Interim Report
January to September 2019

Financial Highlights

- Operational net profit +29% yoy to EUR 478 million, nom. net profit +13% to EUR 456 million
- Net cash from op. activities of EUR 595 million, up a strong underlying EUR 460 million yoy
- Group net cash of EUR 950 million, after EUR 408 million shareholder remuneration in Q3 2019
- Strong order backlog of EUR 50.5 billion (+12%), new orders of EUR 21.6 billion (+13%)
- Guidance confirmed: operat. net profit FY 2019 of EUR 640–680 million (+22 to +30% yoy)

We are building the world of tomorrow.

HOCHTIEF

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

The HOCHTIEF Group: Key Figures

(EUR million)	**9M 2019**	9M 2018	**Change**	**Q3 2019**	Q3 2018	**Change**	Full year 2018
Sales	**18,751.8**	17,402.1	**7.8%**	**6,742.4**	6,199.1	**8.8%**	23,882.3
Operational profit before tax/PBT	**801.7**	703.4	**14.0%**	**295.7**	249.2	**18.7%**	968.6
Operational PBT margin (%)	**4.3**	4.0	**0.3**	**4.4**	4.0	**0.4**	4.1
Operational net profit	**477.5**	369.9	**29.1%**	**181.1**	131.9	**37.3%**	523.3
Operational earnings per share (EUR)	**6.76**	5.76	**17.4%**	**2.56**	2.05	**24.9%**	8.0
EBITDA	**1,395.6**	1,247.9	**11.8%**	**486.6**	470.3	**3.5%**	1,686.2
EBITDA margin (%)	**7.4**	7.2	**0.2**	**7.2**	7.6	**-0.4**	7.1
EBIT	**878.7**	843.0	**4.2%**	**317.7**	319.7	**-0.6%**	1,124.0
EBIT margin (%)	**4.7**	4.8	**-0.1**	**4.7**	5.2	**-0.5**	4.7
Nominal profit before tax/PBT	**780.9**	736.3	**6.1%**	**291.4**	289.9	**0.5%**	979.0
Nominal net profit	**456.3**	404.1	**12.9%**	**177.6**	174.4	**1.8%**	543.0
Nominal earnings per share (EUR)	**6.46**	6.29	**2.7%**	**2.51**	2.71	**-7.4%**	8.30
Net cash from operating activities	**594.6**	659.8	**(65.2)**	**180.5**	301.2	**(120.7)**	1,573.9
Net operating capital expenditure	**341.5**	278.8	**62.7**	**107.1**	115.2	**(8.1)**	343.9
Free cash flow from operations	**253.1**	381.0	**(127.9)**	**73.4**	186.0	**(112.6)**	1,230.0
Net cash (+)/net debt (-)	**950.2**	1,291.0	**(340.8)**	**950.2**	1,291.0	**(340.8)**	1,564.3
New orders	**21,613.4**	19,188.9	**12.6%**	**7,060.1**	6,347.4	**11.2%**	28,098.1
Work done	**19,705.7**	18,648.9	**5.7%**	**7,103.7**	6,607.6	**7.5%**	25,446.2
Order backlog	**50,486.4**	45,281.1	**11.5%**	**50,486.4**	45,281.1	**11.5%**	47,267.4
Employees (end of period) (direct employees)	**54,784**	56,437	**-2.9%**	**54,784**	56,437	**-2.9%**	55,777

About the cover photo: Campus Tower in Hamburg, Germany
There's quite a hum of creative activity going on behind this facade. Built by HOCHTIEF, Campus Tower in Hamburg's HafenCity includes offices, condominiums and subsidized apartments for rent. The "Showcase for Ideas" on the ground floor is a platform for start-ups and entrepreneurs. A bar with outdoor terrace offering spectacular views over the harbor will open on the 15th floor. The project has been awarded the independent HafenCity gold EcoLabel for sustainability.

Dear Shareholders and friends of HOCHTIEF,

Marcelino Fernández Verdes, Chairman of the Executive Board

HOCHTIEF has continued its **positive momentum** during the first nine months of 2019. The Group achieved a solid increase in profits, sales and order book, compared with the previous year with a positive underlying trend in net cash from operating activities.

Operational net profit, which excludes non-operational effects, increased by EUR 108 million, or 29%, year on year to EUR 478 million. **Nominal net profit** rose by 13% year on year to EUR 456 million. Profits include a EUR 96 million contribution from our 20% equity-consolidated stake in Abertis. All three HOCHTIEF divisions achieved an increase in the Group's operational net profit.

Sales in the January–September 2019 period increased by over EUR 1.3 billion, or 8%, to EUR 18.8 billion. On an f/x-adjusted basis, sales were up 5% year on year. Sales growth was led by an increased contribution from construction management and services-related activities, thus further improving the positive trend in the Group's risk profile.

Nine-month **net cash from operating activities** came in at EUR 595 million. This corresponds to an underlying increase of EUR 460 million year on year. If we consider the last-twelve-month period, to eliminate the impact of seasonality, HOCHTIEF has generated a strong level of net cash from operating activities of EUR 1.5 billion. The Group remains focused on cash-backed profits.

Due to increased mining and job-costed tunneling work, **net operating capital expenditure** increased by EUR 63 million to EUR 342 million. Looking at the last twelve months, HOCHTIEF has delivered over EUR 1.1 billion of free cash flow from operations.

HOCHTIEF Group—9M 2019 highlights

Operational net profit +29% yoy to EUR 478 million, nom. net profit +13%** to EUR 456 million

- Sales of EUR 18.8 billion, up EUR 1.3 billion or +8% yoy (f/x-adj. +5%)
- Op. PBT +14% yoy to EUR 802 million; nom. PBT of EUR 781 million (+6% yoy)
- Solid operational margins, profit growth in all divisions

Net cash from op. activities of EUR 595 million, up a strong underlying EUR 460 million yoy

- Eliminating NWC seasonality, LTM EUR 1.5 billion (EUR 1.1 billion pre-factoring)
- Q3 2019 EUR 212 million inflow pre-factoring shows a EUR 177 million yoy increase

Group net cash of EUR 950 million, after EUR 408 million shareholder remuneration in Q3 2019

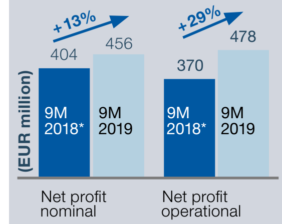
- Group net cash position of EUR 1.4 billion, if adjusted for EUR 494 million net investment in Abertis
- Bond issuance in Sep. 2019 (EUR 500 million for 8 years, EUR 250 million for 12 years, average 0.75% coupon)
- S&P affirmed BBB rating and stable outlook for HOCHTIEF, CIMIC and Abertis

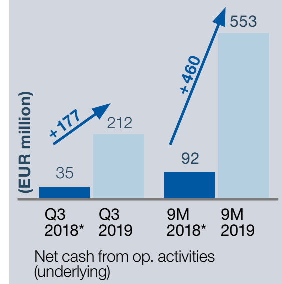
Strong order backlog of EUR 50.5 billion (+12%), new orders of EUR 21.6 billion (+13%)

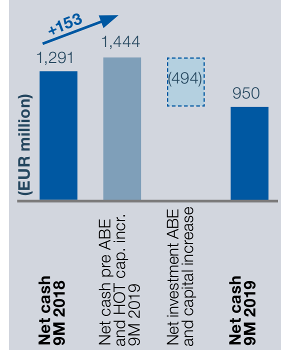
- Sustained growth in order backlog of EUR 5.2 billion yoy (+9% f/x-adj.), EUR +3.2 billion ytd
- Approx. 70% (EUR 34 billion) of order book are construction management, mining and services
- Strong new order growth, +10% f/x-adj.; represents 1.2x work done LTM—disciplined bidding approach continues across the Group

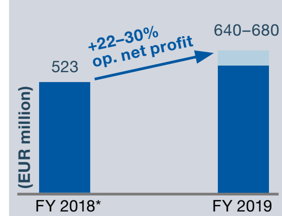
Guidance confirmed: operat. net profit FY 2019 of EUR 640–680 million (+22 to +30% yoy)

- Positive outlook across the Group's activities and core markets; seasonally strong Q4
- Robust tender pipeline in our core markets: USA, Canada, Asia-Pacific and Europe approx. EUR 530 billion for 2019 and beyond; PPP project pipeline of approx. EUR 230 billion









*2018 figures restated for IFRS 16

**Abertis contribution included in nominal result in both years, but only in operational result of 2019.

yoy = year on year
LTM = last twelve months
NWC = net working capital
ytd = year to date

HOCHTIEF ended September 2019 with a **net cash position** of EUR 950 million after distributing EUR 408 million in shareholder remuneration during the quarter. The Group's net cash level is after the EUR 494 million net investment in the 20% Abertis stake in Q4 2018. During Q3 2019, the rating agency S&P reaffirmed its BBB rating for HOCHTIEF, CIMIC and Abertis.

At the end of September 2019, the Group's **order book** reached a new all-time high of EUR 50.5 billion, an increase year on year of EUR 5.2 billion or 12%. All divisions show sustained growth over the last twelve months.

A strong level of **new orders**, EUR 21.6 billion, has been secured in the first nine months of 2019, an increase of EUR 2.4 billion year on year, or 10% f/x-adjusted. The disciplined bidding approach, across the Group's geographical footprint, remains a priority for our teams.

Turner, which as the leading general builder in the U.S., has again been named the top green building contractor by ENR magazine, is to construct a major hospital tower in Salem, Oregon. Flatiron is to widen a large section of the Interstate 405 highway in the State of Washington by 2024. CIMIC Group companies are responsible for a substantial part of the Cross River Rail project in Queensland, Australia. In addition, Thiess secured a six-year contract extension for services at the Curragh mine. In Europe, HOCHTIEF is building the Burstah office and residential complex in Hamburg, as well as an office building at the University of Applied Sciences in Duisburg.

Looking forward, our local teams have identified a **project tender pipeline** worth approximately EUR 530 billion of relevant projects coming to our markets in North America, Asia-Pacific and Europe for the remainder of 2019 and beyond. Our strong position in developed PPP markets is reflected in the **PPP project pipeline** the Group has identified and which stands at EUR 230 billion.

In October 2019, Abertis and the sovereign wealth fund GIC announced that they had reached an agreement to acquire a 70% stake in brownfield toll road company RCO (Red de Carreteras de Occidente), one of the largest transport operators in Mexico, which manages 876 kilometers of toll roads. Abertis will fully consolidate RCO and will invest EUR 1.5 billion for a 50.1% stake. RCO is a high-quality asset with a good strategic fit and a source of long-term cash flow generation.

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

Group Outlook

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

Yours,

Marcelino Fernández Verdes
Chairman of the Executive Board

Interim Management Report
Financial review

Overview

The HOCHTIEF Group recorded further sales and earnings growth and significantly increased its order backlog in the first nine months of 2019 compared with the prior-year period. Net cash from operating activities amounted to EUR 595 million and the net cash position stood at EUR 950 million as of September 30, 2019.

In the third quarter of 2019, HOCHTIEF successfully issued a EUR 750 million corporate bond in two tranches with maturities of 8 and 12 years, respectively. This corporate bond issue significantly extended the long-term debt maturity profile of HOCHTIEF at attractive terms with an average coupon of 0.75%. Rating agency Standard & Poor's has awarded the bond a solid BBB investment-grade rating.

Sales and earnings

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

In the period from January to September 2019, **Group sales** amounted to EUR 18.8 billion, exceeding the corresponding prior-year figure by 8% or EUR 1.4 billion. On an exchange-rate adjusted basis, sales growth amounted to 5%.

Sales

(EUR million)	**9M 2019**	9M 2018	Change	Change f/x-adjusted
HOCHTIEF Americas	11,063.5	9,501.1	16.4%	9.5%
HOCHTIEF Asia Pacific	6,676.0	6,767.8	-1.4%	0.3%
HOCHTIEF Europe	905.6	1,056.1	-14.3%	-14.0%
Corporate	106.7	77.1	38.4%	30.3%
Group	**18,751.8**	**17,402.1**	**7.8%**	**4.6%**

The HOCHTIEF Americas division generated sales of EUR 11.1 billion in the first nine months of the current year. The solid growth trend observed in prior quarters continued with a year-on-year increase of 16%. Adjusted for exchange rate effects, sales increased by 10%.

CIMIC Group showed a slightly higher revenue level of AUD 10.7 billion (+0.3% year on year) for the full reporting period from January to September 2019. The sales volume generated by the HOCHTIEF Asia Pacific division totaled EUR 6.7 billion.

The HOCHTIEF Europe division's sales performance in the reporting period was again shaped by the continued disciplined bidding approach in construction and reduced real estate development activities in line with the Group's strategy. In the first nine months of 2019, sales amounted to EUR 906 million (previous year: EUR 1.1 billion).

The sales volume generated on markets outside Germany amounted to EUR 18.2 billion in the first three quarters of 2019. International business thus accounted for 97% (previous year: 96%) of Group sales.

In the year under review, HOCHTIEF improved earnings in all divisions and increased **nominal profit before tax (PBT)** for the Group as a whole by 6% year on year to EUR 781 million. **Operational PBT** (nominal PBT adjusted for non-operational effects) amounted to EUR 802 million and exceeded the corresponding figure for the previous year by 14%.

Profit before tax (PBT)

(EUR million)	**9M 2019**	9M 2018	Change
HOCHTIEF Americas	233.3	221.0	5.6%
HOCHTIEF Asia Pacific	444.3	443.0	0.3%
HOCHTIEF Europe	39.7	37.9	4.7%
Corporate	63.6	34.4	84.9%
Group nominal PBT	**780.9**	**736.3**	**6.1%**
Non-operational effects	**20.8**	**(32.9)**	**163.2%**
Restructuring	17.7	16.8	5.4%
Investments/Divestments	0.9	(59.3)	–
Impairments	0.0	0.0	n.a.
Others	2.2	9.6	-77.1%
Group operational PBT	**801.7**	**703.4**	**14.0%**

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

The HOCHTIEF Americas division continued its positive earnings trend in the third quarter. Nominal PBT for the nine-month period from January to September 2019 was EUR 233 million (previous year: EUR 221 million).

The profit of the HOCHTIEF Asia Pacific division largely reflects HOCHTIEF's stake in CIMIC (72.8% as of September 2019). In Q3 2019, CIMIC increased its PBT and at AUD 278 million exceeded the previous year's figure by 3%. For the full reporting period from January to September 2019, CIMIC improved its PBT to AUD 782 million (previous year: AUD 773 million) thanks to strong margins. At divisional level, the nominal PBT of EUR 444 million was slightly up on the previous year.

The HOCHTIEF Europe division continues to be selective when tendering for new orders while focusing on improvements in project delivery in its core businesses of construction and public-private partnerships. With solid margin growth in construction, nominal PBT for the first nine months of 2019 improved by 5% compared with the previous year to EUR 40 million.

In the first three quarters of the current year, HOCHTIEF generated **net income from equity-method associates, joint ventures, and other participating interests** of EUR 226 million (prior-year period: EUR 240 million). This figure includes the EUR 96 million profit contribution from the Abertis investment, which has been equity-accounted in HOCHTIEF's consolidated financial statements since June 1, 2018 (prior-year period: EUR 58 million).

In the first nine months of 2019, the **net investment and interest expense** amounted to EUR 113 million (previous year: EUR 100 million).

Income tax expenses in the first nine months of 2019 decreased to EUR 197 million compared with the prior-year period (EUR 207 million).

HOCHTIEF's **nominal consolidated net profit** in the first three quarters of 2019 increased year on year by EUR 52 million or 13% to EUR 456 million. The non-controlling interest in the amount of EUR 127 million—on a par with the previous year (EUR 125 million)—related primarily to the CIMIC Group. **Group operational net profit** improved significantly, rising by 29% or EUR 108 million to EUR 478 million compared with the previous year, mainly driven by the first-time inclusion of Abertis (non-operational in prior year) and improved profits in all three divisions.

Consolidated net profit

(EUR million)	**9M 2019**	9M 2018	Change
HOCHTIEF Americas	146.4	134.9	8.5%
HOCHTIEF Asia Pacific	217.5	212.9	2.2%
HOCHTIEF Europe	34.1	29.9	14.0%
Corporate	58.3	26.4	120.8%
Group nominal net profit	**456.3**	**404.1**	**12.9%**
Non-operational effects	**21.2**	**(34.2)**	**162.0%**
Restructuring	16.7	16.0	4.4%
Investments/Divestments	1.4	(58.6)	102.4%
Impairments	0.0	0.0	n.a.
Others	3.1	8.4	-63.1%
Group operational net profit	**477.5**	**369.9**	**29.1%**

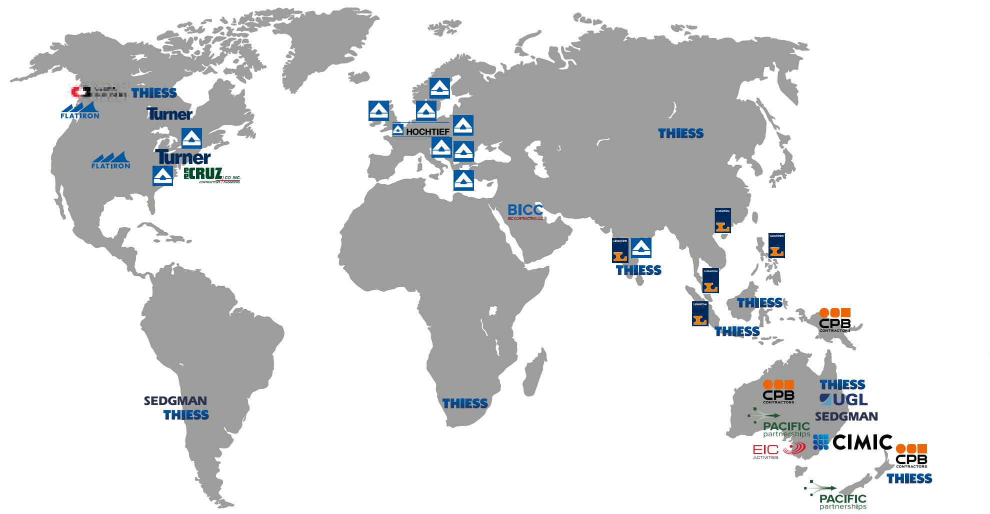
Orders and work done

New orders for the first nine months of the year 2019 increased by 13% nominal (10% f/x-adjusted) over the prior-year level to EUR 21.6 billion. New orders equaled 1.2 times work done in the last twelve months, a disciplined bidding approach continues across the Group.

The HOCHTIEF Americas division achieved new orders of EUR 12.2 billion, an increase of 12% compared with the prior year. New orders at HOCHTIEF Asia Pacific were strong at EUR 8.0 billion (+15% year on year). The HOCHTIEF Europe division reported a 7% increase in new orders of EUR 1.3 billion equivalent to 1.2 times work done in the last twelve months.

At the end of September 2019, the **order backlog** further increased to a record of EUR 50.5 billion, up EUR 5.2 billion or 12% nominal (9% f/x-adjusted) compared to the prior-year period. HOCHTIEF was able to expand its forward order book to 23 months, compared with 22 months in 9M 2018. Prospects for the remainder of 2019 remain positive for all divisions thanks to a strong tender pipeline and solid order backlog.

HOCHTIEF Group—Selected Recent Significant Project Announcements

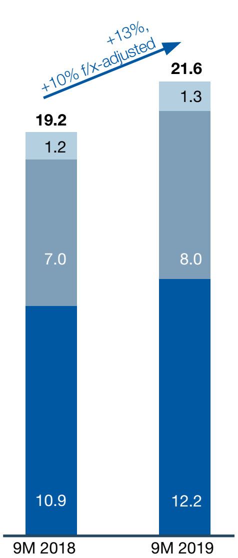


Contract values are total project volumes.

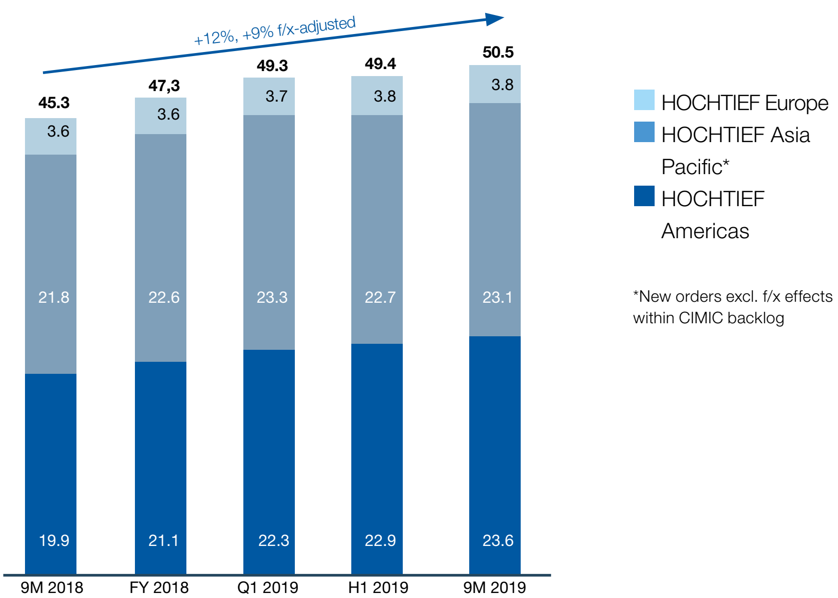
Burstah Ensemble, Hamburg, Germany
Sustainable Buildings, EUR 365 million, Germany
R2 Highway, EUR 130 million, Slovakia
Salem Health Campus, Oregon, USA
Waverly (Unity Church Site), Seattle, USA
Interstate 405, EUR 628 million, Washington, USA
Tower A project, New York, USA
Penn Plaza, New York, USA
Redlands Passenger Rail Project, EUR 137 million, California, USA
Hampton Roads Bridge Tunnel, EUR 2.9 billion, Virginia, USA
Three Data Centers, EUR 570 million, Nevada, USA

San Francisco Airport, EUR 629 million, California, USA
Cross River Rail, Pacific Partnerships, EUR 3.9 billion, Brisbane, Australia
Sydney Trains contract extension, EUR 559 million, Sydney, Australia
Monash Freeway Upgrade, EUR 472 million, Victoria, Australia
Sydney Metro City & Southwest Pitt Street Station, EUR 287 million, New South Wales, Australia
Curragh Mine, EUR 806 million, Queensland, Australia
North East Link, EUR 119 million, Melbourne, Australia
Western Sydney Airport, EUR 394 million, Australia
Campbelltown and Nepean Hospitals, EUR 492 million, New South Wales, Australia
Regional Rail Project, EUR 795 million, New South Wales, Australia
Debswana Diamond Company's Jwaneng Mine Cut 9 project, EUR 1.1 billion, Botswana

New orders (EUR billion)



Order backlog (EUR billion)



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

Cash flow

1) last twelve months

(EUR million)	9M 2019	9M 2018	Change	LTM[1] 10/2018–09/2019
Net cash from operating activities pre-factoring	552.5	92.1	460.4	1,060.7
Net cash from operating activities	**594.6**	**659.8**	**(65.2)**	**1,508.7**
Gross operating capital expenditure	(358.7)	(294.0)	(64.7)	(476.1)
Operating asset disposals	17.2	15.2	2.0	69.5
Net operating capital expenditure	(341.5)	(278.8)	(62.7)	(406.6)
Free cash flow from operations	**253.1**	**381.0**	**(127.9)**	**1,102.1**

Cash flow

In the period from January to September 2019, the Group generated **net cash from operating activities pre-factoring** of EUR 553 million, a strong improvement of EUR 460 million over the previous year. All divisions contributed to this increase. **Net cash from operating activities** amounted to a solid EUR 595 million for this period. Looking at the development over the last twelve months which eliminates seasonality impacts, HOCHTIEF achieved net cash from operating activities of EUR 1.5 billion, which illustrates continued strong cash generation performance.

Gross operating capital expenditure for the HOCHTIEF Group as a whole amounted to EUR 359 million in the first nine months of 2019 (prior-year period: EUR 294 million). This increase reflects a higher level of investment in mining equipment enabling sales growth in the mining business and in tunneling equipment to support the delivery of large transport-related infrastructure projects. At EUR 17 million, proceeds from operating asset disposals were almost at the previous year's level (EUR 15 million). Net operating capital expenditure resulted in a total cash outflow of EUR 342 million (previous year: EUR 279 million).

In the twelve-month period from October 2018 to September 2019, HOCHTIEF generated **free cash flow from operations** of EUR 1.1 billion.

Balance sheet

As of September 30, 2019, the HOCHTIEF Group's **total assets** amounted to EUR 18.0 billion, an increase of EUR 2.4 billion versus the end of 2018.

At EUR 5.8 billion, **non-current assets** were EUR 255 million higher than at December 31, 2018 (EUR 5.6 billion). Property, plant and equipment increased by EUR 91 million to EUR 1.7 billion in the current year as a result of CIMIC's investments in job-costed tunneling and mining equipment. As a result of the application of IFRS 16 "Leases", rights-of-use assets were recognized under property, plant and equipment and amounted to EUR 649 million as of September 30, 2019 (December 31, 2018: EUR 668 million). At EUR 1.9 billion at the end of the period under review, financial assets remained virtually unchanged from December 31, 2018.

Current assets amounted to EUR 12.2 billion at the end of the third quarter of 2019, an increase of EUR 2.1 billion compared to the figure as of December 31, 2018 (EUR 10.1 billion). Trade receivables and other receivables increased by EUR 1.5 billion to EUR 7.0 billion due to strong sales growth, seasonality and exchange rate effects. At EUR 1.7 billion, the HOCHTIEF Group's factoring volume remained at the level of December 31, 2018. Liquidity continued to develop very robustly.

HOCHTIEF Group **shareholders' equity** totaled EUR 2.5 billion as of September 30, 2019 (December 31, 2018: EUR 2.4 billion). The increase of EUR 91 million in the period from January to September 2019 resulted from profit after tax (EUR 583 million), exchange rate effects (EUR 98 million), dividend payments (minus EUR 454 million) and other effects (minus EUR 136 million).

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

(EUR million)	**Sep. 30, 2019**	Sep. 30, 2018	Change	Dec. 31, 2018
HOCHTIEF Americas	1,289.9	1,124.2	165.7	1,142.1
HOCHTIEF Asia Pacific	585.1	801.8	(216.7)	984.7
HOCHTIEF Europe	320.8	93.3	227.5	475.3
Corporate	(1,245.6)	(728.3)	(517.3)	(1,037.8)
Group	**950.2**	**1,291.0**	**(340.8)**	**1,564.3**

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

Non-current liabilities increased by EUR 1.2 billion to EUR 4.6 billion in the first nine months of 2019. This was mainly due to the EUR 873 million increase in financial liabilities to EUR 2.9 billion. The reclassification of a EUR 750 million bond maturing in March 2020 from non-current to current liabilities was offset by the issue of the HOCHTIEF corporate bond also with a nominal volume of EUR 750 million in Q3 2019. The increase is due to borrowings through promissory notes and syndicated credit facilities of HOCHTIEF Aktiengesellschaft and CIMIC. The issuance proceeds will be used for the refinancing of the EUR 750 million bond due in March 2020 and for general corporate purposes. The non-current lease liabilities recognized in connection with the application of IFRS 16 amounted to EUR 515 million as of September 30, 2019 (December 31, 2018: EUR 536 million). Provisions for pensions rose by EUR 106 million to EUR 496 million as a result of the adjustment of the discount rate to the lower market interest rate level (1.0% versus 2.0% in Germany in the prior-year period).

Current liabilities increased by EUR 1.1 billion to EUR 10.8 billion in the period from January to September 2019. Current financial liabilities increased by EUR 359 million to EUR 958 million, mainly due to the aforementioned reclassification of the HOCHTIEF bond due in March 2020 (nominal value: EUR 750 million) and the repayment of the HOCHTIEF bond due in May 2019 (nominal value: EUR 500 million). Trade payables and other liabilities increased by EUR 761 million to EUR 8.8 billion. This development reflects the sales growth of the HOCHTIEF Group and seasonality as well as exchange rate effects in the period under review. The current lease liabilities recognized in connection with the application of IFRS 16 amounted to EUR 253 million as of September 30, 2019 (December 31, 2018: EUR 246 million).

HOCHTIEF has significantly increased its payout ratio over the past twelve months and delivered shareholder remuneration totaling EUR 447 million. In addition, operating capex was increased and a net investment in Abertis in the amount of EUR 494 million was made. Considering this, the Group achieved a robust **net cash** position of EUR 950 million as of September 30, 2019. Adjusted for the effect of the net investment in Abertis, the net cash position amounted to EUR 1.4 billion.

Risk and opportunities report

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

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

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

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

Divisions

HOCHTIEF Americas

HOCHTIEF Americas Division: Key Figures

(EUR million)	**9M 2019**	9M 2018	**Change**	**Q3 2019**	Q3 2018	**Change**	Full year 2018
Divisional sales	**11,063.5**	9,501.1	**16.4%**	**4,046.1**	3,449.6	**17.3%**	13,068.7
Operational profit before tax/PBT	**241.7**	223.1	**8.3%**	**86.7**	81.0	**7.0%**	302.6
Operational PBT margin (%)	**2.2**	2.3	**-0.1**	**2.1**	2.3	**-0.2**	2.3
Operational net profit	**152.7**	136.4	**12.0%**	**53.2**	47.3	**12.5%**	193.3
Nominal profit before tax/PBT	**233.3**	221.0	**5.6%**	**80.7**	78.9	**2.3%**	297.3
Nominal net profit	**146.4**	134.9	**8.5%**	**48.6**	45.8	**6.1%**	189.5
Net cash from operating activities	**261.0**	210.8	**50.2**	**118.0**	104.4	**13.6**	354.1
Gross operating capital expenditure	**24.9**	26.2	**(1.3)**	**(0.5)**	17.2	**(17.7)**	40.3
Net cash (+)/net debt (-)	**1,289.9**	1,124.2	**165.7**	**1,289.9**	1,124.2	**165.7**	1,142.1
New orders	**12,182.3**	10,904.1	**11.7%**	**3,650.5**	3,278.1	**11.4%**	15,290.8
Work done	**10,679.4**	9,236.8	**15.6%**	**3,935.0**	3,376.3	**16.5%**	12,662.8
Order backlog	**23,639.9**	19,878.1	**18.9%**	**23,639.9**	19,878.1	**18.9%**	21,057.9
Employees (end of period)	**12,713**	11,931	**6.6%**	**12,713**	11,931	**6.6%**	11,720

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

The HOCHTIEF Americas division delivered a very positive performance during the first nine months of 2019.

Operational PBT increased by 8% year on year to EUR 242 million. Operational net profit rose 12% to EUR 153 million. Margins remain solid whilst **sales** grew strongly, up 16% (+10% f/x-adjusted) to over EUR 11.0 billion.

Cash generation remains firm. **Net cash from operating activities** in 9M 2019 of EUR 261 million was EUR 50 million higher year on year. Over the last twelve months, the division has generated over EUR 400 million of net cash from its operating activities.

The divisional **net cash** position at the end of September 2019 stood at EUR 1.3 billion, up EUR 166 million year on year.

The **order backlog** rose to a new all-time high of EUR 23.6 billion, up EUR 3.8 billion or 19% compared with September 2018, with EUR 12.2 billion of new orders secured during the first nine months of 2019 (+12%).

The companies in the HOCHTIEF Americas division successfully won several new orders. Turner was selected to manage construction of a seven-story, 120-bed Patient Care Tower on the Salem Health Campus in Salem, Oregon. In New Rochelle, New York, Turner is responsible for the Tower A project. Work on the 28-story residential and commercial building is slated to finish by the end of 2020. In Seattle, Turner is acting as general contractor on the Waverly residential complex, which encompasses 374 units. Additionally, the company is building a new school in Baltimore, Maryland. Medfield Heights Elementary School is scheduled for completion in 2021.

Consistently ranked as the leading U.S. general builder, Turner was awarded the number one spot among the top green contractors as rated by U.S. magazine Engineering News-Record (ENR) for the twelfth year. Furthermore, the company is at the forefront of the industry in several categories including education, health care, commercial offices, hotels, motels, and convention centers.

Together with a partner, Flatiron is designing and building the widening of the Interstate 405 highway over an almost 68-kilometer stretch in the state of Washington. The contract value stands at EUR 377 million for Flatiron. Completion is scheduled for 2024.

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)	**9M 2019**	9M 2018	**Change**	**Q3 2019**	Q3 2018	**Change**	Full year 2018
Divisional sales	**6,676.0**	6,767.8	**-1.4%**	**2,323.9**	2,351.1	**-1.2%**	9,266.3
Nominal profit before tax/PBT	**444.3**	443.0	**0.3%**	**158.2**	154.1	**2.7%**	618.2
Nominal PBT margin (%)	**6.7**	6.5	**0.2**	**6.8**	6.6	**0.2**	6.7
Nominal net profit	**217.5**	212.9	**2.2%**	**79.8**	76.2	**4.7%**	298.7
Net cash (+)/net debt (-)	**585.1**	801.8	**(216.7)**	**585.1**	801.8	**(216.7)**	984.7
Order backlog (end of period)	**23,096.0**	21,822.6	**5.8%**	**23,096.0**	21,822.6	**5.8%**	22,630.0
Employees (end of period)	**36,509**	38,841	**-6.0%**	**36,509**	38,841	**-6.0%**	38,425

Note: 2018 figures restated for IFRS 16

The performance of the **HOCHTIEF Asia Pacific** division reflects HOCHTIEF's stake in CIMIC (72.8% at the end of September 2019, increased by around 10 basis points 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 9M 2019 was stable year on year at EUR 444 million on **sales** of EUR 6.7 billion, in line with the comparable period in 2018. On an f/x-adjusted basis, sales were slightly higher and PBT was up 2%. The PBT margin remained solid at 6.7% and at a similar level to a year ago (6.5%).

At the end of the period, the divisional net cash position was EUR 585 million.

The division's robust EUR 23.1 billion **order backlog** has increased by 6% year on year with new orders during the period of EUR 8.0 billion, up 15% year on year.

CIMIC's key figures

CIMIC reported a solid set of numbers for the first nine months of 2019. Margins across the Group were strong on an unchanged AUD 10.7 billion of sales.

Net profit after tax (NPAT) at CIMIC was up 2% in 9M 2019 year on year to AUD 573 million. Cash generation at CIMIC continues to be solid with operating cash flow in the last twelve months of AUD 1.7 billion.

The Group increased net capital expenditure during the first nine months by around AUD 117 million to AUD 501 million, due to increased investments to drive growth in mining and to deliver job-costed tunneling projects.

CIMIC's financial position remains robust, ending 9M 2019 with a **net cash** position of AUD 826 million. The strong liquidity level is further supported by undrawn debt facilities of AUD 2.7 billion at the end of September 2019.

The operating companies' work in hand grew by 10% year on year to AUD 35.3 billion with total work in hand of AUD 37.2 billion. Mining and Services account for almost AUD 20 billion or 55% of the OpCo total. Whilst maintaining bidding discipline, total new work of AUD 13.1 billion was secured year to date, an increase of 11% year on year.

One of the CIMIC Group's most significant new orders is the EUR 806 million contract extension at the Curragh mine in Queensland, where Thiess will provide services for a further six years.

CIMIC has secured a major alliance-style contract valued at around EUR 548 million as part of Cross River Rail, Queensland's largest public transportation project: CPB Contractors and UGL are working with partners to deliver the Rail, Integration, and Systems (RIS) package.

In the future, the greater Melbourne region will benefit from expansion of the Monash Freeway. CPB Contractors is designing and constructing stage 2 of the urban freeway project, with a contract value of approximately EUR 472 million. Completion is scheduled for 2022.

By designing and building the Pitt Street underground station as part of the Sydney Metro City & Southwest project, CPB Contractors is also contributing to Australia's biggest public transportation project. The contract is valued at some EUR 287 million. A 39-story high-rise complex comprising a commercial office building and a residential building will be built above the station.

The company is building two hospitals in New South Wales. Valued at some EUR 260 million, the first is in Campbelltown and slated for completion by mid-2023. The second project in Nepean will generate EUR 232 million and be completed by 2021.

As part of a joint venture, CPB Contractors is undertaking earthworks for the new Western Sydney International Airport (Nancy-Bird Walton Airport). The contract for roughly EUR 198 million is already the second the company has won on this major project.

In Melbourne, the company is delivering the early works at a cost of about EUR 119 million on the North East Link. Valued at some EUR 9.7 billion in total, this is the largest road transport project in Victoria's history.

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)	**9M 2019**	9M 2018	**Change**	**Q3 2019**	Q3 2018	**Change**	Full year 2018
Divisional sales	**905.6**	1,056.1	**-14.3%**	**331.7**	374.0	**-11.3%**	1,422.6
Operational profit before tax/PBT	**50.7**	46.7	**8.6%**	**18.6**	18.1	**2.8%**	62.4
Operational PBT margin (%)	**5.6**	4.4	**1.2**	**5.6**	4.8	**0.8**	4.4
Operational net profit	**47.6**	35.5	**34.1%**	**19.1**	14.5	**31.7%**	50.3
Nominal profit before tax/PBT	**39.7**	37.9	**4.7%**	**14.9**	14.7	**1.4%**	51.8
Nominal net profit	**34.1**	29.9	**14.0%**	**14.8**	14.4	**2.8%**	39.4
Net cash from operating activities	**(94.6)**	(154.6)	**60.0**	**(49.6)**	(9.4)	**(40.2)**	120.0
Gross operating capital expenditure	**6.6**	7.6	**(1.0)**	**2.5**	2.3	**0.2**	14.4
Net cash (+)/net debt (-)	**320.8**	93.3	**227.5**	**320.8**	93.3	**227.5**	475.3
New orders	**1,321.9**	1,234.1	**7.1%**	**392.9**	374.0	**5.1%**	1,938.1
Work done	**1,120.4**	1,270.3	**-11.8%**	**413.6**	455.3	**-9.2%**	1,760.8
Order backlog	**3,755.2**	3,592.8	**4.5%**	**3,755.2**	3,592.8	**4.5%**	3,585.9
Employees (end of period)	**5,350**	5,470	**-2.2%**	**5,350**	5,470	**-2.2%**	5,435
of which in Germany	**3,318**	3,301	**0.5%**	**3,318**	3,301	**0.5%**	3,291

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

HOCHTIEF Europe has continued to perform well during the first nine months of 2019.

Operational PBT increased by EUR 4 million year on year to EUR 51 million driven by higher construction margins. The division's operational PBT margin remains solid.

The **sales** performance in the reporting period reflects a continued disciplined bidding approach in construction.

HOCHTIEF Europe's **net cash from operating activities** improved significantly during the nine-month period by EUR 60 million year on year, with a solid contribution from the construction and PPP businesses, and stands at EUR 180 million during the last twelve months.

At the end of September 2019, HOCHTIEF Europe's balance sheet showed a strong **net cash** position of EUR 321 million, up EUR 228 million year on year.

New orders of around EUR 1.3 billion have been secured during the first nine months of 2019 which represents 1.3 times the level of work done during the last twelve months.

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

In the third quarter, HOCHTIEF once again secured several new projects. The Burstah property in Hamburg, Germany, which comprises two office blocks and a residential building, is one of them.

Furthermore, HOCHTIEF is the general contractor responsible for adding a new office building, valued at EUR 50 million, to the University of Applied Sciences in Duisburg.

As part of a joint venture, HOCHTIEF is responsible for the construction of a new section of the cable-stayed bridge in Magdeburg. Based on the current schedule, work is due to start in spring 2020.

In Poland, HOCHTIEF and its partners are building two new workshops and an office building for the state-owned railway company. HOCHTIEF has also been awarded the contract to construct maintenance buildings on the D1 highway in the east of the Czech Republic.

HOCHTIEF Europe Outlook

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

Interim Financial Statements (Condensed)

Consolidated Statement of Earnings

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

(EUR thousand)	**9M 2019**	9M 2018 (restated)	**Change**	**Q3 2019**	Q3 2018 (restated)	Full year 2018 (restated)
Sales	**18,751,832**	**17,402,063**	**7.8%**	**6,742,462**	**6,199,044**	**23,882,290**
Changes in inventories	(420)	16,642	–	(35)	(3,146)	(19,438)
Other operating income	148,341	98,361	50.8%	45,117	30,495	170,455
Materials	(13,421,648)	(12,625,679)	6.3%	(4,717,202)	(4,491,004)	(17,355,300)
Personnel costs	(3,490,679)	(3,100,978)	12.6%	(1,373,976)	(1,106,378)	(4,168,083)
Depreciation and amortization	(516,832)	(404,911)	27.6%	(168,881)	(150,672)	(562,189)
Other operating expenses	(802,436)	(789,326)	1.7%	(323,630)	(281,590)	(1,143,555)
Share of profits and losses of equity-method associates and joint ventures	200,693	187,621	7.0%	111,673	83,187	231,842
Net income from other participating interests	24,894	52,308	-52.4%	8,315	38,653	58,285
Investment and interest income	69,353	63,347	9.5%	30,840	28,587	107,406
Investment and interest expenses	(182,158)	(163,189)	11.6%	(63,243)	(57,308)	(222,675)
Profit before tax	**780,940**	**736,259**	**6.1%**	**291,440**	**289,868**	**979,038**
Income taxes	(197,445)	(206,836)	-4.5%	(63,585)	(68,897)	(258,921)
Profit after tax	**583,495**	**529,423**	**10.2%**	**227,855**	**220,971**	**720,117**
Thereof: Attributable to non-controlling interest	127,221	125,342	1.5%	50,291	46,543	177,122
Thereof: Attributable to HOCHTIEF shareholders (Group net profit)	456,274	404,081	12.9%	177,564	174,428	542,995
Earnings per share (EUR)	**6.46**	**6.29**	**2.7%**	**2.51**	**2.71**	**8.30**

Consolidated Statement of Comprehensive Income

(EUR thousand)	**9M 2019**	9M 2018 (restated)	**Change**	**Q3 2019**	Q3 2018 (restated)	Full year 2018 (restated)
Profit after tax	**583,495**	**529,423**	**10.2%**	**227,855**	**220,971**	**720,117**
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	97,986	40,065	144.6%	59,483	21,726	56,203
Changes in fair value of financial instruments						
Primary	21,643	(1,201)	–	14,844	(2,820)	(7,707)
Derivative	(3,473)	(3,654)	5.0%	(2,197)	(1,107)	494
Share of other comprehensive income of equity-method associates and joint ventures	(42,537)	(2,560)	–	(20,622)	25,784	(8,584)
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(96,904)	(3,818)	–	(21,526)	659	(13,667)
Other comprehensive income (after tax)	**(23,285)**	**28,832**	**–**	**29,982**	**44,242**	**26,739**
Total comprehensive income after tax	**560,210**	**558,255**	**0.4%**	**257,837**	**265,213**	**746,856**
Thereof: Attributable to non-controlling interest	146,314	131,256	11.5%	59,098	46,286	191,742
Thereof: Attributable to HOCHTIEF shareholders	413,896	426,999	-3.1%	198,739	218,927	555,114

Consolidated Balance Sheet

(EUR thousand)	**Sep. 30, 2019**	Full year 2018 (restated)	Jan. 1, 2018 (restated)
Assets			
Non-current assets			
Intangible assets	1,209,072	1,159,395	1,191,858
Property, plant and equipment	1,738,626	1,647,150	1,494,526
Investment properties	11,622	7,195	9,488
Equity-method investments	1,853,460	1,865,368	305,540
Other financial assets	83,287	73,481	73,528
Financial receivables	583,065	486,760	484,306
Other receivables and other assets	179,596	168,385	153,785
Non-current income tax assets	15,242	21,162	3,327
Deferred tax assets	136,051	126,398	263,604
	5,810,021	**5,555,294**	**3,979,962**
Current assets			
Inventories	441,749	378,018	424,942
Financial receivables	272,050	178,045	105,169
Trade receivables and other receivables	6,968,224	5,521,016	4,852,869
Marketable securities	456,875	445,474	428,759
Cash and cash equivalents	4,030,834	3,565,888	3,094,924
Assets held for sale	–	920	20,983
	12,169,732	**10,089,361**	**8,927,646**
	17,979,753	**15,644,655**	**12,907,608**
Liabilities and Shareholders' Equity			
Shareholders' equity			
Attributable to HOCHTIEF shareholders	1,915,955	1,860,537	614,989
Attributable to non-controlling interest	586,021	550,789	467,336
	2,501,976	**2,411,326**	**1,082,325**
Non-current liabilities			
Provisions for pensions and similar obligations	495,698	390,013	367,751
Other provisions	403,893	370,271	348,751
Financial liabilities	2,942,690	2,069,838	2,183,235
Lease liabilities	514,946	535,601	498,865
Trade payables	123,176	50,572	99,049
Other liabilities	44,818	20,517	22,428
Deferred tax liabilities	119,640	51,020	32,381
	4,644,861	**3,487,832**	**3,552,460**
Current liabilities			
Other provisions	802,883	842,152	728,590
Financial liabilities	958,442	599,623	235,561
Lease liabilities	252,537	245,921	149,664
Trade payables and other liabilities	8,819,054	8,057,801	7,159,008
	10,832,916	**9,745,497**	**8,272,823**
	17,979,753	**15,644,655**	**12,907,608**

Consolidated Statement of Cash Flows

(EUR thousand)	9M 2019	9M 2018 (restated)
Profit after tax	583,495	529,423
Depreciation, amortization, impairments and impairment reversals	500,191	391,984
Changes in provisions	2,705	51,535
Changes in deferred taxes	71,117	134,593
Gains/(losses) from disposals of non-current assets and marketable securities	(8,556)	(43,710)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	60,315	(40,274)
Disbursements for the acquisition of Abertis (for resale)	–	(13,208,057)
New borrowing for the acquisition of Abertis (for resale)	–	13,208,057
Net working capital change	(739,880)	(367,162)
Changes in other balance sheet items	1,076	2,671
Cash flow from operating activities	**470,463**	**659,060**
Intangible assets, property, plant and equipment, and investment properties		
Operational purchases	(358,693)	(294,003)
Other purchases	(40,658)	–
Payments from asset disposals	17,228	15,209
Acquisitions/divestments and changes in marketable securities and financial receivables	(307,075)	(3,302,351)
Cash flow from investing activities	**(689,198)**	**(3,581,145)**
Payments received from sale of treasury stock	1,475	1,432
Repayments for repurchase of CIMIC	(9,213)	–
Payments into equity by non-controlling interests	21,443	16,156
Payments from equity to non-controlling interests	(33,245)	–
Other financing activities	–	(95,000)
Dividends to HOCHTIEF shareholders and non-controlling interests	(413,910)	(276,630)
Proceeds from new borrowing		
New borrowing for the acquisition of Abertis (HOCHTIEF shareholding)	–	3,189,569
Other new borrowing	1,990,540	974,746
Debt repayment	(782,745)	(213,839)
Repayment of lease liabilities	(212,256)	(139,938)
Cash flow from financing activities	**562,089**	**3,456,496**
Net change in cash and cash equivalents	**343,354**	**534,411**
Effect of exchange rate changes	121,592	2,452
Overall change in cash and cash equivalents	**464,946**	**536,863**
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	**4,030,834**	**3,631,787**

Consolidated Statement of Changes in Equity

(EUR thousand)	Subscribed capital of HOCHTIEF Aktiengesellschaft	Capital reserve of HOCHTIEF Aktiengesellschaft	Retained earnings including distributable profit	Accumulated other comprehensive income: Remeasurement of defined benefit plans	Accumulated other comprehensive income: Currency translation differences	Accumulated other comprehensive income: Changes in fair value of financial instruments	Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
Balance as of Dec. 31, 2017	**164,608**	**818,177**	**1,061,484**	**(306,683)**	**79,298**	**(28,770)**	**1,788,114**	**745,988**	**2,534,102**
Change of accounting and evaluation methods IFRS 9/15	–	–	(1,067,010)	–	(57,567)	–	(1,124,577)	(269,918)	(1,394,495)
Change of accounting and evaluation methods IFRS 16	–	–	(48,548)	–	–	–	(48,548)	(8,734)	(57,282)
Balance as of Jan. 1, 2018[1]	**164,608**	**818,177**	**(54,074)**	**(306,683)**	**21,731**	**(28,770)**	**614,989**	**467,336**	**1,082,325**
Dividends	–	–	(217,184)	–	–	–	(217,184)	(98,639)	(315,823)
Profit after tax[1]	–	–	404,081	–	–	–	404,081	125,342	529,423
Currency translation differences and changes in fair value of financial instruments[1]	–	–	–	–	33,373	(6,637)	26,736	5,914	32,650
Changes from remeasurement of defined benefit plans	–	–	–	(3,818)	–	–	(3,818)	–	(3,818)
Total comprehensive income[1]	–	–	404,081	(3,818)	33,373	(6,637)	426,999	131,256	558,255
Other changes not recognized in the Statement of Earnings	–	737	782	–	–	–	1,519	15,849	17,368
Balance as of Sep. 30, 2018[1]	**164,608**	**818,914**	**133,605**	**(310,501)**	**55,104**	**(35,407)**	**826,323**	**515,802**	**1,342,125**
Balance as of Dec. 31, 2018	**180,856**	**1,710,499**	**317,434**	**(320,350)**	**62,329**	**(44,776)**	**1,905,992**	**559,391**	**2,465,383**
Change of accounting and evaluation methods IFRS 16	**–**	**–**	**(46,649)**	**–**	**1,194**	**–**	**(45,455)**	**(8,602)**	**(54,057)**
Balance as of Jan. 1, 2019	**180,856**	**1,710,499**	**270,785**	**(320,350)**	**63,523**	**(44,776)**	**1,860,537**	**550,789**	**2,411,326**
Dividends	–	–	(351,647)	–	–	–	(351,647)	(102,478)	(454,125)
Profit after tax	–	–	456,274	–	–	–	456,274	127,221	583,495
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	76,776	(22,250)	54,526	19,093	73,619
Changes from remeasurement of defined benefit plans	–	–	–	(96,904)	–	–	(96,904)	–	(96,904)
Total comprehensive income	–	–	456,274	(96,904)	76,776	(22,250)	413,896	146,314	560,210
Other changes not recognized in the Statement of Earnings	–	558	(7,389)	–	–	–	(6,831)	(8,604)	(15,435)
Balance as of Sep. 30, 2019	**180,856**	**1,711,057**	**368,023**	**(417,254)**	**140,299**	**(67,026)**	**1,915,955**	**586,021**	**2,501,976**

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

Explanatory Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of and for the nine months ended September 30, 2019, which were released for publication on October 31, 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 January 1, 2019, the HOCHTIEF Group adopted **IFRS 16 "Leases"**, which replaces IAS 17 "Leases", IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC-15 "Operating Leases—Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

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

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

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

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

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

Effects of first-time application of IFRS 16

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

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

(EUR thousand)	9M 2018	Restatement	9M 2018 (restated)
Sales	17,402,063	–	17,402,063
Changes in inventories	16,642	–	16,642
Other operating income	98,295	66	98,361
Materials[1]	(12,657,621)	31,942	(12,625,679)
Personnel costs	(3,100,978)	–	(3,100,978)
Depreciation and amortization[1]	(286,432)	(118,479)	(404,911)
Other operating expenses[1]	(899,047)	109,721	(789,326)
Share of profits and losses of equity-method associates and joint ventures	187,621	–	187,621
Net income from other participating interests	52,308	–	52,308
Investment and interest income	63,347	–	63,347
Investment and interest expenses[1]	(140,247)	(22,942)	(163,189)
Profit before tax	**735,951**	**308**	**736,259**
Income taxes	(207,610)	774	(206,836)
Profit after tax	**528,341**	**1,082**	**529,423**
Thereof: Attributable to non-controlling interest	125,522	(180)	125,342
Thereof: Attributable to HOCHTIEF shareholders (Group net profit)	402,819	1,262	404,081
Earnings per share (EUR)[2]	**6.27**	**0.02**	**6.29**

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

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

(EUR thousand)	9M 2018	Restatement	9M 2018 (restated)
Profit after tax	528,341	1,082	529,423
Depreciation, amortization, impairments and impairment reversals	273,504	118,480	391,984
Changes in provisions	51,535	–	51,535
Changes in deferred taxes	135,367	(774)	134,593
Gains/(losses) from disposals of non-current assets and marketable securities	(43,710)	–	(43,710)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	(63,216)	22,942	(40,274)
Disbursements for the acquisition of Abertis (for resale)	(13,208,057)	–	(13,208,057)
New borrowing for the acquisition of Abertis (for resale)	13,208,057	–	13,208,057
Net working capital change	(365,370)	(1,792)	(367,162)
Changes in other balance sheet items	2,671	–	2,671
Cash flow from operating activities[3]	**519,122**	**139,938**	**659,060**
Intangible assets, property, plant and equipment, and investment properties			
Operational purchases	(294,003)	–	(294,003)
Proceeds from asset disposals	15,209	–	15,209
Acquisitions/divestments and changes in marketable securities and financial receivables	(3,302,351)	–	(3,302,351)
Cash flow from investing activities	**(3,581,145)**	**–**	**(3,581,145)**
Payments received from sale of treasury stock	1,432	–	1,432
Payments into equity by non-controlling interests	16,156	–	16,156
Other financing activities	(95,000)	–	(95,000)
Dividends to HOCHTIEF shareholders and non-controlling interests	(276,630)	–	(276,630)
Proceeds from new borrowing			
New borrowing for the acquisition of Abertis (HOCHTIEF shareholding)	3,189,569	–	3,189,569
Other new borrowing	974,746	–	974,746
Debt repayment	(213.839)	–	(213.839)
Repayment of lease liabilities	–	(139.938)	(139.938)
Cash flow from financing activities[3]	**3,596,434**	**(139,938)**	**3,456,496**
Net change in cash and cash equivalents	**534,411**	**–**	**534,411**
Effect of exchange rate changes	2,452	–	2,452
Overall change in cash and cash equivalents	**536,863**	**–**	**536,863**
Cash and cash equivalents at the start of the year	3,094,924	–	3,094,924
Cash and cash equivalents at end of reporting period	**3,631,787**	**–**	**3,631,787**

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

Lease recognition

The Group as a lessee

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

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

Measurement and presentation of lease liability

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

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

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

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

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

Measurement and presentation of right-of-use assets

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

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

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

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

Lessor recognition

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

Accounting estimates, judgments and assumptions

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

Leasing

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

Pensions

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

(In %)	**Sep. 30, 2019**	Dec. 31, 2018
Germany	1.00	2.00
USA	2.80	4.45
UK	1.85	2.90

Currency translation

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

	Average		Daily average at reporting date	
(All rates in EUR)	**9M 2019**	9M 2018	**Sep. 30, 2019**	Dec. 31, 2018
1 U.S. dollar (USD)	0.89	0.84	0.92	0.87
1 Australian dollar (AUD)	0.62	0.63	0.62	0.62
1 British pound (GBP)	1.13	1.13	1.13	1.12
100 Polish złoty (PLN)	23.22	23.51	22.84	23.25
100 Czech koruna (CZK)	3.89	3.90	3.87	3.89
100 Chilean pesos (CLP)	0.13	0.13	0.13	0.13

Changes in the scope of consolidation

The Consolidated Financial Statements for the first three quarters of 2019 include three German and eleven foreign companies for the first time. Three German and 15 foreign companies have been removed from the scope of consolidation.

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

The Consolidated Financial Statements as of September 30, 2019 include HOCHTIEF Aktiengesellschaft as well as a total of 45 German and 375 foreign consolidated companies, 16 German and 125 foreign companies accounted for using the equity method as well as 75 foreign joint operations.

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

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

(EUR thousand)	**Sep. 30, 2019**	Dec, 31, 2018 (restated)
Cash and cash equivalents	4,030,834	3,565,888
Short-term financial assets and investments[1]	125,822	1,520
Cash and equivalent liquid assets	**4,156,656**	**3,567,408**

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

(EUR thousand)	**9M 2019**	9M 2018 (restated)
Cash flow from operating activities	470,463	659,060
Change in short-term financial assets and investments	124,121	695
Net cash from operating activities	**594,584**	**659,755**

The change in short-term financial assets and investments is not reflected in the net working capital change in the Consolidated Statement of Cash Flows on page 16.

As of September 30, 2019, EUR 255,833 thousand (December 31, 2018: EUR 357,828 thousand) of cash at bank in relation to the sale of receivables and contract milestone receipts during the reporting period is classified as restricted cash.

Trade receivables and other receivables

(EUR thousand)	**Sep. 30, 2019**	Dec, 31, 2018 (restated)
Trade receivables	3,615,315	2,672,171
Contract assets	2,422,200	2,279,693
Other receivables and other assets	898,455	545,708
Current income tax assets	32,254	23,444
	6,968,224	**5,521,016**

Part-performance already invoiced and other contract receivables are accounted for in trade receivables. Performance not yet billed is accounted for in contract assets if progress payments do not exceed cumulative performance (contract costs and contract earnings). Where the net amount after deduction of progress payments is negative, the difference is presented under contract liabilities. This netted presentation is carried out on a project basis for both periods, September 30, 2019 and December 31, 2018. In the prior year, contract assets and liabilities were netted on an aggregate basis in certain cases. The amount of this item has therefore been restated as of December 31, 2018, with no effect on profit or loss, by EUR 516,411 thousand (January 1, 2018: EUR 389,562 thousand).

Trade payables and other liabilities

(EUR thousand)	**Sep. 30, 2019**	Dec, 31, 2018 (restated)
Trade payables	6,694,444	6,191,473
Contract liabilities	1,668,215	1,454,302
Other liabilities	443,068	399,071
Current income tax liabilities	13,327	12,955
	8,819,054	**8,057,801**

Reporting on financial instruments

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

Level 1: Quoted prices in active markets for identical assets or liabilities as input parameter; e.g. quoted securities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); e.g. interest rate swaps and forward exchange contracts.
Level 3: No relevant observable inputs available, hence unobservable inputs are determined as an exit price from the perspective of a market participant that holds the asset or owes the liability; e.g. investments measured at fair value determined by business valuation.

	Sep. 30, 2019				Dec. 31, 2018			
(EUR thousand)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	–	13,913	69,374	83,287	–	8,497	64,984	73,481
Other receivables and other assets								
Non-current	–	2,283	48,531	50,814	–	3,193	46,890	50,083
Current	232	7,653	–	7,885	–	9,602	–	9,602
Marketable securities	418,884	37,991	–	456,875	410,435	35,039	–	445,474
Total assets	**419,116**	**61,840**	**117,905**	**598,861**	**410,435**	**56,331**	**111,874**	**578,640**
Liabilities								
Other liabilities								
Non-current	–	7,743	–	7,743	–	–	–	–
Current	183	9,015	–	9,198	–	747	–	747
Total liabilities	**183**	**16,758**	**–**	**16,941**	**–**	**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 3,901,132 thousand (December 31, 2018: EUR 2,669,461 thousand) and a fair value of EUR 3,961,633 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 three quarters of 2019.

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

Level 3 reconciliation 9M 2019:

(EUR thousand)	
Balance as of Jan. 1, 2019	111,874
Currency adjustments	2,012
Gains/(losses) recognized in profit or loss	4,019
Other changes	–
Balance as of Sep. 30, 2019	**117,905**

Level 3 reconciliation FY 2018:

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

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

Treasury stock

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

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

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

Dividend

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

Promissory loan note issue and corporate bond issue

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

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

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

HOCHTIEF Aktiengesellschaft completed two further corporate bond issues in September 2019. The capital market transaction was divided into one bond issue with an issue size of EUR 500 million, an annual coupon of 0.5%, and a maturity of eight years to September 3, 2027. The second bond issue with an issue size of EUR 250 million features an annual coupon of 1.25% and a maturity of 12 years to September 3, 2031. S&P has awarded the bonds with a solid BBB investment-grade rating. The issuance proceeds will be used for the refinancing of the bond due in March 2020 and for general corporate purposes.

Trade finance arrangements

The Group enters into various factoring arrangements with banks and financial institutions to sell its receivables. Factoring is an operational working capital management tool allowing us to match revenues with costs cash-wise widely used in the construction industry. The factoring of these receivables is done on a non-recourse basis for which the Group may incur a fee in certain instances. The amounts are derecognized where the risks and rewards of the receivables have been transferred. The factoring volume for the HOCHTIEF Group as a whole was EUR 1.7 billion, consistent with December 31, 2018.

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

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees; they have increased since December 31, 2018 by EUR 64,096 thousand to EUR 433,881 thousand.

Segment reporting

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

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

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

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

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

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

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

Sales 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 and Trinac at HOCHTIEF Europe. Sales from non-core businesses are allocated to the category "Other."

The sales at HOCHTIEF Americas in the amount of EUR 11,063,541 thousand are recognized mainly in the category "Construction management and services." Sales at HOCHTIEF Asia Pacific (EUR 6,676,038 thousand) are mainly generated in the activities "Construction/PPP" and "Construction management and services." At HOCHTIEF Europe, external sales in the amount of EUR 900,004 thousand are mainly recognized in the "Construction/PPP" category. Other sales recognized in Corporate amount to EUR 112,249 thousand.

Sales not related to contracts with clients amount to EUR 136,481 thousand.

Almost all sales are recognized over time.

Reconciliation of profit before tax to EBITDA

(EUR thousand)	**9M 2019**	9M 2018 (restated)	**Q3 2019**	Q3 2018 (restated)
Profit before tax	**780,940**	**736,259**	**291,440**	**289,868**
+ Investment and interest expenses	182,158	163,189	63,243	57,308
- Investment and interest income	(69,353)	(63,347)	(30,840)	(28,587)
- Net income from other participating interests (excluding gains/losses from disposals of participating interests)	(24,894)	(21,888)	(8,315)	(8,233)
+ Adjustment for non-operating net expenses	9,869	28,744	2,186	9,270
EBIT	**878,720**	**842,957**	**317,714**	**319,626**
+ Depreciation and amortization	516,832	404,911	168,881	150,672
EBITDA	**1,395,552**	**1,247,868**	**486,595**	**470,298**

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

Basic and diluted earnings per share

	9M 2019	9M 2018 (restated)	Q3 2019	Q3 2018 (restated)
Consolidated net profit (EUR thousand)	**456,274**	**404,081**	**177,564**	**174,428**
Number of shares in circulation (weighted average) in thousands	70,618	64,263	70,624	64,265
Earnings per share (EUR)	**6.46**	**6.29**	**2.51**	**2.71**

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

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

Related party disclosures

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

In the first three quarters 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.

Publication Details and Credits

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CIMIC/Schwerdtfeger (p. 3)

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

This interim report is a translation of the original German version, which remains definitive. It is also available from the HOCHTIEF website.

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