.1 billion (+1% f/x-adj.)

- Solid growth in order backlog of EUR +5.0 billion yoy (f/x-adj. +6%, nom. +11%), EUR +2.0 billion qoq, increased visibility of 23 months of work done
- New orders f/x-adj. +1% yoy (+5% nom.); represent 1.1 times work done LTM—disciplined bidding approach maintained across the Group



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

- Op. net profit guidance includes contribution from 20% Abertis stake
- Dividend for FY 2018 of EUR 4.98 per share, up 47% yoy
- Strong tender pipeline in our core markets: USA, Canada, Asia/Pacific and Europe of about EUR 600 billion for 2019 and beyond; PPP project pipeline of approximately EUR 230 billion



* restated for IFRS 16; reported net profit FY 2018 EUR 521 million
** f/x-adjusted

yoy = year on year
qoq = quarter on quarter
LTM = last twelve months

divisions substantially increased their net cash position year on year. The Group's net cash is after EUR 494 million net investment in the 20% Abertis stake in full year 2018.

The period-end **order book** of EUR 49.3 billion has increased by 6% year on year on an exchange rate adjusted basis (nominal +11%). Both the Asia-Pacific region and Americas have registered a significant increase year on year with Europe maintaining a solid level. **New orders** of EUR 7.1 billion have been secured in the first quarter of 2019, a 1% increase year on year on an exchange rate adjusted basis (nominal +5%), and the Group continues its disciplined bidding approach across the Group's geographical footprint.

Shareholder remuneration is a key element of the Group's capital allocation strategy. As a consequence of the sustained strength of our balance sheet and the further increased earnings visibility that results from our investment in Abertis, **the dividend payout ratio approved for fiscal year 2018 has increased from 50% to 65% of nominal net profit**. As a consequence, the **dividend for 2018 of EUR 4.98 per share** is an increase of 47% compared to 2017.

Backed by a solid balance sheet, a robust order book and our strong presence in our core markets, HOCHTIEF is well positioned for the rest of 2019 and beyond. And our capital allocation strategy remains focused on attractive organic and strategic growth opportunities and on shareholder remuneration.

Once again, the HOCHTIEF companies recorded significant project wins: The major orders secured by all three divisions underline the robust competitive position we have in our core markets. New orders include, among others, the Hampton Roads Bridge-Tunnel Expansion project in Virginia, which Flatiron is constructing with partners until 2025. In the Asia Pacific division, Group company Thiess was awarded a contract extension for additional services at the Debswana diamond mine in Botswana for another nine years. CIMIC companies were also selected to build and operate the Regional Rail project in New South Wales, Australia, as a public-private partnership. In Europe, HOCHTIEF is widening a section of the D3 highway in the Czech Republic until 2022.

In total, our local teams have identified a **tender pipeline worth around EUR 600 billion** of relevant projects coming to our markets in North America, Asia-Pacific and Europe in 2019 and beyond. Our strong position in developed PPP markets is reflected in the **approximately EUR 230 billion PPP project pipeline** the Group has identified.

HOCHTIEF consistently pursues its innovation strategy. The objective is to create value for all our stakeholders by changing the way HOCHTIEF works. The innovation company Nexplore is supporting the Group entities to enhance the digital future. HOCHTIEF will harness products and processes to continuously increase efficiency and execution quality as well as to optimize project management.

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

In the first quarter of 2019, the Group's sales and earnings figures continued to increase year on year. Our net cash position as of March 31, 2019 stood at EUR 1.2 billion and was thus EUR 228 million higher compared with the prior-year figure.

Sales and earnings

From the beginning of 2019, HOCHTIEF has applied the new financial reporting standard IFRS 16 "Leases". The implementation is carried out according to the full retrospective method. Accordingly, the Group applies the IFRS 16 rules to the quarter ended March 31, 2019 and the comparative periods presented for 2018 in order to ensure full comparability. The previous year's figures for 2018 were restated accordingly.

In the first quarter of 2019, HOCHTIEF Group **sales** rose to EUR 5.7 billion, exceeding the prior-year figure by 9%.

Sales

(EUR million)	**Q1 2019**	Q1 2018	Change
HOCHTIEF Americas	3,280.3	2,869.2	14.3%
HOCHTIEF Asia Pacific	2,147.9	2,057.2	4.4%
HOCHTIEF Europe	281.5	323.1	-12.9%
Corporate	22.9	16.7	37.1%
Group	**5,732.6**	**5,266.2**	**8.9%**

The HOCHTIEF Americas division generated good sales growth in the first months of 2019. At EUR 3.3 billion, sales were 14% up relative to the prior-year figure (EUR 2.9 billion). This was driven by our U.S. subsidiaries Turner and Flatiron which both contributed significant sales growth. Adjusting for foreign exchange rate movements, sales grew by 6% year on year.

In the first quarter of 2019, CIMIC generated sales of AUD 3.4 billion, exceeding the corresponding figure for the previous year (AUD 3.2 billion) by 6%. As one of the leading companies in the Asia-Pacific region in the construction and mining business, in services and in public-private partnerships, the company benefited from the solid performance of all operating companies. In Euro terms, the sales volume of the HOCHTIEF Asia Pacific division (EUR 2.1 billion) increased by 4% year on year.

The HOCHTIEF Europe division's sales performance at the start of 2019 was again driven by a continued disciplined bidding approach in construction and reduced real estate development activities. In the first quarter of 2019, the sales volume amounted to EUR 282 million (previous year: EUR 323 million).

The sales volume generated on markets outside Germany amounted to EUR 5.6 billion in the first three months of 2019. In proportion of total Group sales, the internationalization is therefore 97%.

In the first quarter of 2019, **nominal profit before tax (PBT)** improved compared to the prior-year figure (EUR 199 million) by 17% to EUR 233 million. Operational PBT—meaning nominal PBT adjusted for non-operational effects—improved by 15% to EUR 238 million (previous year: EUR 207 million).

Profit before tax (PBT)

(EUR million)	**Q1 2019**	Q1 2018 (restated)*	Change
HOCHTIEF Americas	72.3	66.2	9.2%
HOCHTIEF Asia Pacific	140.0	136.0	2.9%
HOCHTIEF Europe	10.2	9.6	6.3%
Corporate	10.4	(12.6)	–
Group nominal PBT	**232.9**	**199.2**	**16.9%**
Non-operational effects	**4.7**	**8.0**	**-41.3%**
Restructuring	3.0	0.2	–
Investments/Divestments	0.4	5.5	-92.7%
Impairments	0.0	0.0	n.a.
Others	1.3	2.3	-43.5%
Group operational PBT	**237.6**	**207.2**	**14.7%**

***The comparative figures in the Interim Management Report are restated on the basis of IFRS 16**

At the start of 2019, the HOCHTIEF Americas division benefits from continued solid sales and stable margin development driven by both Turner and Flatiron. The nominal PBT for the first quarter was EUR 72 million, up 9% on the prior-year figure of EUR 66 million.

The profit of the HOCHTIEF Asia Pacific division largely reflects HOCHTIEF's stake in CIMIC (72.7% as of March 31, 2019, unchanged from the prior year). CIMIC showed a solid operational performance in the first quarter of 2019 and increased its nominal PBT by 5% to AUD 248 million compared to the previous year (AUD 237 million). At divisional level, the nominal PBT (EUR 140 million) exceeded the figure for the prior-year quarter (EUR 136 million) by 3%.

The HOCHTIEF Europe division continued to focus on construction and PPP activities. Nominal PBT improved slightly year on year to EUR 10 million during the first quarter of 2019.

In total, HOCHTIEF generated **net income from equity-method associates, joint ventures, and other participating interests** of EUR 36 million (prior-year period: EUR 45 million). This figure includes a EUR 21 million contribution from the Abertis investment, which has been equity-accounted in HOCHTIEF's consolidated financial statements since June 1, 2018.

At EUR 43 million, the **net investment and interest expenses** for the first three months of 2019 was at a similar level to the previous year (EUR 41 million).

Income tax expenses of EUR 64 million in the reporting period were on previous-year level. The effective tax rate decreased by 4 percentage points to 28% (prior year: 32%). This was primarily due to the earnings contribution from equity-method associates in connection with our investment in Abertis.

In the first quarter of 2019, **nominal consolidated net profit** rose to EUR 128 million, up 31% on the corresponding figure for the previous year (EUR 98 million). Non-controlling interests of EUR 41 million primarily related—as in the previous year (EUR 37 million)—to the CIMIC Group. HOCHTIEF also continued to grow its **operational consolidated net profit**. After EUR 106 million in the first quarter of 2018, the figure for the 2019 reporting period was 25% higher at EUR 133 million.

Consolidated net profit

(EUR million)	**Q1 2019**	Q1 2018 (restated)	Change
HOCHTIEF Americas	43.8	39.8	10.1%
HOCHTIEF Asia Pacific	66.6	64.5	3.3%
HOCHTIEF Europe	9.2	8.4	9.5%
Corporate	8.4	(14.8)	–
Group nominal net profit	**128.0**	**97.9**	**30.7%**
Non-operational effects	**4.7**	**8.4**	**-44.0%**
Restructuring	2.8	0.2	–
Investments/Divestments	0.6	5.9	-89.8%
Impairments	0.0	0.0	n.a.
Others	1.3	2.3	-43.5%
Group operational net profit	**132.7**	**106.3**	**24.8%**

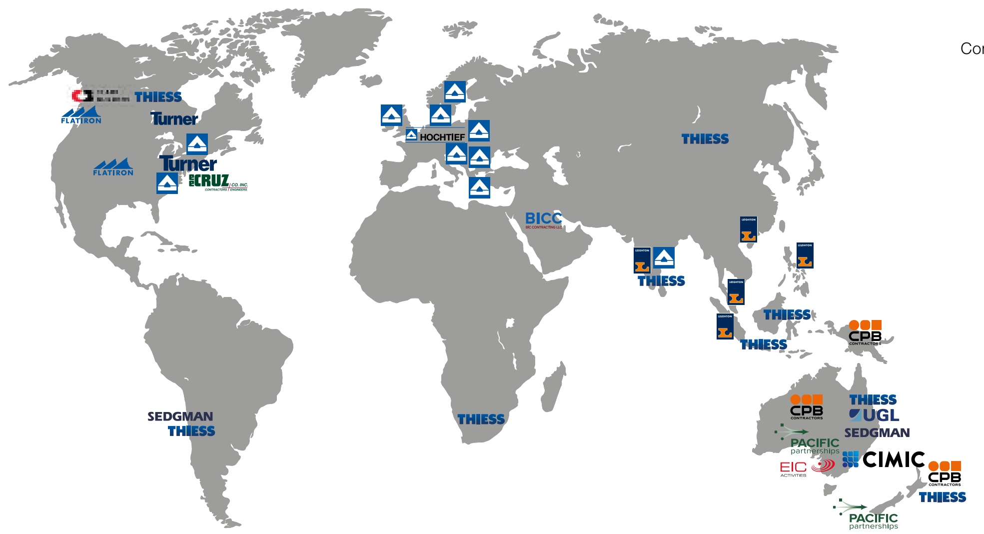
Orders and work done

In the first quarter of 2019, **new orders** increased by 1% f/x-adjusted (nominal 5%) compared with the prior-year period. At EUR 7.1 billion, new orders equaled 1.2 times the work done during the period, while the Group continued a disciplined bidding approach.

New orders at HOCHTIEF Americas were solid at EUR 4.0 billion, supporting a positive LTM new orders trend, which stands at 1.1 times the work done. In the HOCHTIEF Asia Pacific division, new orders came to EUR 2.6 billion—on a par with the work executed during the quarter. The HOCHTIEF Europe division reported new orders in a volume of EUR 0.4 billion with a good order intake level in construction.

Prospects for the remainder of 2019 remain positive for all divisions thanks to a strong tender pipeline and solid order backlog. At the end of March 2019, the **order backlog** stood at EUR 49.3 billion, up EUR 5 billion or 6% f/x-adjusted compared to the prior-year period (nominal 11%). HOCHTIEF was able to expand its forward order book to 23 months, compared with 22 months in Q1 2018.

HOCHTIEF Group—Selected Recent Significant Project Announcements

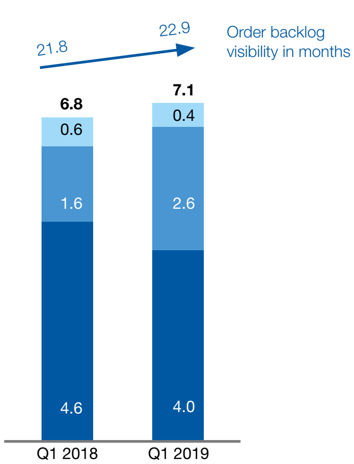


Contract values are total project volumes.

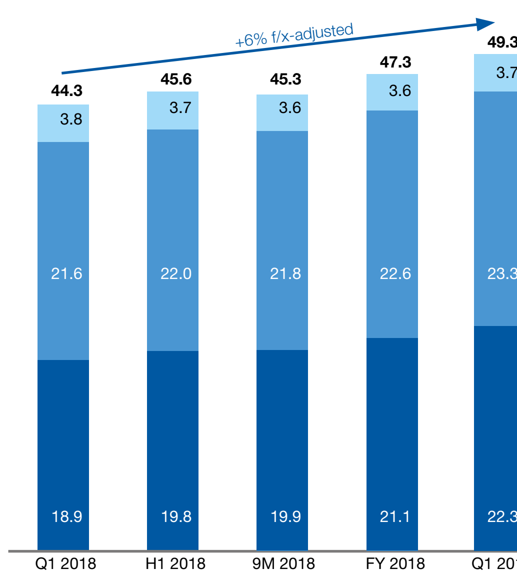
Social Infrastructure PPP Projects, EUR 150 million, Germany
Suburban railway trunk route, EUR 400 million, Munich, Germany
Power supply tunnel, EUR 90 million, Stockholm, Sweden
Triangle Expressway Toll Road, EUR 140 million, North Carolina, USA
Hampton Roads Bridge Tunnel, EUR 2.9 billion, Virginia, USA
Three Data Centers, EUR 570 million, USA
San Francisco Airport, EUR 629 million, USA
Hospital Bed Tower Project, New Jersey, USA
Las Vegas Convention Center (2nd phase), EUR 578 million, USA
The Spiral, New York, USA
PPP Rail project at LAX Airport (People Mover), Los Angeles, USA

Cross River Rail Tunnel, Stations and Development (PPP) as well as Rail Integration and Systems Package, EUR 3.4 billion, Brisbane, Australia
Metro Sports Facility, EUR 134 million, Christchurch, New Zealand
Jwaneng Mine, EUR 1.1 billion, Botswana
Regional Rail Project, EUR 795 million, New South Wales, Australia
Sydney Trains, EUR 249 million, Australia
Byerwen Coal Mine, EUR 97 million, Queensland, Australia
Parramatta Light Rail Stage 1, EUR 523 million, New South Wales, Australia
Westconnex Rozelle Interchange, EUR 2.5 billion, Sydney, Australia
TasWater's Capital Works, EUR 373 million, Tasmania, Australia

New orders (EUR billion)



Order backlog (EUR billion)



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

1) last twelve months

Cash flow

(EUR million)	**Q1 2019**	Q1 2018 (restated)	Change	**LTM[1)] 04/2018–03/2019 (restated)**	Full year 2018 (restated)
Net cash from operating activities pre net working capital change	339.4	293.7	45.7	1,366.8	1,321.1
Net working capital change	(514.9)	(423.8)	(91.1)	160.1	251.2
Net cash from operating activities	**(175.5)**	**(130.1)**	**(45.4)**	**1,526.9**	**1,572.3**
Gross operating capital expenditure	(116.8)	(77.3)	(39.5)	(450.9)	(411.4)
Operating asset disposals	3.6	3.5	0.1	67.6	67.5
Net operating capital expenditure	(113.2)	(73.8)	(39.4)	(383.3)	(343.9)
Free cash flow from operations	**(288.7)**	**(203.9)**	**(84.8)**	**1,143.6**	**1,228.4**

Cash flow

HOCHTIEF continues to focus on risk control in tendering processes and delivery of projects, as well as on generating cash-backed profits and managing working capital. The cash flow performance in the first quarter of 2019 reflects first-quarter seasonality, higher sales and a lower real estate contribution as well as capital expenditure supporting the continued growth of the operating business.

HOCHTIEF generated strong net cash from operating activities of over EUR 1.5 billion over the last twelve months (April 2018 to March 2019), which excludes seasonal effects. Net cash from operating activities pre net working capital changes was driven by the continued strong development of cash-backed profits. In the first quarter of 2019, the figure improved by EUR 45 million to EUR 339 million compared with the first quarter of the previous year (EUR 294 million). The cash outflow from net working capital change amounted to EUR 515 million. Thus, **net cash from operating activities** amounted to EUR -176 million in the first quarter of 2019 (previous year: EUR -130 million).

Gross operating capital expenditure at the beginning of 2019 continued to be determined primarily by CIMIC's investments supporting the growth of the business with the necessary technical equipment. Overall, the HOCHTIEF Group's gross operating capital expenditure in the first quarter of 2019 totaled EUR 117 million (prior-year period: EUR 77 million). At just under EUR 4 million, proceeds from operating asset disposals remained at the previous year's level. In total, cash outflows for net operating capital expenditure amounted to EUR 113 million in the first quarter of 2019, up EUR 39 million on the prior-year figure (EUR 74 million).

In the last twelve months (April 2018 to March 2019), **free cash flow from operations** exceeded EUR 1.1 billion.

Balance sheet

The HOCHTIEF Group's **total assets** amounted to EUR 15.5 billion as of March 31, 2019, an increase of EUR 336 million in the first quarter of 2019 compared with the end of 2018 (EUR 15.1 billion).

Non-current assets rose to EUR 5.8 billion in the first quarter of 2019, EUR 260 million more than at the end of 2018 (EUR 5.6 billion). Property, plant and equipment increased by EUR 104 million to EUR 1.8 billion, mainly due to investments by CIMIC. Property, plant and equipment includes EUR 683 million (December 31, 2018: EUR 668 million) of right-of-use assets capitalized in connection with the application of IFRS 16. The increase in financial assets to EUR 2.0 billion includes the equity valuation of the 20% stake in Abertis.

Current assets amounted to EUR 9.6 billion at the end of the first quarter 2019, EUR 76 million more than at December 31, 2018. Trade receivables increased by EUR 349 million to EUR 4.8 billion in the first quarter of 2019 due to growth in our operations and currency effects. With a marketable securities portfolio of EUR 463 million and cash and cash equivalents of EUR 3.1 billion, the HOCHTIEF Group showed a robust liquidity as of March 31, 2019.

Shareholders' equity amounted to EUR 2.6 billion at the end of the first quarter of 2019. The EUR 167 million increase compared with December 31, 2018 (EUR 2.4 billion) resulted from profit after tax (EUR 169 million), exchange rate effects (EUR 71 million), dividend payments (EUR -50 million) and other effects (EUR -23 million).

HOCHTIEF's **non-current liabilities** fell significantly by EUR 675 million to EUR 2.8 billion in the first quarter of 2019. This was due to the reclassification of a HOCHTIEF

HOCHTIEF Group net cash (+)/net debt (-) development*

(EUR million)	Mar. 31, 2019	Mar. 31, 2018	Change	Dec. 31, 2018
HOCHTIEF Americas	1,010.2	843.9	166.3	1,142.1
HOCHTIEF Asia Pacific	968.5	538.9	429.6	982.6
HOCHTIEF Europe	249.0	69.4	179.6	475.3
Corporate	(1,058.3)	(510.6)	(547.7)	(1,037.8)
Group	**1,169.4**	**941.6**	**227.8**	**1,562.2**

***For definition, please see Group Report 2018, page 230.**

bond maturing in March 2020 from non-current to current liabilities with a nominal value of EUR 750 million. Provisions for pensions increased by EUR 51 million to EUR 441 million due to the adjustment of the discount rate to the lower market interest rate. The long-term lease liabilities reported in connection with the application of IFRS 16 amounted to EUR 545 million as of March 31, 2019 (December 31, 2018: EUR 536 million).

Current liabilities increased by EUR 844 million to EUR 10.1 billion in the period from January to March 2019. The aforementioned reclassification of HOCHTIEF's EUR 750 million bond maturing in March 2020 increased current financial liabilities. Due to continued growth of operating business, trade payables also rose by EUR 49 million to EUR 7.2 billion. Current lease liabilities reported in accordance with IFRS 16 amounted to EUR 259 million at the end of the first quarter 2019 (December 31, 2018: EUR 246 million).

The **net cash** position of EUR 1.2 billion on March 31, 2019 is EUR 228 million higher than the corresponding figure for the previous year (EUR 942 million). This was driven by strong cash flow performance at all divisions over the last twelve months. The EUR 548 million year-on-year increase in net debt at Corporate to EUR 1.1 billion as of March 31, 2019 is mainly attributable to the EUR 494 million net investment in the 20% stake in Abertis completed in full year 2018.

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** made in the Group Report as of December 31, 2018 therefore continue to apply.

****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

HOCHTIEF Americas Division: Key Figures

(EUR million)	Q1 2019	Q1 2018 (restated)	Change	Full year 2018 (restated)
Divisional sales	**3,280.3**	2,869.2	**14.3%**	13,068.7
Operational profit before tax/PBT[1]	**72.9**	66.2	**10.1%**	302.6
Operational PBT margin[1] (%)	**2.2**	2.3	**-0.1**	2.3
Operational net profit[1]	**44.2**	39.8	**11.1%**	193.3
Profit before tax/PBT	**72,3**	66.2	**9.2%**	297.3
Net profit	**43.8**	39.8	**10.1%**	189.5
Net cash from operating activities	**(105.0)**	(70.0)	**-50.0%**	354.1
Gross operating capital expenditure	**9.4**	4.1	**129.3%**	40.3
Net cash (+)/net debt (-)	**1,010.2**	843.9	**19.7%**	1,142.1
New orders	**3,975.0**	4,563.5	**-12.9%**	15,290.8
Work done	**3,155.8**	2,757.9	**14.4%**	12,662.8
Order backlog (end of period)	**22,283.1**	18,854.1	**18.2%**	21,057.9
Employees (end of period)	**11,838**	10,706	**10.6%**	11,720

1) Operational earnings are adjusted for non-operational effects

The good momentum at the HOCHTIEF Americas division has continued during the first three months of 2019.

Operational PBT rose by 10% year on year to EUR 73 million driven by the positive performance of both Turner and Flatiron. Margins were broadly unchanged compared with Q1 2018 whilst **sales** were 14% higher (+6% f/x-adjusted) at EUR 3.3 billion.

Net cash from operating activities in the first quarter reflects first-quarter seasonality and higher sales. Over the last twelve months, the division has generated a strong EUR 319 million of net cash from operating activities.

The divisional **net cash** position at the end of March 2019 stood at over EUR 1.0 billion, up EUR 166 million year on year.

The **order backlog** reached EUR 22.3 billion up EUR 3.4 billion or 18% compared with March 2018 (+8% f/x-adjusted), helped by the EUR 4.0 billion of new orders secured during the first three months of 2019.

New orders in the first quarter include the Hampton Roads Bridge-Tunnel Expansion project in Virginia, which Flatiron is building as part of a joint venture. Two new 2.4-kilometer tunnels as well as bridges with a length of 3.2 kilometers spanning Hampton Harbor are slated for completion in 2025. In addition, two sections of Interstate 64 will be widened. The project has a contract value of approximately EUR 718 million for Flatiron.

Turner is building three data centers in Ohio, Illinois, and Nevada with a total volume of EUR 570 million.

In Raleigh, North Carolina, Flatiron and partners are responsible for constructing the Triangle Expressway toll road. The contract value for Flatiron amounts to EUR 84 million, and the road is scheduled to open for traffic at the end of 2022.

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)	**Q1 2019**	Q1 2018 (restated)	**Change**	Full year 2018 (restated)
Divisional sales	**2,147.9**	2,057.2	**4.4%**	9,266.3
Profit before tax/PBT	**140.0**	136.0	**2.9%**	618.2
PBT margin (%)	**6.5**	6.6	**-0.1**	6.7
Net profit	**66.6**	64.5	**3.3%**	298.7
Net cash (+)/net debt (-)	**968.5**	538.9	**79.7%**	982.6
Order backlog (end of period)	**23,311.1**	21,586.1	**8.0%**	22,630.0
Employees (end of period)	**37,799**	39,172	**-3.5%**	38,425

The performance of the **HOCHTIEF Asia Pacific** division reflects HOCHTIEF's stake in CIMIC (72.7% at the end of March 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 Q1 2019 grew by 3% year on year to EUR 140 million. On sales 4% higher at EUR 2.15 billion, the PBT margin of 6.5% was at a similar level to a year ago. The reported divisional result was only marginally influenced by exchange rate movements with the Australian dollar being, on average during the period, 1% lower versus the Euro year on year.

Cash conversion remains solid at HOCHTIEF Asia Pacific with net cash from operating activities advancing by around EUR 40 million year on year in Q1 2019. At the end of the period, the divisional net cash position of EUR 969 million is EUR 430 million higher than a year ago.

The division's robust EUR 23.3 billion **order backlog** has increased by EUR 1.7 billion, or 8%, year on year with new orders during the period of EUR 2.6 billion compared with EUR 1.6 billion in Q1 2018.

CIMIC's key figures

CIMIC reported a substantial increase in cash flow, net cash and work in hand for the first quarter. **Net profit after tax (NPAT)** at CIMIC was up 5% in Q1 2019 year on year to AUD 181 million. Margins across the Group remained stable while sales grew 6% to AUD 3.4 billion.

Cash generation at CIMIC continues to be robust. Net cash from operating activities in Q1 2019 of AUD 177 million was up almost 50% year on year. The Group increased net capital expenditure by about AUD 55 million to AUD 160 million, due to increased investments in job-costed tunneling equipment and higher spending on mining equipment driven by revenue growth.

As a consequence of this strong **cash flow** performance, CIMIC's balance sheet strengthened further, ending Q1 2019 with a **net cash** position of AUD 1.6 billion, up AUD 664 million year on year. Gross debt of AUD 525 million remains at the lowest level since 2007.

During the first quarter, **work in hand** expanded further to AUD 36.9 billion. The operating companies' work in hand grew by a solid 10% year on year to AUD 34.2 billion. Whilst maintaining bidding discipline, total new work of AUD 4.2 billion was secured in Q1 2019.

New orders grew successfully in all segments in the first quarter. Thiess, for example, will work with partners to deliver additional services with a contract value of around EUR 1.1 billion at the Debswana diamond mine in Botswana. The joint venture, of which Thiess holds 70%, has been working for this client since 2011. The contract is scheduled to run for nine years.

New orders also include the Regional Rail project in New South Wales, Australia, which Pacific Partnerships, UGL, and CPB Contractors are working on. They are responsible for the planning, construction, financing, and maintenance of a new fleet of rail cars as well as a maintenance facility. The contract, which includes 15 years of maintenance, is valued at some EUR 458 million. Operations are scheduled to start in 2023.

UGL has secured a contract extension to deliver maintenance and supply chain services for the client Sydney Trains—servicing a total of over 1,050 rail cars—for another two years. The contract is valued at approximately EUR 174 million.

In addition, CPB will construct the Christchurch Metro Sports Facility in New Zealand, and two healthcare facility projects in New South Wales. The three projects have a cominbed contract value of EUR 273 million.

Since the end of the quarter, CIMIC was advised of its preferred position on the two major packages for the EUR 3.4 billion PPP project Cross River Rail in Brisbane, Queensland.

The first of these—the Tunnel, Stations and Development PPP—involves Pacific Partnerships providing 49% of the equity, with CPB Contractors leading the design and construction works for the tunnels and stations, and UGL providing mechanical and electrical works, as well as maintenance services for 24 years.

The second package—the Rail, Integration and Systems Alliance—is a partnership between CPB Contractors and UGL, working with design partners and government, to deliver systems and integration services for this critical rail infrastructure project.

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)	Q1 2019	Q1 2018 (restated)	Change	Full year 2018 (restated)
Divisional sales	**281.5**	323.1	**-12.9%**	1,422.6
Operational profit before tax/PBT[1]	**13.2**	10.1	**30.7%**	62.4
Operational PBT margin[1] (%)	**4.7**	3.1	**1.6**	4.4
Operational net profit[1]	**12.4**	9.0	**37.8%**	50.3
Profit before tax/PBT	**10.2**	9.6	**6.3%**	51.8
Net profit	**9.2**	8.4	**9.5%**	39.4
Net cash from operating activities	**(129.6)**	(95.8)	**-35.3%**	120.0
Gross operating capital expenditure	**2.2**	3.1	**-29.0%**	14.4
Net cash (+)/net debt (-)	**249.0**	69.4	**258.8%**	475.3
New orders	**448.6**	550.8	**-18.6%**	1,938.1
Work done	**342.2**	369.8	**-7.5%**	1,760.8
Order backlog (end of period)	**3,696.8**	3,849.6	**-4.0%**	3,585.9
Employees (end of period)	**5,393**	5,454	**-1.1%**	5,435
of which in Germany	**3,282**	3,257	**0.8%**	3,291

1) Operational earnings are adjusted for non-operational effects

HOCHTIEF Europe developed positively during the first quarter of 2019. **Operational PBT** increased by EUR 3 million year on year to EUR 13 million driven by the performance of the construction business. The division's operational PBT margin stood at 4.7% in Q1 2019.

Over the last twelve months, the division has generated **net cash from operating activities** of EUR 86 million with the variation during the first quarter reflecting first-quarter seasonality and a lower real estate contribution.

At the end of March 2019, HOCHTIEF Europe's balance sheet showed a strong **net cash** position of EUR 250 million up EUR 180 million year on year.

New orders of around EUR 450 million have been booked during the first quarter of 2019 and over the last twelve months the level of new work secured represents 1.1 times the level of work done.

The divisional **order backlog** at the end of March 2019 stood at EUR 3.7 billion, representing over two years of work.

The companies in the HOCHTIEF Europe division secured significant new orders during the first quarter. Among others, HOCHTIEF CZ won a contract to expand a 7.2-kilometer-long section of the D3 freeway in the southern Czech Republic for around EUR 85 million by 2022.

HOCHTIEF is to construct the "Bergedorfer Tor" project in Hamburg comprising an office building and a residential building with shared underground parking by the end of 2021.

The shell of "Building 18" in Göttingen for pharmaceutical industry and laboratory supplier Sartorius is to be built by the end of 2019, which will make it the fifth project to be completed together with the customer.

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

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

(EUR thousand)	**Q1 2019**	Q1 2018 (restated)*	**Change**	Full year 2018 (restated)*
Sales	5,732,557	5,266,242	8.9%	23,882,290
Changes in inventories	414	10,704	-96.1%	(19,438)
Other operating income	63,211	46,277	36.6%	170,455
Materials	(4,039,057)	(3,792,053)	6.5%	(17,355,300)
Personnel costs	(1,093,021)	(953,990)	14.6%	(4,168,083)
Depreciation and amortization	(171,477)	(117,064)	46.5%	(562,189)
Other operating expenses	(251,881)	(264,720)	-4.9%	(1,143,555)
Profit from operating activities	**240,746**	**195,396**	**23.2%**	**804,180**
Share of profits and losses of equity-method associates and joint ventures	27,852	36,219	-23.1%	231,842
Net income from other participating interests	7,744	8,485	-8.7%	58,285
Investment and interest income	21,652	17,706	22.3%	107,406
Investment and interest expenses	(65,130)	(58,566)	11.2%	(222,675)
Profit before tax	**232,864**	**199,240**	**16.9%**	**979,038**
Income taxes	(64,186)	(64,137)	0.1%	(258,921)
Profit after tax	**168,678**	**135,103**	**24.9%**	**720,117**
Thereof: Attributable to non-controlling interest	40,716	37,185	9.5%	177,122
Thereof: Attributable to HOCHTIEF shareholders (Group net profit)	127,962	97,918	30.7%	542,995
Earnings per share (EUR)	**1.81**	**1.52**	**19.1%**	**8.30**

Consolidated Statement of Comprehensive Income

(EUR thousand)	**Q1 2019**	Q1 2018 (restated)	**Change**	Full year 2018 (restated)
Profit after tax	**168,678**	**135,103**	**24.9%**	**720,117**
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	70,793	(90,710)	–	56,203
Changes in fair value of financial instruments				
Primary	11,022	(5,715)	–	(7,707)
Derivative	(1,417)	732	–	494
Share of other comprehensive income of equity-method associates and joint ventures	13	(7,276)	–	(8,584)
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	(38,491)	23	–	(13,667)
Other comprehensive income (after tax)	**41,920**	**(102,946)**	**–**	**26,739**
Total comprehensive income after tax	**210,598**	**32,157**	**554.9%**	**746,856**
Thereof: Attributable to non-controlling interest	54,850	19,451	182.0%	191,742
Thereof: Attributable to HOCHTIEF shareholders	155,748	12,706	–	555,114

Consolidated Balance Sheet

(EUR thousand)	**Mar. 31, 2019**	Dec. 31, 2018 (restated)	Jan. 1.2018 (restatedl)
Assets			
Non-current assets			
Intangible assets	1,222,534	1,159,395	1,191,858
Property, plant and equipment	1,750,911	1,647,150	1,494,526
Investment properties	13,225	7,195	9,488
Equity-method investments	1,925,435	1,865,368	305,540
Other financial assets	75,353	73,481	73,528
Financial receivables	506,496	486,760	484,306
Other receivables and other assets	186,450	168,385	153,785
Non-current income tax assets	13,938	21,162	3,327
Deferred tax assets	120,947	126,398	263,604
	5,815,289	**5,555,294**	**3,979,962**
Current assets			
Inventories	418,709	378,018	424,942
Financial receivables	192,892	178,045	105,169
Trade receivables	4,784,368	4,435,453	4,006,855
Other receivables and other assets	619,582	545,708	411,936
Current income tax assets	24,889	23,444	44,516
Marketable securities	463,109	445,474	428,759
Cash and cash equivalents	3,144,987	3,565,888	3,094,924
Assets held for sale	712	920	20,983
	9,649,248	**9,572,950**	**8,538,084**
	15,464,537	**15,128,244**	**12,518,046**
Liabilities and Shareholders' Equity			
Shareholders' equity			
Attributable to HOCHTIEF shareholders	2,016,297	1,860,537	614,989
Attributable to non-controlling interest	562,511	550,789	467,336
	2,578,808	**2,411,326**	**1,082,325**
Non-current liabilities			
Provisions for pensions and similar obligations	440,597	390,013	367,751
Other provisions	373,885	370,271	348,751
Financial liabilities	1,298,244	2,069,838	2,183,235
Lease liabilities	545,014	535,601	498,865
Trade payables	78,713	50,572	99,049
Other liabilities	21,464	20,517	22,428
Deferred tax liabilities	54,897	51,020	32,381
	2,812,814	**3,487,832**	**3,552,460**
Current liabilities			
Other provisions	790,065	842,152	728,590
Financial liabilities	1,379,012	599,623	235,561
Lease liabilities	258,659	245,921	149,664
Trade payables	7,178,583	7,129,364	6,247,867
Other liabilities	452,493	399,071	498,332
Current income tax liabilities	14,103	12,955	23,247
	10,072,915	**9,229,086**	**7,883,261**
	15,464,537	**15,128,244**	**12,518,046**

Consolidated Statement of Cash Flows

(EUR thousand)	**Q1 2019**	Q1 2018 (restated)
Profit after tax	168,678	135,103
Depreciation, amortization, impairments and impairment reversals	170,562	114,833
Changes in provisions	(11,977)	(7,183)
Changes in deferred taxes	27,367	52,107
Gains/(losses) from disposals of non-current assets and marketable securities	(2,566)	(5,283)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	(12,032)	3,970
Net working capital change	(514,947)	(423,822)
Changes in other balance sheet items	(624)	191
Net cash from operating activities	**(175,539)**	**(130,084)**
Intangible assets, property, plant and equipment, and investment properties		
Operational purchases	(116,763)	(77,287)
Other purchases	(40,658)	–
Proceeds from asset disposals	3,569	3,433
Acquisitions and participating interests		
Purchases	(47,178)	(19,432)
Proceeds from asset disposals/divestments	787	863
Changes in cash and cash equivalents due to changes in the scope of consolidation	12,336	–
Changes in marketable securities and financial receivables	(12,167)	(31,066)
Cash flow from investing activities	**(200,074)**	**(123,489)**
Payments into equity by non-controlling interests	–	8,481
Payments from equity to non-controlling interests	(11)	–
Other financing activities	–	(22,505)
Dividends to non-controlling interests	(1,509)	(1,272)
Proceeds from new borrowing	51,691	142,241
Debt repayment	(97,813)	(89,445)
Repayment of lease liabilities	(69,196)	(39,580)
Cash flow from financing activities	**(116,838)**	**(2,080)**
Net change in cash and cash equivalents	**(492,451)**	**(255,653)**
Effect of exchange rate changes	71,550	(83,260)
Overall change in cash and cash equivalents	**(420,901)**	**(338,913)**
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	**3,144,987**	**2,756,011**

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	**164,608**	**818,177**	**(54,074)**	**(306,683)**	**21,731**	**(28,770)**	**614,989**	**467,336**	**1,082,325**
Dividends	–	–	–	–	–	–	–	(43,840)	(43,840)
Profit after tax*	–	–	97,918	–	–	–	97,918	37,185	135,103
Currency translation differences and changes in fair value of financial instruments*	–	–	–	–	(72,600)	(12,635)	(85,235)	(17,734)	(102,969)
Changes from remeasurement of defined benefit plans	–	–	–	23	–	–	23	–	23
Total comprehensive income*	–	–	97,918	23	(72,600)	(12,635)	12,706	19,451	32,157
Other changes not recognized in the Statement of Earnings	–	–	78	–	–	–	78	8,490	8,568
Balance as of Mar. 31, 2018*	**164,608**	**818,177**	**43,922**	**(306,660)**	**(50,869)**	**(41,405)**	**627,773**	**451,437**	**1,079,210**
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	–	–	–	–	–	–	–	(49,528)	(49,528)
Profit after tax	–	–	127,962	–	–	–	127,962	40,716	168,678
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	55,306	10,971	66,277	14,134	80,411
Changes from remeasurement of defined benefit plans	–	–	–	(38,491)	–	–	(38,491)	–	(38,491)
Total comprehensive income	–	–	127,962	(38,491)	55,306	10,971	155,748	54,850	210,598
Other changes not recognized in the Statement of Earnings	–	–	12	–	–	–	12	6,400	6,412
Balance as of Mar. 31, 2019	**180,856**	**1,710,499**	**398,759**	**(358,841)**	**118,829**	**(33,805)**	**2,016,297**	**562,511**	**2,578,808**

*** 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 three months ended March 31, 2019, which were released for publication on May 13, 2019, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. 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 effective date January 1, 2019, the HOCHTIEF Group adopted **IFRS 16 Leases** that replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Expenses 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 requirement 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. The Group applies the requirements of IFRS 16 to the first quarter ending March 31, 2019 and the comparative period presented.

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"). Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense 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.

The first-time application of IFRS 16 resulted in an increase of EUR 680 million in total assets in the consolidated balance sheet as of December 31, 2018. Significant adjustments related to property, plant and equipment as a result of the capitalization of right-of-use assets (EUR 668 million) as well as other positions including deferred taxes (EUR 60 million) and the recognition of lease liabilities (EUR 782 million). In addition, shareholders' equity reported as of December 31, 2018 decreased by EUR 54 million due to the first-time application of IFRS 16.

In the consolidated statement of earnings for the fiscal year 2018, the IFRS 16 restatement mainly led to an increase in depreciation of right-of-use assets (EUR 171 million) and interest expenses for lease liabilities (EUR 31 million) with a corresponding decrease of leasing expenses taken out of other operating expenses (EUR 160 million) and material expenses (EUR 42 million).

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

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 March 31, 2019:

(in %)	**Mar. 31, 2019**	Dec. 31, 2018
Germany	1.50	2.00
USA	4.15	4.45
UK	2.40	2.90

This report has been prepared in all other respects using the same accounting policies as in the 2018 Consolidated Financial Statements. Information on those accounting policies is given in the Group Report 2018.

Reconciliation of profit from operating activities before tax to EBITDA

(EUR thousand)	**Q1 2019**	Q1 2018 (restated)
Profit from operating activities	**240,746**	**195,396**
+ Net income from joint ventures	3,993	34,301
+ Gains/(losses) from disposals of participating interests	–	–
+ Adjustment for non-operating net expenses	3,089	4,143
EBIT	**247,828**	**233,840**
- Depreciation and amortization	171,477	117,064
EBITDA	**419,305**	**350,904**

Basic and diluted earnings per share

	Q1 2019	Q1 2018 (restated)
Consolidated net profit (EUR thousand)	**127,962**	**97,918**
Number of shares in circulation (weighted average)	70,611,883	64,255,713
Earnings per share (EUR)	**1.81**	**1.52**

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

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 basic earnings per share are identical.

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)	**Q1 2019**	Q1 2018	**Mar. 31, 2019**	Dec. 31, 2018
1 U.S. dollar (USD)	0.88	0.81	0.89	0.87
1 Australian dollar (AUD)	0.63	0.64	0.63	0.62
1 British pound (GBP)	1.16	1.14	1.17	1.12
100 Polish złoty (PLN)	23.29	23.93	23.25	23.25
100 Qatari riyal (QAR)	24.09	22.22	24.34	23.91
100 Czech koruna (CZK)	3.89	3.94	3.88	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 quarter of 2019 include five foreign companies for the first time. A total of ten 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 four foreign companies in the first quarter of 2019. In addition, the number of joint operations abroad included in the Consolidated Financial Statements increased by two.

The Consolidated Financial Statements as of March 31, 2019 include HOCHTIEF Aktiengesellschaft as well as a total of 45 German and 374 foreign consolidated companies, 17 German, and 125 foreign companies accounted for using the equity method as well as 73 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.

Treasury stock

As of March 31, 2019, HOCHTIEF Aktiengesellschaft held a total of 34,824 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 89,149.44 (0.049%) 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.

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees; they have increased since December 31, 2018 by EUR 20,370 thousand to EUR 390,155 thousand.

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; 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; e.g. investments measured at fair value or determined by business valuation.

	Mar. 31, 2019				Dec. 31, 2018			
(EUR thousand)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	–	7,887	67,466	75,353	–	8,497	64,984	73,481
Other receivables and other assets								
Non-current	10	83	48,073	48,166	–	3,193	46,890	50,083
Current	66	2,939	–	3,005	–	9,602	–	9,602
Marketable securities	426,949	36,160	–	463,109	410,435	35,039	–	445,474
Total assets	**427,025**	**47,069**	**115,539**	**589,633**	**410,435**	**56,331**	**111,874**	**578,640**
Liabilities								
Other liabilities								
Non-current	–	–	–	–	–	–	–	–
Current	52	5,621	–	5,673	–	747	–	747
Total liabilities	**52**	**5,621**	**–**	**5,673**	**–**	**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 2,677,256 thousand (December 31, 2018: EUR 2,669,461 thousand) and a fair value of EUR 2,735,635 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 quarter 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 exercise period, multiplier, and discount factor. 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 Q1 2019:

(EUR thousand)	
Balance as of Jan. 1, 2019	111,874
Currency adjustments	2,824
Gains/(losses) recognized in profit or loss	835
Other changes	6
Balance as of Mar. 31, 2019	**115,539**

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.

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 listed 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.

Sales by division are allocated to the types of activities "Construction/PPP," "Construction management and services," and "Other." "Construction/PPP" includes Flatiron at HOCHTIEF Americas, CPB Contractors, Leighton Asia, and Pacific Partnerships at HOCHTIEF Asia Pacific, and HOCHTIEF Infrastructure and HOCHTIEF PPP Solutions at HOCHTIEF Europe. The main "construction management and services" companies are Turner at HOCHTIEF Americas, Thiess' and Sedgman's contract mining and mineral processing businesses and UGL's services business at HOCHTIEF Asia Pacific, as well as HOCHTIEF Engineering and synexs at HOCHTIEF Europe. Sales from non-core businesses are allocated to the category "Other."

The sales at HOCHTIEF Americas in the amount of EUR 3,280,288 thousand are recognized mainly in the category "Construction management and services". Sales at HOCHTIEF Asia Pacific (EUR 2,147,884 thousand) are mainly generated in the activities "Construction/PPP" and "Construction management and services". At HOCHTIEF Europe, external sales in the amount of EUR 280,014 thousand are mainly recognized in the category "Construction/PPP" business. Other sales from the non-core business recognized in Corporate amount to EUR 24,371 thousand.

Sales not related to contracts with clients amount to EUR 32,002 thousand.

Almost all sales are recognized over time.

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 quarter 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:

No substantial indications of reportable events became known in the subsequent events period.

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www.hochtief.com/ir-calendar

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