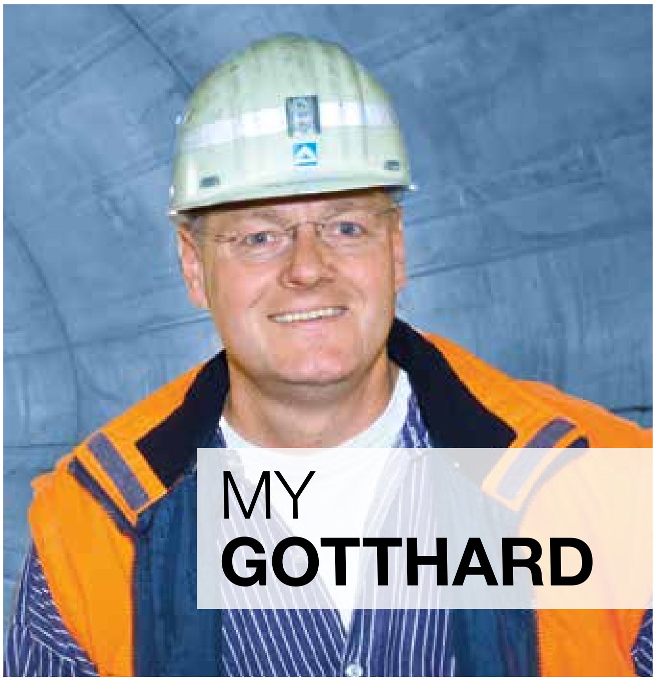
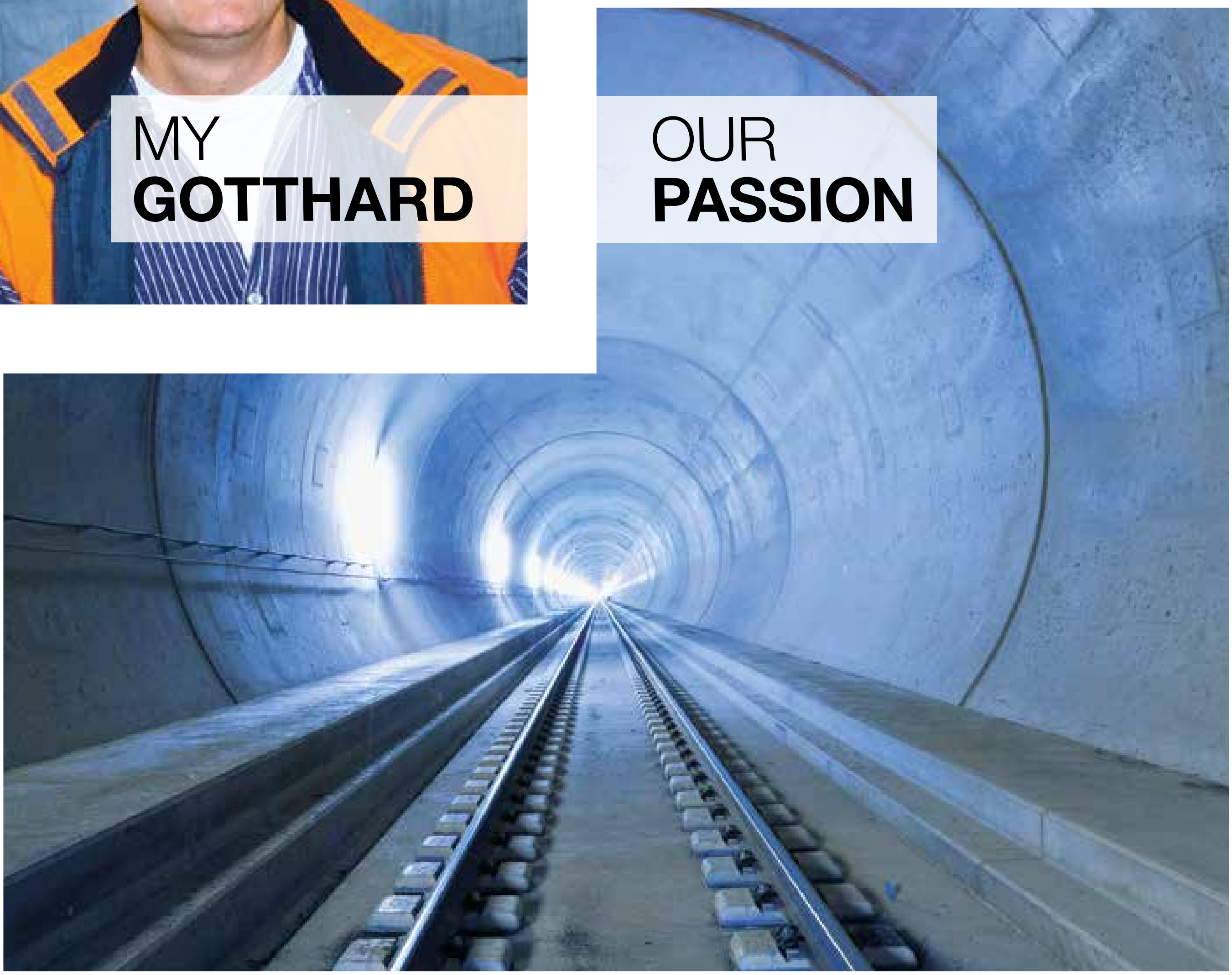
Half-Year Report
January to June 2016





Financial Highlights

- Operational net profit of EUR 160 million +25% year on year
- Net cash flow from operating activities EUR 312 million in Q2, EUR 974 million last 12 months
- Net cash stands at EUR 113 million, up an underlying EUR 675 million year on year
- New orders EUR 13.2 billion, +12% year on year
- Order backlog EUR 38.8 billion, +6% year to date
- Improving revenue trend, Q2 2016 sales +12% vs Q1 2016
- Financial year 2016 operational net profit guidance of EUR 300-360 million confirmed (+15-35% year on year)

We are building the world of tomorrow. HOCHTIEF

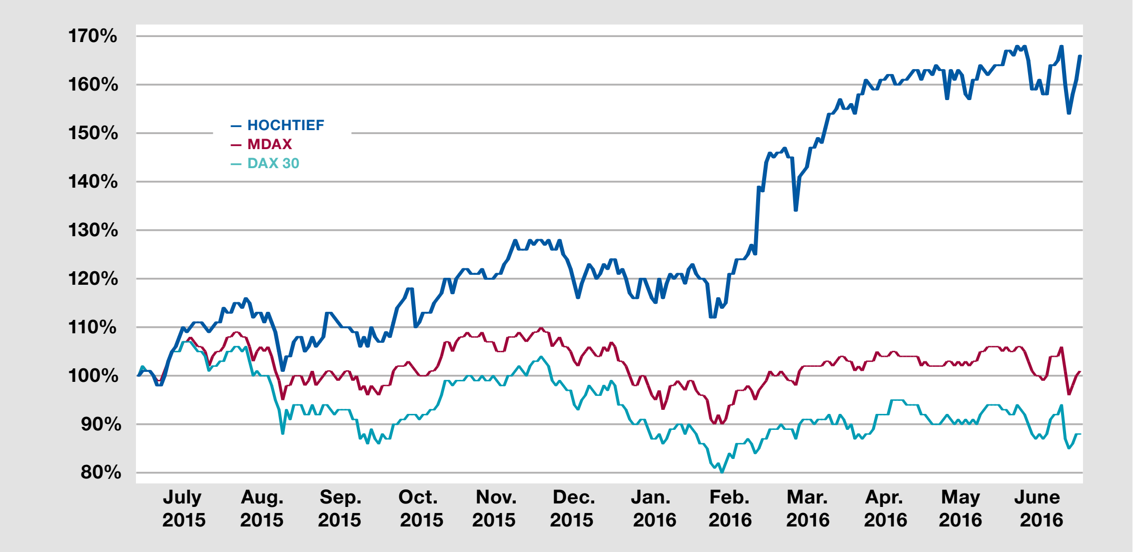
*All figures are nominal unless otherwise indicated

1) Operational earnings are adjusted for deconsolidation effects and other one-off impacts

The HOCHTIEF Group: Key Figures*

(EUR million)	**H1 2016**	H1 2015	**Change**	**Q2 2016**	Q2 2015	Full year 2015
Sales	**9,365.9**	10,784.2	**-13.2 %**	**4,951.4**	**5,725.3**	21,096.6
Operational profit before tax/PBT[1]	**327.8**	314.4	**4.3 %**	**168.8**	**163.2**	600.1
Operational PBT margin[1] (%)	**3.5**	2.9	**0.6**	**3.4**	**2.9**	2.8
Operational net profit[1]	**160.1**	128.6	**24.5 %**	**88.4**	**68.5**	264.7
Operational earnings per share (EUR)[1]	**2.49**	1.89	**31.7 %**	**1.38**	**1.01**	3.95
EBITDA	**548.0**	609.0	**-10.0 %**	**307.1**	**323.5**	1,142.5
EBITDA margin (%)	**5.9**	5.6	**0.3**	**6.2**	**5.7**	5.4
Profit before tax/PBT	**300.0**	284.9	**5.3 %**	**151.7**	**142.9**	523.4
Net profit	**140.3**	107.7	**30.3 %**	**76.9**	**55.8**	208.3
Earnings per share (EUR)	**2.18**	1.59	**37.1 %**	**1.20**	**0.82**	3.11
Net cash from operating activities	**(57.0)**	104.4	**–**	**312.4**	**595.0**	1,135.2
Gross operating capital expenditure	**95.9**	155.4	**-38.3 %**	**51.0**	**90.4**	285.4
Free cash flow from operations	**(123.4)**	(9.0)	**–**	**276.4**	**539.5**	984.8
Net cash (+)/net debt (-)	**113.2**	133.3	**-15.1 %**	**113.2**	**133.3**	805.4
New orders	**13,244.7**	11,852.2	**11.7 %**	**6,915.0**	**7,028.0**	22,263.4
Order backlog (yoy)	**38,813.4**	37,716.1	**2.9 %**	**38,813.4**	**37,716.1**	36,717.0
Order backlog (ytd)			**5.7 %**			
Employees (end of period)	**44,849**	49,154	**-8.8 %**	**44,849**	49,154	44,264

HOCHTIEF stock

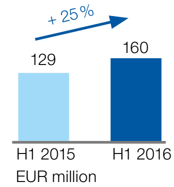


Dear shareholders and friends,

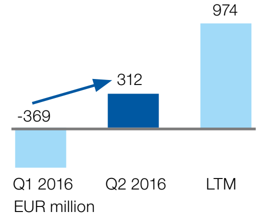
Marcelino Fernández Verdes, Chairman of the Executive Board

H1 2016 Financial Highlights:

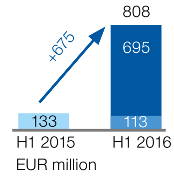
Operational net profit of EUR 160 m +25% yoy; Q2 EUR 88 m, +29% yoy
- Nominal net profit EUR 140 m up 30% yoy
- Operational PBT margin at 3.5%, +60 bps yoy; all divisions show an increase
- Lower operating costs, reduced financial costs and improved project performance



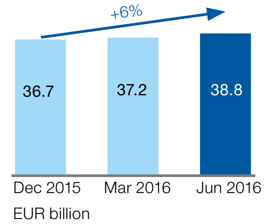
Net cash from op. activities EUR 312 m in Q2, EUR 974 m LTM
- Consistently converting profit into cash; LTM EBITDA cash conversion 90%
- Further improvement of capex management: net capex reduced by EUR 47 m yoy



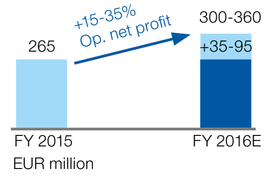
Net cash stands at EUR 113 m, up an underlying EUR 675 m yoy
- Improvement of EUR 88 m qoq
- Net cash per H1 2016 stands at EUR 808 m, if adjusted by non-underlying effects LTM



New orders EUR 13.2 bn +12% yoy; order backlog EUR 38.8 bn, +6% YTD
- New orders up by 12% to EUR 13.2 bn
- Revenue trend reversing; Q2 2016 up 12% vs Q1



FY 2016 op. net profit guidance of EUR 300-360 m confirmed (+15-35% yoy)
- Strong tender pipeline in our markets
- Financial strength provides flexibility to pursue new opportunities by expanding within existing but also complementary markets



LTM = last twelve months
bps = basis points
yoy = year on year
qoq = quarter on quarter
ytd = year to date

HOCHTIEF's progress continued during the first six months of 2016 with a further significant improvement in profits and margins backed by a solid balance sheet performance.

Our company has sustained its profile of strong profit growth. An operational net profit of EUR 160 million was achieved representing a 25% increase year on year. Nominal net profit rose by 30% to EUR 140 million. Margins increased as a result of the Group's focus on tight cost control, financial cost reduction and improved project bidding and management. At the PBT level the Group margin rose by 60 basis points year on year to 3.5%. This was achieved in spite of an expected lower level of sales which mainly reflects the gap between the completion of several LNG contracts and the ramp-up of new infrastructure projects booked in our order backlog. The revenue trend is now reversing with Q2 sales showing a 12% increase on Q1 and HOCHTIEF expects the positive momentum to continue during the second half of 2016 and beyond.

As I have previously highlighted, a key element of the Group's strategy is the focus on converting profits into cash. The seasonal cash outflow normally experienced in the construction business during the first half of the year was minimized at EUR 57 million at the net cash flow from operating activities level. Furthermore, a EUR 312 million inflow was delivered during the second quarter of 2016. The comparable figure for Q2 2015 was boosted by property sales and the initial benefits of the working capital management strategy at CIMIC. If we consider the last twelve months, which allows us to eliminate the seasonality characteristic of the sector, HOCHTIEF has generated EUR 974 million of net cash flow from operating activities and EUR 870 million of free cash flow from operations. Net capital expenditure was reduced by EUR 47 million to EUR 66 million in H1 2016.

The consequence of the Group's cash-focused efforts is a strong balance sheet. At the end of June we had a net cash position of EUR 113 million. If we adjust for the share buy-backs, dividends, and acquisitions carried out during the last twelve months, the net cash position would stand at EUR 808 million, an underlying increase year on year of EUR 675 million.

The steady increase of the Group order book continued during the second quarter reaching EUR 38.8 billion at the end of June 2016, a 6% increase year to date. New orders also showed a very positive trend with a year on year increase of 12% to EUR 13.2 billion.

At HOCHTIEF, we attach great importance to continuous innovation and improvement. That also includes regularly reviewing and enhancing our performance in terms of sustainability. This year, for the first time, we presented our Group-wide HOCHTIEF Energy Award for in-house projects and ideas that save energy and cut emissions. A sustainable, integrated approach to contracting delivers important efficiency gains—potential that we aim to fully explore. As the most recent recognition of our corporate social responsibility performance, we were once again listed in the FTSE4Good sustainability index. Our commitment to sustainability matches with our Group strategy of enhancing earnings quality while boosting efficiency and long-term profitability.

New orders across all HOCHTIEF divisions showed once again that HOCHTIEF is a sought-after partner in every segment of infrastructure construction.

In the HOCHTIEF Americas division, both Turner and Flatiron secured attractive contract awards. Turner was awarded a large-scale contract in Los Angeles, where it is to build a new 70,000-seat sports stadium for the Los Angeles Rams, including a performance venue, hotel, offices, residential units and retail space. The work is scheduled for completion by 2019. Among other projects, the company is to design and build the Center for Cyber Security Studies at the United States Naval Academy, Annapolis, Maryland. In Texas, our infrastructure company Flatiron will replace the Harbor Bridge in Corpus Christi as part of a consortium. It also won its bid for a ramp expansion project at Charlotte Douglas International Airport in North Carolina.

In the HOCHTIEF Asia Pacific division, CIMIC company CPB Contractors has been selected to design and construct Stage 2 of the Gold Coast light rail project in Queensland. In Mumbai, CIMIC company Leighton India Contractors is to deliver phases 2 and 3 of the prime-location mixed real estate development “Maker Maxity“ by mid-2019. New orders secured by Leighton Asia included a contract in Hong Kong, where it is to build an eight-story columbarium and an extensive garden of remembrance by 2019.

In the HOCHTIEF Europe division, HOCHTIEF won, among others, a substantial contract to construct the Mercedes Platz in Berlin, a new quarter for sports, culture, shops and hotels. HOCHTIEF (UK) Construction was awarded a range of rail infrastructure contracts in the United Kingdom, including extensions to 43 rail platforms between Paddington, Newbury and Oxford, as well as modernization of Tottenham Hale station.

Group Outlook

HOCHTIEF has been transformed into a Group with a strengthened balance sheet, a reorganized and focused business structure and a culture which concentrates on cash-backed profitability, risk management and a sustained financial performance. As a result, we are very well positioned to benefit from the strong tender pipelines present in all our key markets and with the financial strength to pursue new opportunities by expanding within both existing and complementary markets.

We confirm the 2016 profit guidance for our Group to achieve operational net profit in the range of EUR 300-360 million. This represents an annual growth of approximately 15-35%, with all our divisions achieving improved results.

Yours,

Marcelino Fernández Verdes,
Chairman of the Executive Board

Interim Management Report
Financial review

Overview

HOCHTIEF put in a solid business performance in the first half of 2016 with higher profits and margins. In addition, cash flows and the net cash position improved during the second quarter of 2016 compared to the preceding quarter. On this strong financial basis, we continue working on the implementation of our strategic objectives. Our activities in this connection are focused on growth opportunities in our core businesses of infrastructure construction, contract mining, public-private partnerships, and engineering.

Earnings

Before tendering new contracts, we subject them to intensive risk assessment and focus on adequate cash profitability. New orders were EUR 13.2 billion in the first half of 2016, 12% more than the prior-year comparative figure. Sales came to EUR 9.4 billion, a decrease of 11% at constant exchange rates and 13% on a nominal basis. The sales trend reversed during the second quarter with revenues up 12% versus Q1 2016 and we expect the positive momentum to continue during the second half of 2016.

Sales

(EUR million)	**H1 2016**	H1 2015	Change
HOCHTIEF Americas	5,362.3	4,912.8	9.1%
HOCHTIEF Asia Pacific	3,247.5	4,989.9	-34.9%*
HOCHTIEF Europe	703.6	806.6	-12.8%
Corporate	52.5	74.9	-29.9%
Group	**9,365.9**	**10,784.2**	**-13.2%**

***CIMIC sales down 31% yoy**

HOCHTIEF Americas continued the positive trend from the first three months with a further boost in sales during the second quarter. Total sales for the first half of 2016 amounted to EUR 5.4 billion, 9% up on the prior-year period. Sales were higher both in building construction and in the U.S. civil business.

HOCHTIEF Asia Pacific, the consolidation perimeter of which includes the CIMIC stake and related financing and holding companies, saw a decline in sales in the first half of 2016 but with an increase in Q2 versus Q1. The realignment of the operating model and focus on the core activities of construction, infrastructure, contract mining, and PPPs has been an important element of the transformation at CIMIC. Additionally, significantly improved control processes regulating bidding for new contracts have been adopted. Although CIMIC's sales fell by 31% year on year in AUD terms to AUD 4.9 billion (EUR 3.2 billion), mainly a function of the completion of voluminous LNG contracts and the ramp-up of new infrastructure projects booked in our order backlog. The second quarter of the year saw an increase of nearly 6% in revenues compared with Q1. The divisional sales figures vary slightly compared with the CIMIC data due to the additional impact of the Australian dollar exchange rate.

The beginning of the year saw HOCHTIEF Europe reorganize its structure in line with market needs, bringing the transportation, energy infrastructure, and building construction businesses under the umbrella of HOCHTIEF Infrastructure. We thus now have a more efficient lineup in our European business and, in combination with our core PPP and engineering activities, are able to offer a capability range that better matches the needs of our customers. In total, HOCHTIEF Europe generated a solid EUR 704 million in sales during the reporting period.

Some EUR 8.9 billion or 95% of HOCHTIEF Group sales in the first half of 2016 were generated in markets outside Germany.

HOCHTIEF carried forward the earnings performance from the successful start to the year with a positive and stable trend for the first half of 2016. Operational **profit before tax (PBT)** adjusted for divestments and other one-off items improved relative to the prior-year period by 4% to EUR 328 million. Nominal PBT, at EUR 300 million, showed a 5% increase.

Profit before tax (PBT)

(EUR million)	**H1 2016**	H1 2015	Change
HOCHTIEF Americas	107.4	85.2	26.1%
HOCHTIEF Asia Pacific	198.1	218.3	-9.3%
HOCHTIEF Europe	10.1	(2.6)	–
Corporate	(15.6)	(16.0)	2.5%
Group nominal PBT	**300.0**	**284.9**	**5.3%**
Group operational PBT	**327.8**	**314.4**	**4.3%**

The HOCHTIEF Americas division generated nominal PBT of EUR 107 million in the first half of 2016, marking growth of 26% compared with the prior-year period. The good earnings performance from the first three months accelerated in the second quarter. Our operational units are well positioned and benefit from the ongoing growth of the American construction market. Turner—one of the leading players in the U.S. commercial building construction market—reported strong PBT in the first half of 2016 and an improvement on the prior-year period. Increased market interest in sustainable infrastructure projects along with progress made in project management had a substantial positive effect at Flatiron.

The good level of orders and work done at CIMIC show that the realignment has met with a positive response from the market and our customers continue to rely on the company's expertise for the delivery of their projects. Despite the expected decrease in sales but thanks to better margins, PBT at CIMIC for the first half of 2016, at AUD 351 million, was only slightly down on the prior-year figure. At the divisional level, HOCHTIEF Asia Pacific generated nominal PBT of EUR 198 million. The decline of 9% is slightly larger than the 4% reported by CIMIC due to the 5% weakening of the Australian dollar versus the euro year on year.

Nominal PBT at HOCHTIEF Europe improved relative to the comparable prior-year figure by EUR 13 million to EUR 10 million, compared to a EUR 3 million loss in last year's first half.

Net income from equity-method associates, joint ventures and other participating interests came to EUR 102 million in the first half of 2016, 17% above the equivalent prior-year figure. The increase mainly relates to improvements at HOCHTIEF Asia Pacific due to higher income from associates and joint ventures.

The debt repayment completed in the prior year and the resulting reduction in interest expense had a marked positive impact on **net investment and interest income and expenses**. In total, this showed an improvement of EUR 55 million in the first six months of 2016 compared with the prior-year period.

Income tax expense was at a similar, absolute level with the same period a year earlier with the effective tax rate falling from 39.4% to 37%.

HOCHTIEF achieved a 25% increase in operational **consolidated net profit** to EUR 160 million. Nominal consolidated net profit likewise rose substantially, improving relative to the prior-year period by 30% to EUR 140 million. All operating divisions contributed to this growth. Non-controlling interests (minorities) went down by EUR 16 million to EUR 49 million.

Consolidated net profit

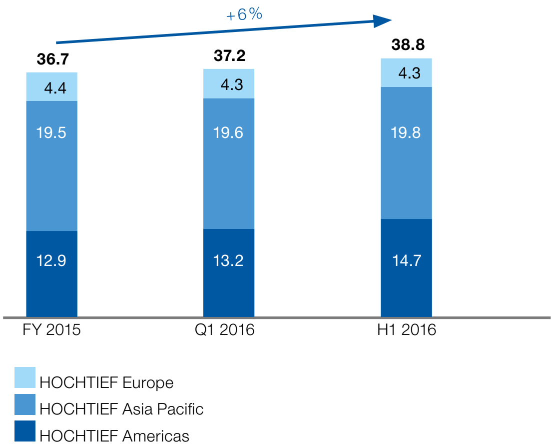
(EUR million)	**H1 2016**	H1 2015	Change
HOCHTIEF Americas	63.7	47.5	34.1%
HOCHTIEF Asia Pacific	91.6	89.6	2.2%
HOCHTIEF Europe	4.8	(11.4)	–
Corporate	(19.8)	(18.0)	-10.0%
Group nominal net profit	**140.3**	**107.7**	**30.3%**
Group operational net profit	**160.1**	**128.6**	**24.5%**

Order situation

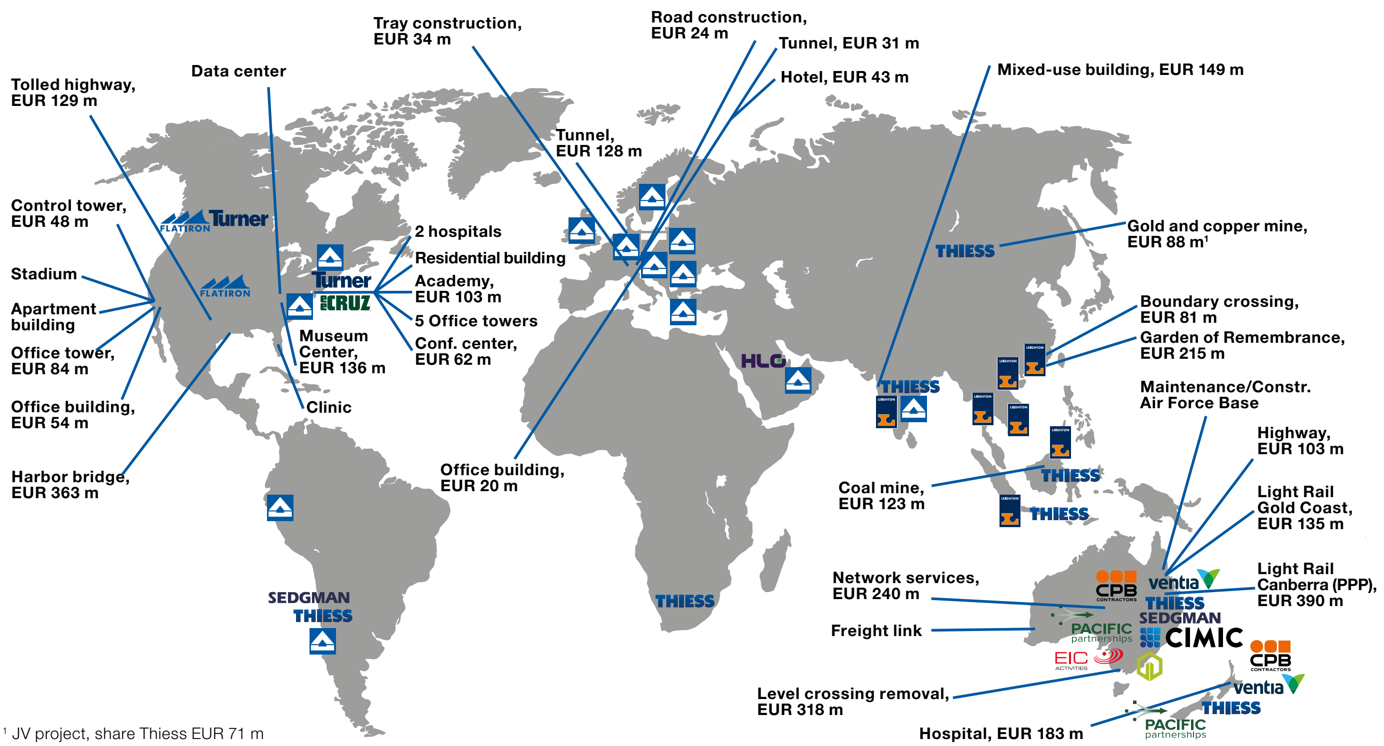
New orders for the first half of the year 2016 increased strongly by 12% over the prior-year level to EUR 13.2 billion. HOCHTIEF Americas increased by 34% year on year, driven mainly by Turner. New orders at HOCHTIEF Asia Pacific of EUR 4.7 billion increased by 5%. Adjusted by exchange rate effects, CIMIC's new work won remains on a similar level compared to last year. HOCHTIEF Europe new orders were largely stable if adjusted by the large Saudi Arabian Airport project win in H1 2015.

The **order backlog** as of the end of June 2016 at EUR 38.8 billion continues to increase, +6% year to date and +3% year on year. The strong tender pipeline in all divisions, as a result of public infrastructure investment, gives a positive outlook for the remainder of the year 2016 and beyond.

Order backlog (EUR billion)



HOCHTIEF Group – Firm Order Book: Major Project Announcements year to date



[1] JV project, share Thiess EUR 71 m

Cash flow

HOCHTIEF generated a strong positive **net cash flow from operating activities** in the last twelve months. With a strong balance sheet and sustained solid cash flows, we have laid the basis for profit and cash generation in the future.

Net cash flow from operating activities normalized at minus EUR 57 million in the first half of 2016 (H1 2015: EUR 104 million). The high level of cash flow in H1 2015 mainly reflected property sales and the initial substantial benefits of the new working capital strategy at CIMIC. For the period April to June 2016, net cash flow from operating activities was well into positive figures at EUR 312 million. On a last twelve months (LTM) basis, HOCHTIEF generated a strong cash inflow with cash from operating activities totaling EUR 974 million.

Cash flow components

(EUR million)	**H1 2016**	H1 2015	Change	**LTM* 07/2015–06/2016**	Full year 2015
Net cash from operating activities pre net working capital change	331.7	361.7	(30.0)	746.5	776.5
Net working capital change	(388.7)	(257.3)	(131.4)	227.3	358.7
Net cash from operating activities	**(57.0)**	**104.4**	**(161.4)**	**973.8**	**1,135.2**
– Gross operating capital expenditure	(95.9)	(155.4)	59.5	(225.9)	(285.4)
– Operating asset disposals	29.5	42.0	(12.5)	122.5	135.0
Net operating capital expenditure	(66.4)	(113.4)	47.0	(103.4)	(150.4)
Free cash flow from operations	**(123.4)**	**(9.0)**	**(114.4)**	**870.4**	**984.8**

***last twelve months**

Gross operating capital expenditure to purchase and maintain plant and equipment amounted to EUR 96 million. We thus reduced capital expenditure—which mostly relates to CIMIC's mining activities—by EUR 59 million compared with the prior-year period. Potential for savings was tapped into by efficient resource deployment and further improvements in procurement management. Proceeds from **operating asset disposals** came to EUR 30 million (H1 2015: EUR 42 million). In total, the HOCHTIEF Group incurred **net operating capital expenditure** of EUR 66 million in the first half of 2016—EUR 47 million less than the same period a year earlier.

Free cash flow from operations was minus EUR 123 million in the first half of 2016, below the equivalent prior-year figure (minus EUR 9 million). While the first-quarter saw a cash outflow due to seasonal factors, the second quarter was substantially positive at EUR 276 million. Our free cash flow performance was also strong on an LTM basis. Over the period July 1, 2015 to June 30, 2016, we generated free cash flow from operations of EUR 870 million.

Balance sheet

The main balance sheet changes in the first half of 2016 resulted from the stock buyback programs, dividend distributions, the 100% takeover of Australian mining service provider Sedgman Limited, and the seasonal increase in working capital. As of June 30, 2016 relative to the 2015 year-end, **total assets** showed a net decrease of EUR 423 million to EUR 12.8 billion.

Non-current assets, at EUR 4.0 billion, changed little compared with the end of 2015. In property, plant and equipment, additions, depreciation, and exchange rate adjustments almost balanced each other. With a decrease of just EUR 28 million, this item remained on a par with December 31, 2015 (EUR 1.1 billion). The majority of property, plant and equipment is accounted for by CIMIC. The HOCHTIEF Group's equity-method investments and other financial assets stood at EUR 1.0 billion as of June 30, 2016—a decrease of EUR 91 million relative to the 2015 year-end. This mainly related to the 100% takeover of the ownership interests in Sedgman which was previously accounted for at equity.

Current assets totaled EUR 8.9 billion as of June 30, 2016, down EUR 287 million on the comparative figure as of the end of 2015. This notably related to a reduction in cash and cash equivalents by EUR 405 million and a decrease in marketable securities by EUR 219 million. The cash was primarily used for the stock buyback programs, dividend payments, the takeover of Sedgman Limited, and the increase in the ownership interest in Devine Limited. Alongside these acquisitions, we also pressed ahead with organic growth in our operating business. Trade receivables are slightly lower year on year (H1 2015: EUR 5.0 billion) and went up by EUR 388 million since December 2015 to EUR 4.9 billion.

HOCHTIEF's consolidated balance sheet as of June 30, 2016 shows **shareholders' equity** of EUR 2.6 billion (December 31, 2015: EUR 3.1 billion). Significant changes in shareholders' equity consisted of decreases due to the stock buyback at HOCHTIEF Aktiengesellschaft and CIMIC (EUR 256 million), dividend payments (EUR 181 million), exchange rate effects (EUR 95 million), and remeasurement of pension plans (EUR 80 million), partly offset by the increase due to profit after tax (EUR 189 million).

Non-current liabilities went down through the first half of 2016 by EUR 316 million to EUR 2.9 billion. Most of the total relates to bond and loan liabilities at HOCHTIEF Aktiengesellschaft and CIMIC. Non-current financial liabilities decreased by EUR 426 million to EUR 1.9 billion. This primarily reflected the reclassification from non-current to current liabilities of a HOCHTIEF Aktiengesellschaft bond falling due within one year as of March 23, 2017. In the opposite direction, a reduction in the discount factor used to measure the pension obligations brought about a EUR 118 million increase in pension provisions to EUR 472 million.

Current liabilities went up by EUR 396 million, from EUR 6.9 billion as of December 31, 2015 to EUR 7.3 billion. This mainly related to the reclassification from non-current liabilities of a bond payable at HOCHTIEF Aktiengesellschaft. In total, current financial liabilities increased therefore by EUR 525 million to EUR 834 million. Trade payables resulting from the operating business came to EUR 5.4 billion, on a level with the 2015 year-end. Reversals of tax provisions and personnel provisions caused current provisions to decrease by EUR 101 million to EUR 717 million.

The HOCHTIEF Group had a **net cash position** of EUR 113 million as of June 30, 2016 (March 31, 2016: EUR 25 million).

Net cash would stand at EUR 808 million, an improvement of EUR 675 million year on year, adjusted for the effects of the share buyback programs, dividend distributions and increases in ownership interests. The EUR 386 million of net cash at HOCHTIEF Asia Pacific includes the net cash position of CIMIC (AUD 535 million = EUR 358 million).

Risk and opportunities report

There has been no material change in the situation of the Group from that presented in our 2015 Group Report with regard to opportunities and risks*. The statements regarding the opportunities and risks made in the Group Report as of December 31, 2015 therefore continue to apply.

***Our risk report is provided starting on page 133 of our 2015 Group Report and on our website, www.hochtief.com.**

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

For 2016, HOCHTIEF confirms the guidance of operational Group net profit in the range of EUR 300-360 million, representing an increase of 15%-35% on the 2015 prior year.

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

(EUR million)	**Jun. 30, 2016**	Jun. 30, 2015	**Change**	Dec. 31, 2015
HOCHTIEF Americas	603.6	337.4	266.2	572.5
HOCHTIEF Asia Pacific	385.9	304.8	81.1	732.0
HOCHTIEF Europe	(264.0)	(221.1)	(42.9)	(99.1)
Corporate	(612.3)	(287.8)	(324.5)	(400.0)
HOCHTIEF Group	**113.2**	**133.3**	**(20.1)**	**805.4**

Divisions

HOCHTIEF Americas

HOCHTIEF Americas: Key Figures*

(EUR million)	**H1 2016**	H1 2015	**Change**	Full year 2015
Operational profit before tax/PBT[1]	**113.4**	85.2	**33.1%**	160.2
Operational PBT margin[1] (%)	**2.1**	1.7	**0.4**	1.5
Operational net profit[1]	**67.5**	47.5	**42.1%**	104.4
Profit before tax/PBT	**107.4**	85.2	**26.1%**	154.9
Net profit	**63.7**	47.5	**34.1%**	101.2
Net cash from operating activities	**92.1**	(78.4)	**–**	324.1
Gross operating capital expenditure	**14.2**	15.3	**-7.2%**	35.9
Net cash (+)/net debt (-)	**603.6**	337.4	**78.9%**	572.5
Divisional sales	**5,362.3**	4,912.8	**9.1%**	10,354.4
New orders	**7,628.7**	5,695.4	**33.9%**	10,829.3
Work done	**5,487.1**	5,116.3	**7.2%**	10,874.9
Order backlog (end of period)	**14,710.3**	13,118.8	**12.1%**	12,859.5
Employees (end of period)	**10,045**	10,343	**-2.9%**	9,280

1) Operational earnings are adjusted for deconsolidation effects and other one-off impacts
***All figures are nominal unless otherwise indicated**

HOCHTIEF Americas recorded another positive performance during the first half of 2016. **Operational PBT** was 33% higher at EUR 113 million, driven by improved earnings at both Turner's building construction activity and Flatiron's civil work business. The **PBT margin** climbed by 40 basis points from 1.7% in H1 2015 to 2.1% in H1 2016. **Operational net profit** improved by 42% to EUR 68 million.

Increased profits and margins at Americas were accompanied by a strong turnaround in **cash flow**. From an outflow in H1 2015 of EUR 78 million, the first half of 2016 saw the division achieve an inflow of **net cash flow from operating activities** of EUR 92 million. As a consequence the division's **net cash position** improved further to end the period at EUR 604 million, an increase year on year of EUR 266 million.

New **orders** were again strong at HOCHTIEF Americas reaching EUR 7.6 billion, over one-third higher than in the first half of 2015. The **order book** also performed well reaching a new record level of EUR 14.7 billion up by 14% since December 2015.

In the HOCHTIEF Americas division, Flatiron secured an array of new infrastructure projects. Among other contracts, the HOCHTIEF company specialized in civil engineering was awarded the Concourse A ramp expansion at Charlotte Douglas International Airport in North Carolina.

Turner has been awarded a major contract in Los Angeles: In a joint venture, Turner is to build a new football stadium for the Los Angeles Rams by 2019. The 70,000-seat stadium will be used to stage other national and international events as well. Hotel rooms, residential units, commercial space, and public areas are also part of this project. Turner was additionally awarded a design and build contract for the Center for Cyber Security Studies at the United States Naval Academy, Annapolis, Maryland. Likewise in Maryland, Turner has been put in charge of refurbishing and extending a fine arts center, including classrooms, labs, offices, and a performing arts hall. In Greenpoint, New York City, Turner is building the 37 Blue Slip residential tower with 364 apartments spread over 30 stories. Furthermore, Turner was selected to build the Conrad Washington, D.C., a five-star hotel that will have 370 guest rooms and retail space located within Washington's mixed use CityCenterDC development.

HOCHTIEF Americas Outlook

The division confirms operational PBT guidance for 2016 of approximately EUR 180-210 million (versus EUR 160 million in 2015).

HOCHTIEF Asia Pacific

The **HOCHTIEF Asia Pacific** division comprises HOCHTIEF's CIMIC stake (71.48% at the end of June 2016) as well as associated financing and holding costs. The movement in financial results at HOCHTIEF Asia Pacific is mainly a function of those reported by CIMIC but also reflects the associated financing and holding costs at the division as well as the impact of the 5% decline year on year in the Australian dollar versus the euro. **Nominal net profit** of EUR 92 million was up 2% year on year with the **PBT margin** up 170 basis points at 6.1%.

HOCHTIEF Asia Pacific Division: Nominal Figures*

(EUR million)	**H1 2016**	H1 2015	**Change**	Full year 2015
Profit before tax/PBT	**198.1**	218.3	**-9.3%**	424.4
PBT margin (%)	**6.1**	4.4	**1.7**	4.7
Net profit	**91.6**	89.6	**2.2%**	173.2
Net cash (+)/net debt (-)*	**385.9**	304.8	**26.6%**	732.0
Divisional sales	**3,247.5**	4,989.9	**-34.9%**	8,946.1
Order backlog (end of period)	**19,797.3**	20,216.3	**-2.1%**	19,470.0

***All figures are nominal unless otherwise indicated**

CIMIC achieved a solid performance during the first six months of 2016 reflecting the further benefits of the group transformation and reversing the revenue trend during the second quarter. CIMIC expects further revenue growth in coming quarters.

Net profit after tax (NPAT) rose 3% year on year to AUD 265 million with additional growth in **earnings per share** (5%) due to the benefits of the company's share buyback during the first half of the year. Cost base control, reduced financial costs and improved project delivery resulted in the NPAT margin increasing by a substantial 180 basis points to 5.4%. **Revenue** in Q2 2016 rose by 6% compared with the first quarter.

Net cash (excluding operating leases) at the end of June was up by AUD 180 million year on year at AUD 535 million. Adjusting for the impact of the CIMIC share buyback and the acquisition of Sedgman and Devine, net cash would have been AUD 878 million. Cash flow from operating activities of AUD 335 million was generated during Q2 and stands at nearly AUD 1.2 billion in the 12 months ending June 2016; this represents a high cash conversion rate of nearly 100% of EBITDA.

Work in hand continued to steadily improve and stands at AUD 29.6 billion at the end of June 2016, an increase of 6% year to date with new orders steady year on year at AUD 6.8 billion. Looking forward CIMIC is tendering some AUD 25 billion of work which is expected to be awarded during the second half of the year.

CPB Contractors has been selected to design and construct Stage 2 of the Gold Coast light rail project in Queensland.

A new project in Mumbai, India, is Maker Maxity. Leighton India Contractors is to deliver phases 2 and 3 of the prime-location, mixed real estate development by mid-2019. The work includes the development of retail and hospitality units. In Hong Kong, Leighton Asia is to build an eight-story columbarium and a 4,800-square-meter "garden of remembrance".

HOCHTIEF Asia Pacific Outlook

CIMIC confirmed its guidance for 2016 of net profit (NPAT[1]) in the range of AUD 520-580 million, subject to market conditions (versus AUD 520 million in 2015).

[1] NPAT = Net profit after tax and minorities

HOCHTIEF Europe

HOCHTIEF Europe: Key Figures*

(EUR million)	**H1 2016**	H1 2015	**Verän-derung**	01–12 2015
Operational profit before tax/PBT[1]	**16.6**	10.1	**64.4%**	15.7
Operational PBT margin[1] (%)	**2.4**	1.3	**1.1**	0.9
Operational net profit[1]	**11.3**	1.3	**–**	8.9
Profit before tax/PBT	**10.1**	(2.6)	**–**	(27.5)
Net profit	**4.8**	(11.4)	**–**	(29.9)
Net cash from operating activities	**(158.9)**	(132.7)	**-19.7%**	(64.2)
Gross operating capital expenditure	**16.0**	29.3	**-45.4%**	58.7
Net cash (+)/net debt (-)	**(264.0)**	(221.1)	**-19.4%**	(99.1)
Divisional sales	**703.6**	806.6	**-12.8%**	1,660.2
New orders	**877.6**	1,601.8	**-45.2%**	2,677.0
Work done	**899.0**	998.5	**-10.0%**	2,066.4
Order backlog (end of period)	**4,308.3**	4,382.7	**-1.7%**	4,390.4
Employees (end of period)	**6,845**	6,221	**10.0%**	6,849

***All figures are nominal unless otherwise indicated**
1) Operational earnings are adjusted for deconsolidation effects and other one-off impacts

Progress at the HOCHTIEF Europe division continues in a positive manner with a EUR 7 million year-on-year increase in **operational PBT** to EUR 17 million. **Margins** increased by 110 basis points to 2.4%, helped in particular by an improving performance at the construction business which since the beginning of the year encompasses both the Infrastructure and Building activities. The PPP business, where HOCHTIEF is strongly positioned for future growth opportunities, also made an important contribution to the division.

Adjusting for a lower contribution from the non-core Real Estate business, **net cash flow from operating activities** showed an underlying improvement in H1 2016 compared with H1 2015.

The **order backlog** remains solid at EUR 4.3 billion, in line with the level reported at the start of 2016. Adjusting for a large project win in Saudi Arabia in Q1 2015, new **orders** were largely at a similar level to H1 2015.

HOCHTIEF won a substantial contract to construct the Mercedes Platz in Berlin, a new quarter for sports, culture, shops and hotels. In Leipzig, the Bernstein Carré development featuring restaurants, office space, and residential apartments is set for completion by summer 2017. The Guter Freund residential development in Aachen with 240 apartments, two underground parking garages, and a child daycare center is to be completed by March 2017.

HOCHTIEF (UK) Construction secured several rail infrastructure contracts in the United Kingdom, including one for rail station extensions in the Thames Valley between Paddington and Oxford. A total of 43 station platforms are to be extended to accommodate modern trains. The contract is slated for completion by June 2017. The company is also to modernize Tottenham Hale station in London by April 2018. HOCHTIEF's expertise in building information modeling (BIM) was among the factors instrumental in the company's winning this contract.

HOCHTIEF Polska is extending an electric motor assembly plant in Kraków, adding a building with production and warehousing space along with communal facilities. Completion is scheduled for December 2016. In Warsaw, the company is to build a residential complex with more than 1,500 apartments and an office building. The latter targets BREEAM Very Good sustainable building certification.

HOCHTIEF Europe Outlook

The division confirms its guidance to further improve operational PBT in 2016 to approximately EUR 20-35 million (versus EUR 16 million in 2015).

Interim Financial Statements (Condensed)

Consolidated Statement of Earnings

(EUR thousand)	**H1 2016**	H1 2015	**Change**	**Q2 2016**	Q2 2015	Full year 2015
Sales	9,365,862	10,784,215	-13.2%	4,951,429	5,725,287	21,096,618
Changes in inventories	(36,158)	(5,483)	559.5%	(36,616)	(8,632)	18,468
Other operating income	107,909	81,780	32.0%	23,503	41,864	217,498
Materials	(6,983,898)	(7,786,131)	-10.3%	(3,711,812)	(4,210,246)	(15,484,266)
Personnel costs	(1,545,085)	(1,979,332)	-21.9%	(781,316)	(976,569)	(3,655,734)
Depreciation and amortization	(132,906)	(198,693)	-33.1%	(65,519)	(90,936)	(413,831)
Other operating expenses	(515,739)	(581,378)	-11.3%	(248,691)	(317,236)	(1,203,403)
Profit from operating activities	**259,985**	**314,978**	**-17.5%**	**130,978**	**163,532**	**575,350**
Share of profits and losses of equity-method assoiates and joint ventures	78,384	32,536	140.9%	36,350	19,610	79,035
Net income from other participating interests	23,622	54,532	-56.7%	12,221	32,754	76,676
Investment and interest income	44,115	59,192	-25.5%	24,965	25,724	92,840
Investment and interest expenses	(106,144)	(176,332)	-39.8%	(52,766)	(98,686)	(300,497)
Profit before tax	**299,962**	**284,906**	**5.3%**	**151,748**	**142,934**	**523,404**
Income taxes	(110,995)	(112,211)	-1.1%	(48,814)	(54,167)	(190,210)
Profit after tax	**188,967**	**172,695**	**9.4%**	**102,934**	**88,767**	**333,194**
Thereof: Attributable to non-controlling interest	48,693	65,040	-25.1%	26,005	32,932	124,907
Thereof: Attributable to HOCHTIEF shareholders (Group net profit)	**140,274**	**107,655**	**30.3%**	**76,929**	**55,835**	**208,287**
Earnings per share (EUR)	**2.18**	**1.59**	**37.1%**	**1.20**	**0.82**	**3.11**

Consolidated Balance Sheet

(EUR thousand)	**June 30, 2016**	Dec. 31, 2015
Assets		
Non-current assets		
Intangible assets	903,230	883,184
Property, plant and equipment	1,087,854	1,115,512
Investment properties	13,302	14,096
Equity-method investments	887,750	979,720
Other financial assets	124,977	123,853
Financial receivables	678,016	679,461
Other receivables and other assets	140,023	147,013
Non-current income tax assets	20,333	16,907
Deferred tax assets	138,835	170,582
	3,994,320	**4,130,328**
Current assets		
Inventories	697,147	767,760
Financial receivables	106,972	66,083
Trade receivables	4,925,171	4,536,997
Other receivables and other assets	191,853	172,996
Current income tax assets	20,199	51,933
Marketable securities	357,888	576,898
Cash and cash equivalents	2,403,971	2,808,707
Assets held for sale	149,830	158,281
	8,853,031	**9,139,655**
	12,847,351	**13,269,983**

(EUR thousand)	**June 30, 2016**	Dec. 31, 2015
Liabilities and Shareholders' Equity		
Shareholders' equity		
Attributable to HOCHTIEF shareholders	1,790,928	2,143,901
Attributable to non-controlling interest	852,886	1,002,847
	2,643,814	**3,146,748**
Non-current liabilities		
Provisions for pensions and similar obligations	471,639	353,448
Other provisions	434,659	449,937
Financial liabilities	1,929,589	2,355,089
Other liabilities	66,454	68,040
Deferred tax liabilities	38,280	29,719
	2,940,621	**3,256,233**
Current liabilities		
Other provisions	717,036	817,735
Financial liabilities	834,257	309,439
Trade payables	5,394,357	5,419,879
Other liabilities	301,763	277,010
Current income tax liabilities	4,748	10,257
Liabilities associated with assets held for sale	10,755	32,682
	7,262,916	**6,867,002**
	12,847,351	**13,269,983**

Consolidated Statement of Cash Flows

(EUR thousand)	**H1 2016**	H1 2015
Profit after tax	188,967	172,695
Depreciation, amortization, impairments and impairment reversals	131,192	198,758
Changes in provisions	(78,420)	(9,373)
Changes in deferred taxes	76,491	20,547
Gains/(losses) from disposals of non-current assets and marketable securities	3,872	(23,733)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	10,711	(7,212)
Net working capital change	(388,714)	(257,326)
Changes in other balance sheet items	(1,094)	10,076
Net cash from operating activities	**(56,995)**	**104,432**
Intangible assets, property, plant and equipment, and investment properties		
Purchases	(95,929)	(155,374)
Proceeds from asset disposals	29,516	41,980
Acquisitions and participating interests		
Purchases	(33,507)	(51,737)
Proceeds from asset disposals/divestments	212	1,178,184
Income tax payments in connection with divestments	(21,169)	(183,440)
Changes in cash and cash equivalents due to consolidation changes	60,693	–
Changes in securities holdings and financial receivables	184,156	117,997
Cash flow from investing activities	**123,972**	**947,610**
Payments for repurchase of treasury stock	(79,656)	(49,733)
Payments received from sale of treasury stock	1,284	902
Payments for repurchase of treasury stock at CIMIC	(175,910)	–
Payments for the purchase of additional shares in subsidiaries	(85,799)	–
Payments into equity by non-controlling interest	–	1,899
Other financing activities	(6,218)	(3,208)
Dividends to HOCHTIEF shareholders and non-controlling interests	(188,848)	(179,719)
Proceeds from new borrowing	313,136	618,071
Debt repayment	(206,060)	(1,449,669)
Cash flow from financing activities	**(428,071)**	**(1,061,457)**
Net cash decrease in cash and cash equivalents	**(361,094)**	**(9,415)**
Effect of exchange rate changes	(43,642)	116,444
Overall change in cash and cash equivalents	**(404,736)**	**107,029**
Cash and cash equivalents at the start of the year	2,808,707	2,585,359
Cash and cash equivalents at end of reporting period	**2,403,971**	**2,692,388**

Consolidated Statement of Changes in Equity

(EUR thousand)	Subscribed capital of HOCHTIEF Aktien-gesellschaft	Capital reserve of HOCHTIEF Aktien-gesellschaft	Revenue reserves* including un-appropriated net income	Accumulated other comprehensive income			Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
				Remeasure-ment of defined benefit plans	Currency translation differences	Changes in fair value of financial instruments			
Balance as of Jan. 1, 2015	**177,432**	**804,018**	**1,315,083**	**(308,590)**	**194,506**	**(4,123)**	**2,178,326**	**933,052**	**3,111,378**
Dividends	–	–	(128,926)	–	–	–	(128,926)	(50,793)	(179,719)
Profit after tax	–	–	107,655	–	–	–	107,655	65,040	172,695
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	141,936	26,557	168,493	42,966	211,459
Changes from remeasurement of defined benefit plans	–	–	–	18,411	–	–	18,411	–	18,411
Total comprehensive income	–	–	107,655	18,411	141,936	26,557	294,559	108,006	402,565
Other changes not recognized in the Statement of Earnings	–	145	(48,855)	–	–	–	(48,710)	1,553	(47,157)
Balance as of June 30, 2015	**177,432**	**804,163**	**1,244,957**	**(290,179)**	**336,442**	**22,434**	**2,295,249**	**991,818**	**3,287,067**
Balance as of Jan. 1, 2016	**177,432**	**804,163**	**1,144,034**	**(287,527)**	**286,791**	**19,008**	**2,143,901**	**1,002,847**	**3,146,748**
Dividends	–	–	(128,473)	–	–	–	(128,473)	(52,031)	(180,504)
Profit after tax	–	–	140,274	–	–	–	140,274	48,693	188,967
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	(73,050)	(18,208)	(91,258)	(29,079)	(120,337)
Changes from remeasurement of defined benefit plans	–	–	–	(79,707)	–	–	(79,707)	–	(79,707)
Total comprehensive income	–	–	140,274	(79,707)	(73,050)	(18,208)	(30,691)	19,614	(11,077)
Other changes not recognized in the Statement of Earnings**	–	440	(194,249)	–	–	–	(193,809)	(117,544)	(311,353)
Balance as of June 30, 2016	**177,432**	**804,603**	**961,586**	**(367,234)**	**213,741**	**800**	**1,790,928**	**852,886**	**2,643,814**

*** Treasury stock was purchased in the amount of EUR 79,656 thousand in the first half of 2016. As of June 30, 2016, treasury stock of HOCHTIEF Aktiengesellschaft with a purchase cost of EUR 371,725 thousand (Jan. 1, 2016: EUR 292,913 thousand) was accounted for in total as a deduction from revenue reserves.**

**** Other changes not recognized in the Statement of Earnings include minus EUR 175,910 thousand for the purchase of treasury stock by CIMIC Holdings.**

Consolidated Statement of Comprehensive Income

(EUR thousand)	**H1 2016**	H1 2015	**Change**	Full year 2015
Profit after tax	**188,967**	**172,695**	**16,272**	**333,194**
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(95,421)	184,627	(280,048)	148,334
Changes in fair value of financial instruments				
Primary	(9,584)	17,030	(26,614)	22,581
Derivative	568	1,756	(1,188)	1,543
Share of profits and losses of equity-method associates and joint ventures recognized directly in equity	(15,900)	8,046	(23,946)	1,004
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	(79,707)	18,411	(98,118)	21,063
Other comprehensive income (after tax)	**(200,044)**	**229,870**	**(429,914)**	**194,525**
Total comprehensive income after tax	**(11,077)**	**402,565**	**(413,642)**	**527,719**
Thereof: Attributable to non-controlling interest	19,614	108,006	(88,392)	182,953
Thereof: Attributable to HOCHTIEF shareholders	(30,691)	294,559	(325,250)	344,766

Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of June 30, 2016, which were released for publication on July 27, 2016, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The Interim Financial Statements and the Interim Management Report have been neither audited nor reviewed. In accordance with IAS 34, the reported information is presented in condensed form relative to the full Consolidated Financial Statements.

This interim report is based on the Consolidated Financial Statements as of and for the year ending December 31, 2015.

Due to the decrease in capital market interest rates, HOCHTIEF lowered the discount rate used to value pension obligations in Germany to 1.50% as of June 30, 2016 (December 31, 2015: 2.50%).

In all other respects, this report has been prepared using the same accounting policies as the 2015 Consolidated Financial Statements. Information on those accounting policies is given in the Group Report 2015.

Currency translation

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

	Average		**Daily average at reporting date**	
(All rates in EUR)	**H1 2016**	H1 2015	**June 30, 2016**	Dec. 31, 2015
1 U.S. dollar (USD)	0.90	0.90	0.90	0.92
1 Australian dollar (AUD)	0.66	0.70	0.67	0.67
1 British pound (GBP)	1.27	1.37	1.21	1.36
100 Polish złoty (PLN)	22.84	24.22	22.54	23.45
100 Qatari riyal (QAR)	24.68	24.74	24.70	25.22
100 Czech koruna (CZK)	3.70	3.64	3.69	3.70
100 Chilean pesos (CLP)	0.13	0.15	0.14	0.13

Consolidation changes

The Consolidated Financial Statements for the first half of 2016 include 31 foreign companies for the first time. Four domestic and 22 foreign companies have been removed from the consolidated group.

The number of companies accounted for using the equity method showed no net change both domestically and internationally for the first half of 2016.

The Consolidated Financial Statements as of June 30, 2016 include HOCHTIEF Aktiengesellschaft as well as a total of 54 domestic and 406 foreign consolidated companies, 16 domestic and 166 foreign companies accounted for using the equity method, and 59 foreign joint operations.

As an independently listed group, HOCHTIEF Aktiengesellschaft publishes its own consolidated financial statements, which are also included in the consolidated financial statements of ACS Actividades de Construcción y Servicios, S.A., Madrid, Spain.

Acquisition of Sedgman Limited

On January 13, 2016, the CIMIC Group, through its subsidiary CIMIC Group Investments Pty Limited, announced its intention to make a takeover offer to aquire the 63.01% ownership interest not already held in the publicly listed Sedgman Limited, New South Wales, Australia ("Sedgman"). CIMIC increased its ownership and thereby gained controll over Sedgman on February 23, 2016. The acquisition of the remaining ownership interest was completed on April 13, 2016, thus bringing CIMIC's stake up to 100%.

The fair values of the assets and liabilities identified as of the acquisition date are as follows:

(EUR million)	Fair value on acquisition
Intangible assets	2.1
Property, plant and equipment	10.9
Equity-method investments and other financial assets	4.4
Current and deferred tax	2.8
Trade receivables and other receivables	48.8
Cash and cash equivalents	60.7
Other current assets	2.6
Total assets	**132.3**
Trade payables and other liabilities	57.3
Provisions	15.7
Financial liabilities	2.9
Total liabilities	**75.9**
Net assets	**56.4**

The purchase consideration paid for Sedgman totals EUR 103.7 million and comprises an amount of EUR 3.8 million on change of control date and the fair values of the previously held ownership interest (EUR 69.2 million) and non-controlling interest in net assets (EUR 30.7 million) as of the acquisition date. The total purchase consideration of EUR 103.7 million exceeds the net assets (EUR 56.4 million) by EUR 47.3 million. The excess is allocated between goodwill (EUR 40.7 million) and customer contracts (EUR 6.6 million).

The acquisition as a whole generated a total gain on acquisition before tax of EUR 30.8 million resulting in a gain on remeasurement of its previously held equity interest in Sedgman (EUR 16.8 million) and recycling of the associates reserve (EUR 14.0 million). From the acquisition date to the end of the period ended June 30, 2016, Sedgman contributed EUR 103.9 million in revenue and EUR 2.6 million in profit.

Non-current assets held for sale (disposal group)

An agreement to sell mining assets of PT Thiess Contractors Indonesia (HOCHTIEF Asia Pacific division) was signed in January 2016. In view of the intention to sell, the assets and associated liabilities are presented separately in accordance with IFRS 5 as assets held for sale.

The table below shows the major classes of assets and liabilities held for sale. No amount has been additionally recognized in other comprehensive income.

(EUR thousand)	**June 30, 2016**	Dec. 31, 2015
Property, plant and equipment	127,351	130,488
Inventories	22,479	27,793
Total assets	**149,830**	**158,281**
Non-current liabilities	–	–
Current liabilities	10,755	32,682
Total liabilities	**10,755**	**32,682**

Treasury stock

As of June 30, 2016, HOCHTIEF Aktiengesellschaft held a total of 5,061,576 shares of treasury stock. The holdings of treasury stock represent EUR 12,957,635 (7.303%) of the Company's capital stock. They 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).

In May 2016, 11,492 shares of treasury stock were transferred to members of the Executive Board of the Company and a former member of the Executive Board of HOCHTIEF Solutions AG at a price of EUR 111.75 per share on condition that the shares be held for at least two years after transfer. The transfer settled the transferees' variable compensation entitlements. These shares represent EUR 29,420 (0.017%) of the Company's capital stock.

Dividend

A resolution was adopted at the Annual General Meeting of HOCHTIEF Aktiengesellschaft on May 11, 2016 to pay a dividend for 2015 of EUR 2.00 per eligible no-par-value share. This resulted in a dividend amount of EUR 128,472,732.00 paid in May 2016.

Restrictions and contingent liabilities

Cash and cash equivalents subject to restrictions have increased relative to December 31, 2015 by EUR 8,901 thousand to EUR 119,864 thousand. The contingent liabilities relate to liabilities under guarantees; they have decreased since December 31, 2015 by EUR 1,091 thousand to EUR 6,680 thousand.

Reporting on financial instruments

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

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.

	June 30, 2016			Dec. 31, 2015		
(EUR thousand)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Other financial assets	1,145	31,249	84,425	1,044	31,248	83,331
Other receivables and other assets						
Non-current	–	11,667	–	–	11,831	–
Current	–	2,712	–	–	1,374	–
Marketable securities	306,802	51,086	–	482,035	94,863	–
Liabilities						
Other liabilities						
Non-current	–	49	–	–	1,364	–
Current	–	2,397	–	–	2,362	–

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

As in the comparative period, there were no transfers of financial instruments measured at fair value between Levels 1 and 2 of the fair value hierarchy during the first half of 2016; likewise, there were no transfers into or out of Level 3.

Reconciliation of opening to closing balances for Level 3 measurements of other financial assets:

(EUR thousand)

Balance as of Jan. 1, 2016	83,331
Currency adjustments	(163)
Gains/(losses) recognized in profit or loss	1,678
Other changes	(421)
Balance as of June 30, 2016	**84,425**

(EUR thousand)

Balance as of Jan. 1, 2015	74,690
Currency adjustments	(376)
Gains/(losses) recognized in profit or loss	3,147
Other changes	5,870
Balance as of Dec. 31, 2015	**83,331**

In line with the comparative year, the gains recognized in profit or loss were accounted for in net income from other participating interests; the other changes were accounted for in other comprehensive income.

Segment reporting

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

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

Related party disclosures

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

All transactions with related parties were conducted on an arm's length basis, with the exception of an interest-free loan for EUR 105,534 thousand (December 31, 2015: EUR 105,958 thousand) to an associate at HOCHTIEF Asia Pacific.

No other material transactions were entered into during the first half of 2016 between HOCHTIEF Aktiengesellschaft or any HOCHTIEF Group company and any related party or parties with a material impact on the results of operations or financial condition of the Company or the Group.

Undiluted and diluted earnings per share

	H1 2016	H1 2015	**Q2 2016**	Q2 2015
Consolidated net profit (EUR thousand)	**140,274**	**107,655**	**76,929**	**55,835**
Number of shares in circulation (weighted average)	64,339,263	67,910,664	64,244,027	67,793,461
Earnings per share (EUR)	**2.18**	**1.59**	**1.20**	**0.82**

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

Responsibility Statement

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

Essen, July 27, 2016

The Executive Board

Marcelino Fernández Verdes

Peter Sassenfeld

José Ignacio Legorburo Escobar

Nikolaus Graf von Matuschka

Publication Details and Credits

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

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

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

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

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This document contains forward-looking statements. These statements reflect the current views, expectations and assumptions of the Executive Board of HOCHTIEF Aktiengesellschaft concerning future events and developments relating to HOCHTIEF Aktiengesellschaft and/or the HOCHTIEF Group and are based on information currently available to the Executive Board of HOCHTIEF Aktiengesellschaft. Such statements involve risks and uncertainties and do not guarantee future results (such as profit before tax or consolidated net profit) or developments (such as with regard to possible future divestments, general business activities or business strategy). Actual results (such as profit before tax or consolidated net profit), dividends and other developments (such as with regard to possible future divestments, general business activities or business strategy) relating to HOCHTIEF Aktiengesellschaft and the HOCHTIEF Group may therefore differ materially from the expectations and assumptions described or implied in such statements due to, among other things, changes in the general economic, sectoral and competitive environment, capital market developments, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, the conduct of other shareholders, and other factors. Any information provided on dividends is additionally subject to the recognition of a corresponding unappropriated net profit in the published separate financial statements of HOCHTIEF Aktiengesellschaft for the fiscal year concerned and the adoption by the competent decision-making bodies of HOCHTIEF Aktiengesellschaft of appropriate resolutions taking into account the prevailing situation of the Company. Aside from statutory publication obligations, HOCHTIEF Aktiengesellschaft does not assume any obligations to update any forward-looking statements.

About the cover photo:

Moving mountains to finish the Gotthard Base Tunnel
World record! June 1, 2016 marked the opening of the Gotthard Base Tunnel. At 57 kilometers, it is the longest railway tunnel in the world and, with some parts 2,000 meters under mountain rock, also the deepest. Its north portal in Erstfeld in the Swiss canton of Uri connects to the south portal located at Bodio in Ticino. Including the connecting, ventilation, and escape galleries, the project comprises a total of over 150 kilometers of passages. It significantly shortens the trip between Zurich and Lugano.

HOCHTIEF played a major role in this megaproject. After HOCHTIEF and its joint venture partners won the contract for two construction lots in 2001, our tunneling experts spent a total of ten years working inside the mountain. First, a tunnel labyrinth for emergency points and ventilation systems was blasted at Faido in Ticino. At the end of 2002, two 450-meter tunnel boring machines started out northward from Bodio using a shield-driving method. They reached the multifunction station in Faido in 2006 and then resumed their journey toward Sedrun the following year, driving a total of 60 kilometers. Blasting was also required in places. Each day, the rock transported out of the mountain in the HOCHTIEF section filled more than 30 work trains measuring 120 meters. A grand total of 28.2 million tons of material was excavated over the entire construction period, some of which was built back into the mountain in the form of concrete or used for landscaping and man-made islands.

The difficult geological conditions posed unique challenges for the team of 900 tunnel builders—as did the temperature that reached up to 46°C inside the mountain and had to be cooled down to 28°C during tunneling.

Working hand in hand, the team has achieved a masterstroke of engineering. HOCHTIEF applauds their extraordinary accomplishment.