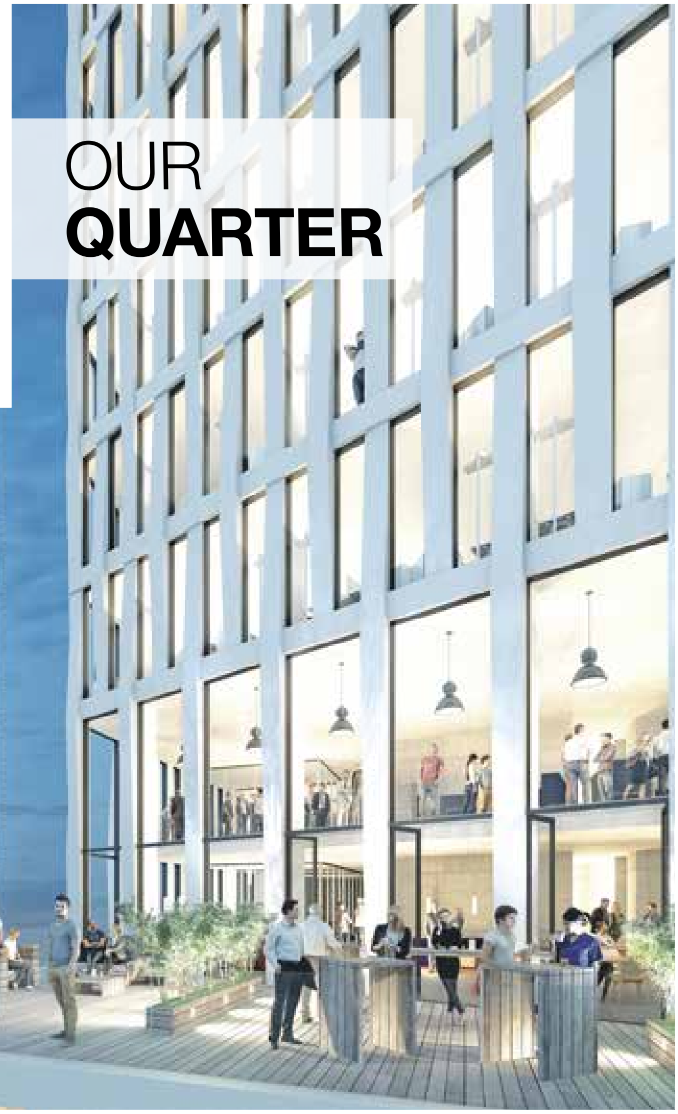
Interim Report
January to September 2018



Financial Highlights

- Nominal net profit +33% yoy to EUR 403 million, operational +15% yoy to EUR 369 million
- Net cash from op. activities +12% yoy to EUR 519 million
- Group net cash of EUR 1.3 billion, EUR +782 million yoy after EUR 259 million dividend payments in Q3 2018
- Order backlog of EUR 45.3 billion, +8% yoy f/x-adjusted (+6% nominal)
- Guidance confirmed: op. net profit FY 2018 of EUR 470–520 million (+4–15% yoy)
- Abertis transaction closed: HOCHTIEF dividend payout ratio to increase from 50% to 65% of nominal net profit

We are building the world of tomorrow.

HOCHTIEF

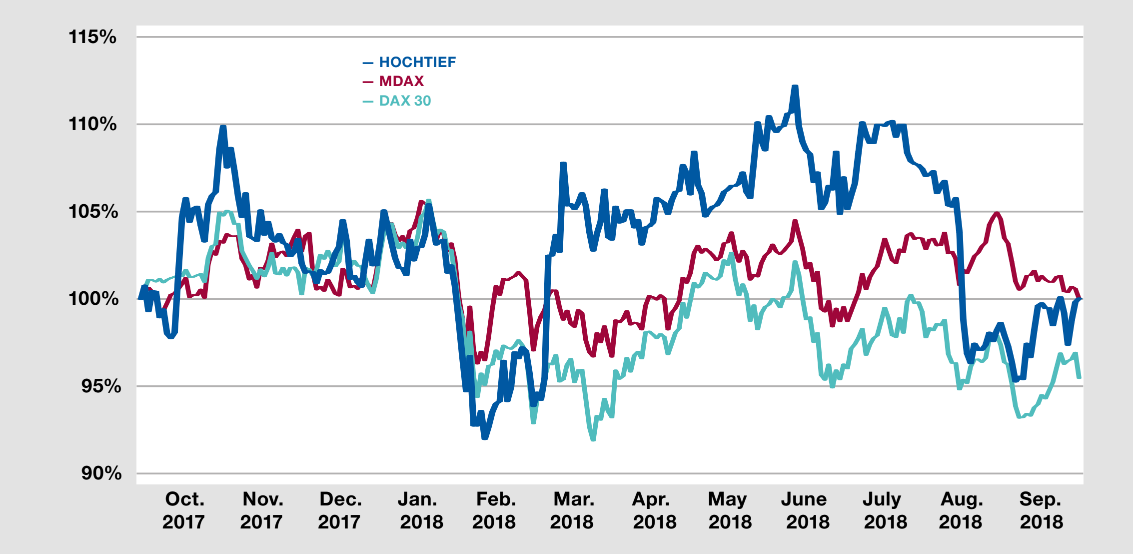
***All figures are nominal unless otherwise indicated**
1) Operational earnings are adjusted for one-off items, figures are not f/x-adjusted

The HOCHTIEF Group: Key Figures*

(EUR million)	**9M 2018**	9M 2017	**Change**	**Q3 2018**	Q3 2017	**Change**	Full year 2017
Sales	**17,402.1**	16,533.8	**5.3%**	**6,199.1**	5,516.1	**12.4%**	22,631.0
Operational profit before tax/PBT[1)]	**703.1**	628.8	**11.8%**	**249.2**	229.9	**8.4%**	865.8
Operational PBT margin[1)] (%)	**4.0**	3.8	**0.2**	**4.0**	4.2	**-0.2**	3.8
Operational net profit[1)]	**368.6**	320.4	**15.0%**	**131.4**	119.8	**9.7%**	452.3
Operational earnings per share (EUR)[1)]	**5.74**	4.99	**15.0%**	**2.04**	1.86	**9.7%**	7.04
EBITDA	**1,040.9**	998.0	**4.3%**	**366.8**	332.9	**10.2%**	1,320.8
EBITDA margin (%)	**6.0**	6.0	**0.0**	**5.9**	6.0	**-0.1**	5.8
EBIT	**754.5**	704.4	**7.1%**	**263.0**	240.6	**9.3%**	925.1
EBIT margin (%)	**4.3**	4.3	**0.0**	**4.2**	4.4	**-0.2**	4.1
Profit before tax/PBT	**736.0**	607.5	**21.2%**	**289.8**	221.8	**30.7%**	823.6
Net profit	**402.8**	302.8	**33.0%**	**173.9**	113.7	**52.9%**	420.7
Earnings per share (EUR)	**6.27**	4.71	**33.1%**	**2.71**	1.77	**53.1%**	6.55
Net cash from operating activities	**519.1**	462.9	**12.1%**	**246.5**	232.2	**6.2%**	1,372.1
Net operating capital expenditure	**278.8**	225.8	**23.5%**	**115.3**	74.8	**54.1%**	251.8
Free cash flow from operations	**240.3**	237.1	**1.3%**	**131.2**	157.4	**-16.6%**	1,120.3
Net cash (+)/net debt (-)	**1,289.8**	507.9	**153.9%**	**1,289.8**	507.9	**153.9%**	1,265.8
New orders	**19,188.9**	21,402.8	**-10.3%**	**6,347.4**	7,662.4	**-17.2%**	30,443.5
New orders LTM	**28,229.6**	27,252.9	**3.6%**	**28,229.6**	27,252.9	**3.6%**	30,443.5
Work done	**18,648.9**	18,004.3	**3.6%**	**6,607.6**	6,030.9	**9.6%**	24,518.4
Order backlog	**45,281.1**	42,868.3	**5.6%**	**45,281.1**	42,868.3	**5.6%**	44,644.2
Employees (end of period)	**56,437**	54,629	**3.3%**	**56,437**	54,629	**3.3%**	53,890

EBIT and EBITDA restated

Relative share price performance



About the cover photo: Cornerstone laid for office and hotel high-rise "ONE"
Frankfurt's skyline is being reshaped once again as HOCHTIEF is building the shell for the 190-meter office and hotel high-rise ONE right at the interface between the city's banking district and exhibition center. Sustainability is a major priority in the construction and operation of the building, which is seeking DGNB gold certification. Plans are for the complex to be ready for occupancy in late 2021.

Dear Shareholders and friends of HOCHTIEF,

Marcelino Fernández Verdes, Chairman of the Executive Board

HOCHTIEF has achieved a solid performance during the first nine months of 2018. The Group has significantly increased profits, cash flow, margins and order backlog, ending the period with EUR 1.3 billion of net cash after EUR 259 million dividend payments in Q3 2018.

Nominal net profit rose by 33% to EUR 403 million which includes a EUR 58 million contribution from our 20% equity consolidated stake in Abertis from June to September 2018. **Operational net profit**, which excludes one-off impacts, increased by **15% year on year to EUR 369 million. All three divisions** contributed to this solid increase in operational profit.

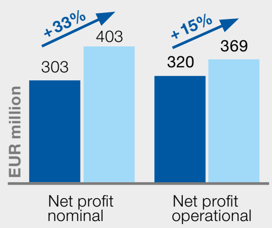
Adjusting for foreign exchange rate movements, **sales** in the January–September 2018 period **were 12% higher year on year at EUR 17.4 billion**, or up 5% in nominal terms. As a percentage of sales, the Group's **operational PBT margin was 4.0% in 9M 2018 compared with 3.8% in the prior corresponding period**.

HOCHTIEF's management teams remain focused on risk management and generating cash-backed profits. **Net cash from operating activities was 12% higher at EUR 519 million**, an increase of EUR 56 million year on year, with an improving trend in working capital. As a result of increasing mining and tunneling work, net operating capital expenditure increased by EUR 53 million to EUR 279 million. Free cash flow from operations in the last twelve months remains stable and at a high level of over EUR 1.1 billion.

HOCHTIEF Group—9M 2018 Highlights

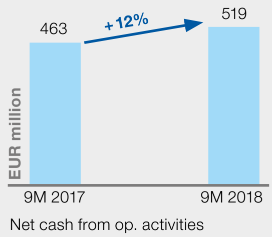
Nominal net profit +33% yoy to EUR 403 million, operational +15% yoy to EUR 369 million

- Op. PBT +12% yoy to EUR 703 million in 9M 2018—solid growth at all divisions
- Sales 9M 2018 of EUR 17.4 billion, +12% f/x-adjusted, +5% nominal
- Op. net profit and PBT exclude EUR 58 million relating to Abertis' equity consolidated earnings



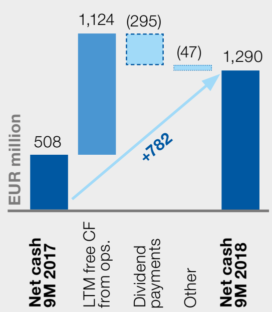
Net cash from op. activities +12% yoy to EUR 519 million

- Solid growth in cash-backed profits and improving working capital trend (LTM EUR 283 million cash-in)
- Free cash flow from ops. stable at a high level of over EUR 1.1 billion LTM



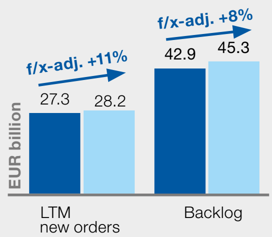
Group net cash of EUR 1.3 billion, EUR +782 million yoy after EUR 259 million dividend payments in Q3 2018

- All divisions achieved higher net cash levels qoq and yoy
- Post Abertis closing in October Group 9M 2018 net cash position would stand at EUR 0.8 billion pro-forma



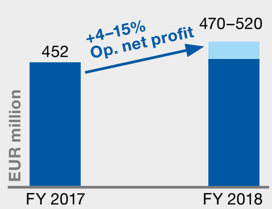
Order backlog of EUR 45.3 billion, +8% yoy f/x-adjusted (+6% nominal)

- EUR 28.2 billion in new orders LTM, +11% f/x-adjusted yoy (+4% nominal)
- Strong visibility with order backlog equivalent to 22 months of work done LTM



Guidance confirmed: op. net profit FY 2018 of EUR 470–520 million (+4–15% yoy)

- Strong tender pipeline in our core markets: USA, Canada, Asia Pacific and Europe of around EUR 500 billion for 2018 and beyond; PPP project pipeline of over EUR 210 billion
- Completion of Abertis transaction in October; EUR 1.4 billion HOCHTIEF investment (EUR 0.9 billion capital increase, EUR 0.5 billion financial resources) for 20% stake in world's leading international toll road operator
- Abertis transaction closed: HOCHTIEF dividend payout ratio from fiscal year 2018 to increase after Abertis transaction from 50% to 65% of nominal net profit



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

At the end of the third quarter, HOCHTIEF had a **net cash position of EUR 1.29 billion**, EUR 782 million higher year on year due to the strong cash flow performance of the last twelve months. Our three divisions all increased their net cash position both year on year and since June 2018. Post the closing of the Abertis transaction (in October), the pro-forma September 2018 Group net cash position would stand at over EUR 800 million. The pro-forma total **shareholders' equity** would stand at EUR 2.3 billion (reported EUR 1.4 billion).

The period-end **order book of EUR 45.3 billion** has increased by 8% year on year on an exchange rate adjusted basis. Around half of our order book is for projects located in the Asia-Pacific region, with 44% in Americas and about 8% in Europe. At EUR 28.2 billion, **new orders in the last twelve months are up by 11% year on year adjusted for forex**.

The HOCHTIEF companies in all divisions were awarded major new projects in the third quarter of 2018: Turner has been selected for the expansion of the Las Vegas Convention Center with expected completion by the end of 2020. CIMIC Group company CPB Contractors has been awarded a package of works by the Victorian Government in support of the almost EUR 6.9 billion Metro Tunnel Project in Melbourne. Global mining services provider Thiess has been awarded a contract extension to continue operations at the Encuentro open pit located in northern Chile. Pacific Partnerships and CPB Contractors, with their consortium partners, have reached contractual close to deliver a Corrections and Treatment Facility Public Private Partnership project in New Zealand. In Germany, HOCHTIEF is to build two office buildings in a new development named I/D Cologne. Additionally, HOCHTIEF is responsible for building a replacement for a bridge on the A1 freeway.

The **pipeline of relevant projects remains strong** in our key markets of North America, Asia-Pacific and Europe and currently stands at about EUR 500 billion for the remainder of 2018 and beyond. The currently identified PPP tender pipeline is very substantial at over EUR 210 billion.

The solid performance of our integrated model and strong project pipeline leave us well positioned to meet our 2018 guidance and provide a positive outlook for 2019.

In July 2018, the Group distributed to shareholders the **dividend for 2017 of EUR 3.38 per share. This represents an increase of 30% year on year** compared with 2016, reflecting the Group's strong profit and cash generation and HOCHTIEF management's focus on shareholder remuneration as a key element of our capital allocation strategy.

The Abertis transaction has been completed in October with HOCHTIEF investing EUR 1.4 billion to take a 20% stake in the world's leading international toll road operator. This 20% HOCHTIEF stake has been funded by a capital increase of around 0.9 billion and about EUR 0.5 billion of financial resources. Post the transaction completion in October, our majority shareholder, ACS, holds 50.4% of the company and Atlantia has a 23.9% stake in HOCHTIEF. Furthermore, and as a consequence of the increased earnings visibility that results from our investment in Abertis, **the dividend payout ratio from fiscal year 2018 is to increase after the Abertis transaction from 50% to 65% of nominal net profit.**

Group Outlook

HOCHTIEF confirms its guidance of an **operational net profit in 2018 in the range of EUR 470–520 million**. This represents an increase of 4–15% on 2017, with all our divisions driving this further improvement in the Group performance.

Yours,

Marcelino Fernández Verdes,
Chairman of the Executive Board

Interim Management Report
Financial review

Overview

HOCHTIEF delivered substantial sales growth and further increased its order backlog in the first nine months of 2018. Our cash-based profitability has improved significantly and is reflected in higher margins as well as earnings and cash figures. As of the end of September 2018, our net cash position stood at EUR 1.29 billion, exceeding the prior-year comparative figure by EUR 782 million.

Sales and earnings

HOCHTIEF generated **sales** of EUR 17.4 billion in the period January to September 2018. Adjusted for foreign exchange rate movements, sales were up 12% year on year. Sales growth on a Euro basis was 5%.

Sales

(EUR million)	9M 2018	9M 2017	Change	Change f/x-adj.
HOCHTIEF Americas	9,501.1	8,644.5	9.9%	16.9%
HOCHTIEF Asia Pacific	6,767.8	6,580.8	2.8%	11.4%
HOCHTIEF Europe	1,056.1	1,227.2	-13.9%	-14.3%
Corporate	77.1	81.3	-5.2%	0.9%
Group	**17,402.1**	**16,533.8**	**5.3%**	**12.3%**

The HOCHTIEF Americas division generated sales of EUR 9.5 billion in the first nine months of 2018, corresponding to a 10% increase on the same period of the prior year. Adjusted for foreign exchange rate effects, sales in the HOCHTIEF Americas division were up 17% on the prior-year figure. Our U.S. subsidiaries Turner (building construction) and Flatiron (civil engineering) are very active in their respective market segments and increased sales by double-digit growth rates. The order backlog at the end of September 2018 reached an all-time high of EUR 19.9 billion with a 30% year-on-year increase.

The HOCHTIEF Asia Pacific division delivered a good sales performance as sales generated by CIMIC in the reporting period came to AUD 10.7 billion, up 11% on the prior-year figure. On a Euro basis, sales in the HOCHTIEF Asia Pacific division amounted to EUR 6.8 billion, up 3% year on year.

The HOCHTIEF Europe division achieved sales of EUR 1.1 billion in the nine-month period January to September 2018. Sales were down year on year, mainly due to the planned lower contribution from the real estate development business and our disciplined bidding approach.

In markets outside Germany, HOCHTIEF generated sales of EUR 16.7 billion in the first three quarters of 2018. At 96%, the proportion of sales generated internationally was similar to the prior year.

In its earnings performance during 2018, HOCHTIEF has benefited from a solid increase in all operating divisions as well as the first-time equity consolidation of our 20% stake in Abertis. The EUR 736 million nominal **profit before tax (PBT)** in the reporting period January to September 2018 was up 21% on the equivalent prior-year figure. Operational profit before tax (PBT), which is adjusted for one-off items, improved by 12% to EUR 703 million.

Profit before tax (PBT)

(EUR million)	9M 2018	9M 2017	Change
HOCHTIEF Americas	222.3	188.6	17.9%
HOCHTIEF Asia Pacific	444.2	415.7	6.9%
HOCHTIEF Europe	35.2	25.9	35.9%
Corporate	34.3	(22.7)	251.1%
Group nominal PBT	**736.0**	**607.5**	**21.2%**
One-off items	**(32.9)**	**21.3**	**–**
Restructuring	16.8	6.2	171.0%
Investments/Divestments	(59.3)	3.1	–
Impairments	0.0	4.1	-100.0%
Others	9.6	7.9	21.5%
Group operational PBT	**703.1**	**628.8**	**11.8%**

The HOCHTIEF Americas division delivered a strong earnings performance in the first nine months of 2018. As a result of the strong sales growth and increasing margins at Turner and Flatiron, nominal PBT improved by 18% year on year to EUR 222 million. Adjusted for foreign exchange rates, the increase was 25%.

During the first nine months of 2018, earnings in the HOCHTIEF Asia Pacific division were driven by the strong performance of the CIMIC Group. CIMIC's nominal PBT improved compared with the prior-year period by 13% to AUD 775 million. The earnings growth in the reporting period was driven by sales growth in the operational units as well as a consistent focus on project delivery and cost control. On a Euro basis, PBT in the HOCHTIEF Asia Pacific division was EUR 444 million, up 7% on the prior-year period.

The HOCHTIEF Europe division continued the upward trend seen throughout the course of 2018. Nominal PBT for the first nine months rose to EUR 35 million in 2018, up EUR 9 million relative to the prior-year period.

HOCHTIEF's **net income from equity-method associates, joint ventures, and other participating interests** came to EUR 240 million in the first nine months of 2018. The EUR 110 million year-on-year increase related to higher earnings contributions from the participation of the 20% of Abertis held by HOCHTIEF (EUR 58 million), equity-accounted for since June 1, 2018, and higher earnings contribution from joint ventures at CIMIC and the HOCHTIEF Americas division.

The HOCHTIEF Group's **net investment and interest income** improved relative to the prior-year period by EUR 18 million to minus EUR 77 million in the period January to September 2018.

Income tax expense for the first nine months came to EUR 208 million. The effective tax rate decreased compared with the prior-year period (31%) by around three percentage points to 28%. This was mainly driven by larger contributions of earnings from equity-method investments.

Thanks to improvements in all divisions, HOCHTIEF significantly increased **consolidated net profit** in the first nine months of 2018. The Group's nominal consolidated net profit rose by 33% to EUR 403 million. Operational consolidated net profit was EUR 369 million and thus exceeded the prior-year figure by 15%. Most of the EUR 126 million non-controlling interests related to the CIMIC Group.

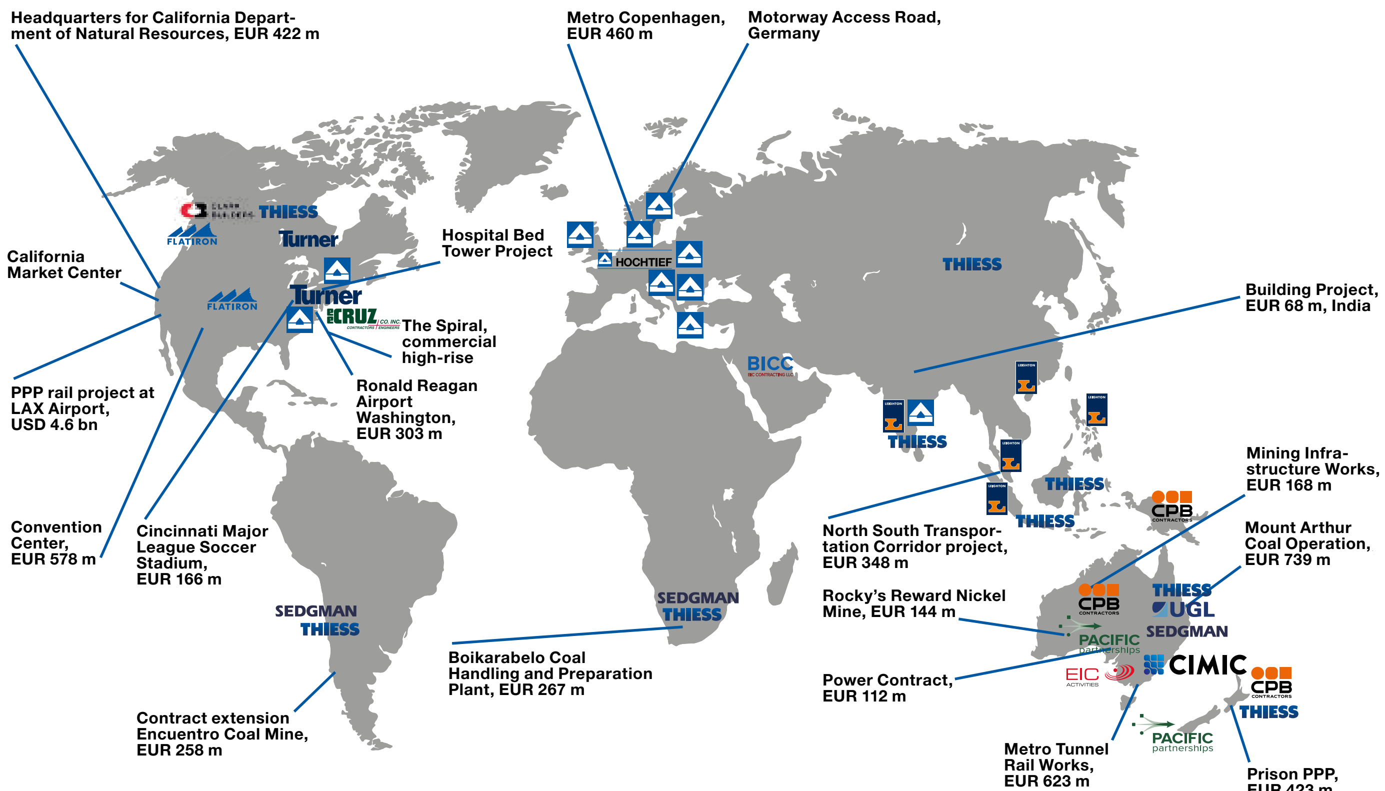
Consolidated net profit (EUR million)	**9M 2018**	9M 2017	Change
HOCHTIEF Americas	135.8	115.3	17.8%
HOCHTIEF Asia Pacific	213.4	194.5	9.7%
HOCHTIEF Europe	28.0	17.6	59.1%
Corporate	25.6	(24.6)	–
Group nominal net profit	**402.8**	**302.8**	**33.0%**
One-off items	**(34.2)**	**17.6**	**–**
Restructuring	16.0	4.4	263.6%
Investments/Divestments	(58.6)	3.2	–
Impairments	0.0	2.1	-100.0%
Others	8.4	7.9	6.3%
Group operational net profit	**368.6**	**320.4**	**15.0%**

Orders and work done

HOCHTIEF secured EUR 28.2 billion in new orders over the last twelve months, an exchange rate adjusted growth of 11% (nominal growth 4%).

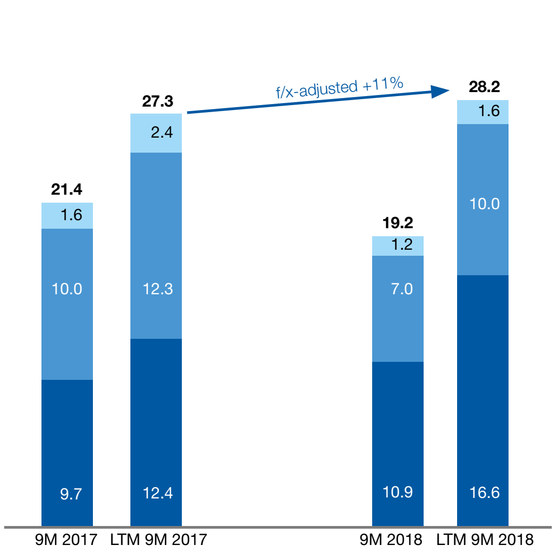
The HOCHTIEF Americas division increased new orders by 20% in the last nine months on an exchange rate adjusted basis (nominal growth +13%) compared with the prior-year period, with strong orders at Turner and Flatiron. Backlog visibility of the division is 19 months. In the HOCHTIEF Asia Pacific division, the order backlog remained at a high level of EUR 21.8 billion. This is equivalent to about 25 months in work done. New orders in the last twelve months came to EUR 10.0 billion. In the HOCHTIEF Europe division, the order backlog is stable at EUR 3.6 billion, representing a visibility of 24 months. New orders amounted to EUR 1.2 billion in the first nine months of 2018, broadly in line with work done during that period.

HOCHTIEF Group – Selected Recent Significant Project Announcements

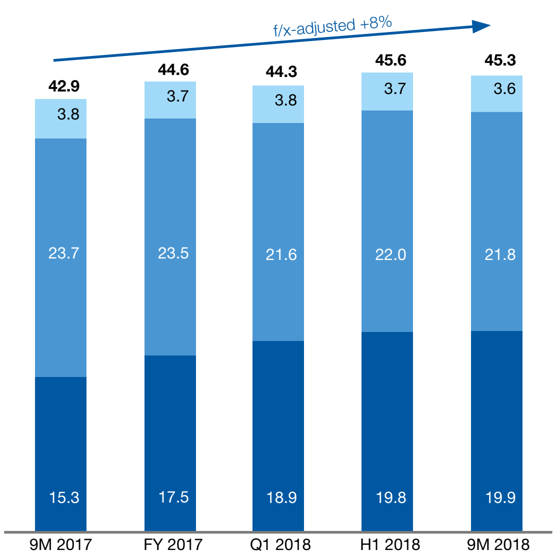


Contract values are total project volumes.

New orders (EUR billion)



Order backlog (EUR billion)



HOCHTIEF Europe
HOCHTIEF Asia Pacific*
HOCHTIEF Americas

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

Cash flow

(EUR million)	**9M 2018**	9M 2017	Change	**LTM* 10/2017–09/2018**	Full year 2017
Net cash from operating activities pre net working capital change	884.5	778.4	106.1	1,145.0	1,038.9
Net working capital change	(365.4)	(315.5)	(49.9)	283.3	333.2
Net cash from operating activities	**519.1**	**462.9**	**56.2**	**1,428.3**	**1,372.1**
Gross operating capital expenditure	(294.0)	(259.2)	(34.8)	(392.2)	(357.4)
Operating asset disposals	15.2	33.4	(18.2)	87.4	105.6
Net operating capital expenditure	(278.8)	(225.8)	(53.0)	(304.8)	(251.8)
Free cash flow from operations	**240.3**	**237.1**	**3.2**	**1,123.5**	**1,120.3**

The Group order **backlog amounted** to **EUR 45.3 billion** at the end of the third quarter of 2018. This equates to an exchange rate adjusted increase of 8% compared with the prior-year period (nominal increase: 6%); quarter on quarter, the order backlog remained stable. The prospects for the rest of the year and beyond remain very positive based on a strong tender pipeline in all divisions of in total around EUR 500 billion. With work done at a high level, the order backlog continues to represent a forward order book of 22 months for the Group.

Cash flow

Net cash from operating activities was mainly driven by the strong cash-backed earnings growth in the first nine months of 2018. Rigorous working capital management is an ongoing focus of attention. Working capital showed a positive trend with an improvement of EUR 41 million in the third quarter of 2018 relative to the prior-year quarter. In total, **net cash from operating activities** improved by EUR 56 million year on year to EUR 519 million. On a last-twelve-months basis (October 2017 to September 2018), the figure came to a strong EUR 1.4 billion.

The increased capital expenditure is mainly based on growth in the mining and tunneling business at CIMIC. **Gross operating capital expenditure**, at EUR 294 million in the first nine months of 2018, was consequently higher than in the prior-year period (EUR 259 million). Proceeds from operating asset disposals came to EUR 15 million in the first nine months of 2018 (9M 2017: EUR 33 million). **Net operating capital expenditure** thus stood at EUR 279 million (9M 2017: EUR 226 million).

HOCHTIEF's **free cash flow from operations**, at EUR 240 million in the first nine months of 2018, showed a slight increase on the prior-year figure (EUR 237 million). The figure for the twelve-month period October 2017 to September 2018 was stable at a high level of EUR 1.1 billion.

Balance sheet

Since January 1, 2018, HOCHTIEF has applied the new financial reporting standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. Application of the new standards resulted in adjustments to a number of items in the opening balance sheet as of January 1, 2018 based on the HOCHTIEF Consolidated Financial Statements as of December 31, 2017. The main adjustments related to trade receivables, financial receivables, equity-method investments, and equity. As a net outcome of the adjustments in the HOCHTIEF Group's opening balance sheet as of January 1, 2018, there was a decrease in total assets by EUR 1.3 billion.

Interim accounting of the Abertis transaction

HOCHTIEF, ACS, and Atlantia pursued the joint acquisition of Abertis as planned during the third quarter of 2018. As was already the case in the Consolidated Financial Statements for the first half of 2018, the transaction had a significant impact on HOCHTIEF's Consolidated Balance Sheet in this transition phase. In accordance with the agreement between the three acquiring parties, HOCHTIEF purchased shares in Abertis on the basis of a public takeover bid and—subsequent to the reporting date—transferred them to a jointly held Special Purpose Vehicle (SPV) in October 2018. HOCHTIEF will account for the transfer of the shares to the SPV in its annual financial statements as of December 31, 2018.

During the transition phase, the asset and the liability side of HOCHTIEF's Consolidated Balance Sheet as of September 30, 2018 show a substantial increase—relative to the beginning of the year—in equity-method investments, in assets held for sale as well as in current financial liabilities and in liabilities associated with assets held for sale. These temporary changes largely account for the rise in the HOCHTIEF Group's **total assets**, relative to the figure as of December 31, 2017 (EUR 13.3 billion), by EUR 16.5 billion to EUR 29.8 billion.

Non-current assets stood at EUR 6.7 billion as of September 30, 2018, an increase of EUR 2.7 billion on December 31, 2017. This primarily related to the 20% of Abertis held by HOCHTIEF, which accounted for an amount of EUR 3.4 billion. There was consequently a sharp increase in equity-method investments to EUR 3.7 billion. This increase was partly offset, in the amount of approximately EUR 600 million, by adjustments to the opening balance sheet carrying amounts of equity-method investments and financial receivables in connection with the first-time application of IFRS 9 and IFRS 15 as of January 1, 2018.

Current assets went up in the first nine months of 2018, relative to the 2017 year-end (EUR 9.4 billion), by a substantial EUR 13.7 billion to EUR 23.1 billion. This was mainly due to the acquisition of the shares in Abertis (EUR 13.2 billion). These were transferred to the SPV in October 2018 in the course of the joint acquisition with ACS and Atlantia. In accordance with IFRS 5, they were classified as assets held for sale in the HOCHTIEF Consolidated Financial Statements as of September 30, 2018. Current assets were also affected by adjustments to the opening balance sheet carrying amounts as of January 1, 2018 in connection with the first-time application of the IFRS 9 and IFRS 15 financial reporting standards. The majority—EUR 760 million—of the resulting EUR 800 million reduction in current assets related to adjustments in trade receivables on first-time application of IFRS 15 on January 1, 2018. After accounting for operating developments and foreign exchange rate effects, trade receivables decreased year on year by EUR 177 million to EUR 4.6 billion. With EUR 423 million in marketable securities and EUR 3.6 billion in cash and cash equivalents, the HOCHTIEF Group's liquidity position as of the end of the first nine months of 2018 showed a temporary increase of EUR 531 million on December 31, 2017 mainly driven by the HOCHTIEF bond issuance (EUR 500 million) in July 2018.

Due to first-time application of the IFRS 9 and IFRS 15 financial reporting standards, the adjusted opening balance sheet of the HOCHTIEF Group as of January 1, 2018 showed close to a EUR 1.4 billion reduction in **equity**. Following the changes in equity over the course of the year—mainly profit after tax (an increase of EUR 528 million) and dividend distributions (a decrease of EUR 316 million)—consolidated equity stood at EUR 1.4 billion as of September 30, 2018. The share issue completed in October 2018 in connection with the Abertis transaction will increase equity by approximately EUR 908 million.

Non-current liabilities came to EUR 3.2 billion as of September 30, 2018, an increase of EUR 226 million on the 2017 year-end. This mainly related to drawings on existing bank facilities. Bond liabilities, at EUR 1.5 billion, were at the same level as at the end of 2017. Within this total, there was an increase as a result of the HOCHTIEF Aktiengesellschaft bond issue with a principal amount of EUR 500 million in the third quarter of 2018. The issue proceeds are for general business purposes and the Abertis acquisition. This increase from the new bond issue was offset by the reclassification to current liabilities of a HOCHTIEF Aktiengesellschaft bond issue, also for a principal amount of EUR 500 million, maturing in May 2019.

Current liabilities were mainly impacted by the pursued joint acquisition of Abertis by HOCHTIEF, ACS, and Atlantia. In the period January to September 2018, current liabilities went up relative to December 31, 2017 (EUR 7.8 billion) by EUR 17.4 billion to EUR 25.2 billion. A total of EUR 13.2 billion of the increase comprised liabilities associated with Abertis assets held for sale that were transferred in the course of the transaction to the SPV, and indirectly to ACS/Atlantia, in October 2018 (80%). An additional EUR 3.2 billion consists of **financial liabilities from the Abertis transaction**. These relate to HOCHTIEF's 20% Abertis shareholding, which is accounted for in equity-method investments. The main contributor to the rise in the remaining current financial liabilities by EUR 585 million to EUR 821 million is the reclassification of the HOCHTIEF Aktiengesellschaft bond issue mentioned above maturing in May 2019. Trade payables went up, mostly in connection with growth in the operating business, by EUR 436 million to EUR 6.8 billion.

*For definition, please see Group Report 2017, page 232.

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

(EUR million)	**Sep. 30, 2018**	Sep. 30, 2017	**Change**	Dec. 31, 2017
HOCHTIEF Americas	1,124.2	743.3	380.9	972.4
HOCHTIEF Asia Pacific	800.6	441.4	359.2	578.5
HOCHTIEF Europe	93.3	2.7	90.6	210.6
Corporate	(728.3)	(679.5)	(48.8)	(495.7)
Group	**1,289.8**	**507.9**	**781.9**	**1,265.8**

The HOCHTIEF Group had a **net cash** position of EUR 1.29 billion as of the end of September 2018. This figure has more than doubled since September 30, 2017, with an increase of EUR 782 million. All operating divisions show an improvement in their net cash position.

Post the Abertis closing in October 2018, HOCHTIEF Group's net cash position at September 30, 2018 would stand at EUR 0.8 billion on a pro-forma basis. This is due to the use of financial resources in the amount of EUR 0.5 billion alongside a EUR 0.9 billion capital increase to fund HOCHTIEF's EUR 1.4 billion investment commitment for a 20% stake in Abertis.

Risk and opportunities report

There has been no material change in the situation of the Group from that presented in our 2017 Group Report with regard to opportunities and risks. The statements regarding the opportunities and risks** made in the Group Report as of December 31, 2017 therefore continue to apply.

**Our opportunities and risks report is provided starting on page 121 of our 2017 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 confirm our guidance of an **operational net profit in 2018 in the range of EUR 470–520 million**. This represents an increase of 4–15% on 2017, with all our divisions driving this further improvement in our Group performance.

Divisions

HOCHTIEF Americas

HOCHTIEF Americas Division: Key Figures*

(EUR million)	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change	Full year 2017
Divisional sales	**9,501.1**	8,644.5	**9.9%**	**3,449.6**	2,872.2	**20.1%**	11,838.9
Operational profit before tax/PBT[1]	**224.4**	193.1	**16.2%**	**81.1**	67.7	**19.8%**	258.4
Operational PBT margin[1] (%)	**2.4**	2.2	**0.2**	**2.4**	2.4	**0.0**	2.2
Operational net profit[1]	**137.3**	118.0	**16.4%**	**47.3**	41.2	**14.8%**	165.2
Profit before tax/PBT	**222.3**	188.6	**17.9%**	**79.0**	67.8	**16.5%**	254.0
Net profit	**135.8**	115.3	**17.8%**	**45.8**	41.3	**10.9%**	162.6
Net cash from operating activities	**185.0**	80.4	**130.1%**	**94.6**	103.3	**-8.4%**	449.1
Gross operating capital expenditure	**(26.2)**	(21.3)	**-23.0%**	**(17.2)**	(7.5)	**-129.3%**	(30.4)
Net cash (+)/net debt (-)	**1,124.2**	743.3	**51.2%**	**1,124.2**	743.3	**51.2%**	972.4
New orders	**10,904.1**	9,696.8	**12.5%**	**3,278.1**	3,781.4	**-13.3%**	15,381.5
Work done	**9,236.8**	8,507.1	**8.6%**	**3,376.3**	2,840.2	**18.9%**	11,630.3
Order backlog (end of period)	**19,878.1**	15,323.4	**29.7%**	**19,878.1**	15,323.4	**29.7%**	17,517.1
Employees (end of period)	**11,931**	10,622	**12.3%**	**11,931**	10,622	**12.3%**	10,460

***All figures are nominal unless otherwise indicated**
1) Operational earnings are adjusted for one-off items

HOCHTIEF Americas continues to progress in a very positive manner on all fronts. **Sales**, in local currency terms, rose by 17% year on year in the first nine months of 2018. In Euro terms, sales are 9.5 billion, up 10% year on year. **Operational PBT** rose by 16% to EUR 224 million with the operational PBT margin increasing by 20 basis points to 2.4%. Turner and Flatiron both contributed to this growth in profits and margins.

Cash generation at HOCHTIEF Americas was also strong. **Net cash from operating activities** of EUR 185 million represents an improvement year on year of EUR 105 million. This is a consequence of the continued focus on cash-backed profits and risk management across our North American businesses.

As a result of this increased level of cash generation, divisional **net cash** ended September 2018 at over EUR 1.1 billion, up by EUR 381 million year on year.

HOCHTIEF Americas secured **new orders** for January–September 2018 of EUR 10.9 billion, a year-on-year increase of 13%, driven by several project wins at Turner and Flatiron. The increase in local currency terms is even stronger at 20%.

The **order backlog** reached a new all-time high of EUR 19.9 billion at the end of September, up 30% compared with September 2017.

The companies in the HOCHTIEF Americas division secured new orders in various segments during the third quarter: Turner has been selected for the expansion of the Las Vegas Convention Center in a joint venture. With a value of approximately EUR 580 million, the project is to be completed by the end of 2020. The new building expansion will provide around 130,000 square meters of usable space.

On the Hackensack University Medical Center campus in New Jersey, Turner is to deliver a new facility that will include 24 operating rooms and some 200 beds.

Turner is also to modernize the California Market Center in the Los Angeles Fashion District. The plans feature three 13-story buildings.

Underscoring the company's good working relationship with the client, Flatiron has been awarded a follow-on contract at Denver International Airport.

HOCHTIEF Americas Outlook

We expect further growth at HOCHTIEF Americas in 2018 with **operational PBT** in the range of **EUR 270–300 million, up 5–16%** year on year compared with EUR 258 million in 2017.

HOCHTIEF Asia Pacific

HOCHTIEF Asia Pacific Division: Key Figures

(EUR million)	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change	Full year 2017
Divisional sales	**6,767.8**	6,580.8	**2.8%**	**2,351.1**	2,234.2	**5.2%**	9,077.0
Profit before tax/PBT	**444.2**	415.7	**6.9%**	**155.1**	147.9	**4.9%**	578.9
PBT margin (%)	**6.6**	6.3	**0.3**	**6.6**	6.6	**0.0**	6.4
Net profit	**213.4**	194.5	**9.7%**	**76.6**	70.3	**9.0%**	275.4
Net cash (+)/net debt (-)	**800.6**	441.4	**81.4%**	**800.6**	441.4	**81.4%**	578.5
Order backlog (end of period)	**21,822.6**	23,701.1	**-7.9%**	**21,822.6**	23,701.1	**-7.9%**	23,465.5
Employees (end of period)	**38,841**	38,324	**1.3%**	**38,841**	38,324	**1.3%**	37,781

The performance of the **HOCHTIEF Asia Pacific** division is based on HOCHTIEF's stake in CIMIC (72.7% at the end of September 2018, unchanged year on year) as well as associated financing and holding costs, and the impact of variations in the AUD/EUR exchange rate.

HOCHTIEF Asia Pacific's nominal **profit before tax (PBT)** for the first nine months of 2018 grew by 7% year on year to EUR 444 million. The PBT margin expanded to 6.6% compared with 6.3% in January–September 2017. All of the division's core businesses of construction, PPP, contract mining and services are performing well. The reported divisional result was affected by exchange rate movements with the Australian dollar being, on average during the period, 8% lower versus the Euro year on year.

HOCHTIEF Asia Pacific achieved a further increase in net cash from operations which increased to EUR 560 million, a year-on-year increase of almost EUR 50 million. This resulted in the divisional net cash position at the end of September standing at around EUR 800 million up by EUR 360 million year on year. The division's **order backlog** remains solid at EUR 22 billion.

CIMIC's key figures

Net profit after tax (NPAT) at CIMIC rose by 13% year on year in the nine-month period to AUD 564 million. **PBT** of AUD 775 million was also 13% higher year on year with a stable PBT margin of 7.2%, whilst revenues increased by over 11% to AUD 10.7 billion.

CIMIC continues to increase cash generation. **Cash flow** from operating activities in the first nine months of 2018 of AUD 1.1 billion was up over AUD 140 million year on year. Net capital expenditure was increased by nearly AUD 100 million to AUD 383 million, reflecting increased work in mining and tunneling projects.

As a consequence of this strong cash flow performance, CIMIC ended September 2018 with a **net cash** position of AUD 1.2 billion, double the AUD 0.6 billion level of September 2017.

During the nine-month period, **work in hand** has remained at a solid level of AUD 35 billion. The core operating businesses of construction, mining and services together achieved a 3% year-on-year increase. New work of AUD 11.8 billion was secured during the period.

A **project pipeline** with AUD 35 billion of tenders relevant to CIMIC has been identified for the remainder of 2018 with a further AUD 375 billion coming to the market in 2019 and beyond, including AUD 110 billion of PPP projects.

In the reporting period, CIMIC Group announced several important projects, in Australia and abroad, including EUR 820 million in construction projects in Australia, New Zealand and Asia; EUR 460 million in mining contracts in Australia and South America; EUR 380 million in mineral processing contracts in South Africa and the USA; and EUR 165 million in asset maintenance and services contracts in Australia.

CPB Contractors, as part of the Rail Infrastructure Alliance, has been awarded a EUR 620 million package of works by the Victorian Government in support of the almost EUR 7 billion Metro Tunnel Project in and around Melbourne. The Alliance consists of CPB Contractors and John Holland, with AECOM as the design partner, as well as project owner Rail Projects Victoria and rail franchisee Metro Trains Melbourne, of which CIMIC Group company UGL represents 20%. Revenue to CPB Contractors for the design and construct contract is approximately EUR 250 million. Construction is expected to be completed in 2025.

Sedgman has been awarded contracts for the design, engineering procurement, construction, as well as the ongoing operations and maintenance at the Boikarabelo Coal Handling and Preparation Plant in South Africa. All contracts will generate revenue of around EUR 270 million to Sedgman.

Global mining services provider Thiess has been awarded a EUR 260 million contract extension to expand operations at the Encuentro open pit copper mine located in northern Chile.

HOCHTIEF Asia Pacific Outlook

CIMIC confirmed its **NPAT (net profit after tax)** guidance for 2018 in the range of **AUD 720–780 million**, subject to market conditions, compared to the AUD 702 million reported for 2017, up 3–11%.

HOCHTIEF Europe

*All figures are nominal unless otherwise indicated
1) Operational earnings are adjusted for one-off items

HOCHTIEF Europe Division: Key Figures*

(EUR million)	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change	Full year 2017
Divisional sales	**1,056.1**	1,227.2	**-13.9 %**	**374.0**	387.6	**-3.5 %**	1,609.0
Operational profit before tax/PBT[1)]	**44.0**	33.1	**32.9%**	**17.1**	13.8	**23.9 %**	45.0
Operational PBT margin[1)] (%)	**4.2**	2.7	**1.5**	**4.6**	3.6	**1.0**	2.8
Operational net profit[1)]	**33.6**	24.9	**34.9 %**	**13.9**	9.3	**49.5 %**	36.2
Profit before tax/PBT	**35.2**	25.9	**35.9 %**	**13.7**	13.8	**-0.7 %**	32.5
Net profit	**28.0**	17.6	**59.1 %**	**13.8**	9.3	**48.4 %**	23.7
Net cash from operating activities	**(184.0)**	(105.1)	**-75.1 %**	**(19.7)**	(51.6)	**61.8 %**	106.6
Gross operating capital expenditure	**(7.5)**	(14.3)	**47.6 %**	**(2.2)**	(3.5)	**37.1 %**	(18.9)
Net cash (+)/net debt (-)	**93.3**	2.7	**–**	**93.3**	2.7	**–**	210.6
New orders	**1,234.1**	1,637.0	**-24.6 %**	**374.0**	440.7	**-15.1 %**	1,962.0
Work done	**1,270.3**	1,394.5	**-8.9 %**	**455.3**	459.3	**-0.9 %**	1,893.9
Order backlog (end of period)	**3,592.8**	3,846.2	**-6.6 %**	**3,592.8**	3,846.2	**-6.6 %**	3,663.6
Employees (end of period)	**5,470**	5,480	**-0.2 %**	**5,470**	5,480	**-0.2 %**	5,448
of which in Germany	**3,301**	3,245	**1.7 %**	**3,301**	3,245	**1.7 %**	3,223

HOCHTIEF Europe developed positively during the first nine months of 2018. **Operational PBT** increased by EUR 11 million year on year to EUR 44 million on sales of EUR 1.1 billion. The division’s operational PBT margin of 4.2% compared with 2.7% in 9M 2017. The construction business complemented by the PPP performance continued its positive contribution.

Net cash from operating activities improved during the third quarter by EUR 32 million year on year. The variation year on year of the first nine months is impacted by the high level of Real Estate divestments in the previous corresponding period. At the end of September 2018, HOCHTIEF Europe’s balance sheet showed a solid net cash position of EUR 93 million, an increase of over EUR 90 million compared with the previous year.

New orders of EUR 1.2 billion were secured during the January to September 2018 period in line with the level of work done. The 9M 2017 new orders figure was bolstered by the large, EUR 421 million, Zuidasdok project win in the Netherlands.

The divisional **order backlog** at the end of September stood at EUR 3.6 billion and represents around two years of work.

The companies in the HOCHTIEF Europe division won a number of new orders in the third quarter. Among other contracts, HOCHTIEF is to build the two A1 and A2 office buildings in Cologne for a total of some EUR 63 million.

In Hamburg, HOCHTIEF is in charge of the East and West lots of the Heidbrook Plateau project at the center of a new residential precinct; each lot comprises four standalone buildings and a shared underground parking garage. The project is slated for completion in 2020.

Next year, HOCHTIEF is responsible for building a replacement for the Schwelmetal bridge on the A1 freeway in Wuppertal. The contract entails demolishing and replacing two partial sections of the bridge dating back to the 1960s. It is one of the first infrastructure projects in the state of North Rhine-Westphalia to be delivered using Building Information Modeling (BIM).

HOCHTIEF Polska is to modernize a baggage facility at Terminal A of Warsaw’s Chopin Airport within the space of 20 months.

HOCHTIEF Europe Outlook

Looking forward we expect further growth in divisional **operational PBT** to **EUR 55–65 million** for 2018, an **increase of EUR 10–20 million** compared with EUR 45 million in 2017.

Interim Financial Statements (Condensed)

Consolidated Statement of Earnings

(EUR thousand)	**9M 2018**	9M 2017	**Change**	**Q3 2018**	Q3 2017	Full year 2017
Sales	17,402,063	16,533,849	5.3%	6,199,044	5,516,125	22,630,950
Changes in inventories	16,642	(27,412)	–	(3,146)	16,298	(53,552)
Other operating income	98,295	134,382	-26.9%	30,519	42,038	171,439
Materials	(12,657,621)	(11,767,489)	7.6%	(4,503,389)	(3,960,488)	(16,229,440)
Personnel costs	(3,100,978)	(3,088,945)	0.4%	(1,106,378)	(1,021,387)	(4,119,809)
Depreciation and amortization	(286,432)	(293,528)	-2.4%	(103,853)	(92,158)	(395,621)
Other operating expenses	(899,047)	(917,790)	-2.0%	(323,920)	(298,987)	(1,239,080)
Profit from operating activities	**572,922**	**573,067**	**0.0%**	**188,877**	**201,441**	**764,887**
Share of profits and losses of equity-method associates and joint ventures	187,621	68,436	174.2%	83,187	30,676	115,215
Net income from other participating interests	52,308	61,285	-14.6%	38,653	16,283	61,338
Investment and interest income	63,347	56,196	12.7%	28,587	17,813	87,091
Investment and interest expenses	(140,247)	(151,513)	-7.4%	(49,476)	(44,426)	(204,912)
Profit before tax	**735,951**	**607,471**	**21.1%**	**289,828**	**221,787**	**823,619**
Income taxes	(207,610)	(187,960)	10.5%	(69,212)	(67,716)	(241,132)
Profit after tax	**528,341**	**419,511**	**25.9%**	**220,616**	**154,071**	**582,487**
Thereof: Attributable to non-controlling interest	125,522	116,739	7.5%	46,699	40,364	161,751
Thereof: Attributable to HOCHTIEF shareholders (Group net profit)	402,819	302,772	33.0%	173,917	113,707	420,736
Earnings per share (EUR)	**6.27**	**4.71**	**33.1%**	**2.71**	**1.77**	**6.55**

Consolidated Statement of Comprehensive Income

(EUR thousand)	**9M 2018**	9M 2017	**Change**	**Q3 2018**	Q3 2017	Full year 2017
Profit after tax	**528,341**	**419,511**	**25.9%**	**220,616**	**154,071**	**582,487**
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	38,952	(378,263)	–	21,267	(151,063)	(383,501)
Changes in fair value of financial instruments						
Primary	(1,201)	(19,565)	93.9%	(2,820)	(11,432)	(19,259)
Derivative	(3,654)	1,712	–	(1,107)	(1,030)	6,057
Share of other comprehensive income of equity-method associates and joint ventures	(2,560)	(4,400)	41.8%	25,784	(2,208)	(8,714)
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(3,818)	41,692	–	659	5,556	39,947
Other comprehensive income (after tax)	**27,719**	**(358,824)**	**–**	**43,783**	**(160,177)**	**(365,470)**
Total comprehensive income after tax	**556,060**	**60,687**	**816.3%**	**264,399**	**(6,106)**	**217,017**
Thereof: Attributable to non-controlling interest	131,060	22,400	485.1%	46,304	(1,019)	71,091
Thereof: Attributable to HOCHTIEF shareholders	425,000	38,287	–	218,095	(5,087)	145,926

Consolidated Balance Sheet

(EUR thousand)	**Sep. 30, 2018**	Dec. 31, 2017
Assets		
Non-current assets		
Intangible assets	1,138,507	1,191,858
Property, plant and equipment	985,744	959,854
Investment properties	9,321	9,488
Equity-method investments	3,711,661	577,171
Other financial assets	74,291	73,528
Financial receivables	492,071	835,518
Other receivables and other assets	176,157	153,785
Non-current income tax assets	3,997	3,328
Deferred tax assets	117,419	155,754
	6,709,168	**3,960,284**
Current assets		
Inventories	471,849	424,942
Financial receivables	256,414	144,183
Trade receivables	4,641,426	4,818,231
Other receivables and other assets	472,217	411,936
Current income tax assets	28,811	44,516
Marketable securities	423,250	428,759
Cash and cash equivalents	3,631,787	3,094,924
Assets held for sale	13,208,641	20,983
	23,134,395	**9,388,474**
	29,843,563	**13,348,758**

(EUR thousand)	**Sep. 30, 2018**	Dec. 31, 2017
Liabilities and Shareholders' Equity		
Shareholders' equity		
Attributable to HOCHTIEF shareholders	911,145	1,788,114
Attributable to non-controlling interest	524,340	745,988
	1,435,485	**2,534,102**
Non-current liabilities		
Provisions for pensions and similar obligations	381,081	367,751
Other provisions	359,540	348,751
Financial liabilities	2,363,935	2,183,235
Other liabilities	33,444	30,333
Deferred tax liabilities	51,298	32,848
	3,189,298	**2,962,918**
Current liabilities		
Other provisions	760,803	728,590
Financial liabilities	821,011	235,561
Financial liabilities from Abertis transaction	3,189,569	–
Trade payables	6,801,868	6,366,009
Other liabilities	418,126	498,332
Current income tax liabilities	19,346	23,246
Liabilities associated with assets held for sale	13,208,057	–
	25,218,780	**7,851,738**
	29,843,563	**13,348,758**

Consolidated Statement of Cash Flows

(EUR thousand)	9M 2018	9M 2017
Profit after tax	528,341	419,511
Depreciation, amortization, impairments and impairment reversals	273,504	263,252
Changes in provisions	51,535	(40,781)
Changes in deferred taxes	135,367	90,927
Gains/(losses) from disposals of non-current assets and marketable securities	(43,710)	9,415
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	(63,216)	34,202
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	(365,370)	(315,493)
Changes in other balance sheet items	2,671	1,850
Net cash from operating activities	**519,122**	**462,883**
Intangible assets, property, plant and equipment, and investment properties		
Purchases	(294,003)	(259,219)
Proceeds from asset disposals	15,209	33,429
Acquisitions and participating interests		
Disbursements for the acquisition of Abertis (HOCHTIEF shareholding)	(3,331,844)	–
Other purchases	(59,417)	(59,713)
Proceeds from asset disposals/divestments	60,059	72,108
Income tax payments in connection with divestments	–	(40,434)
Changes in cash and cash equivalents due to changes in the scope of consolidation	27,642	–
Changes in marketable securities and financial receivables	1,209	(127,884)
Cash flow from investing activities	**(3,581,145)**	**(381,713)**
Payments received from sale of treasury stock	1,432	1,326
Payments for the purchase of additional shares in subsidiaries	–	(20,080)
Payments into equity by non-controlling interests	16,156	7,520
Other financing activities	(95,000)	(3,185)
Dividends to HOCHTIEF shareholders and non-controlling interests	(276,630)	(216,879)
Proceeds from new borrowing		
New borrowing for the acquisition of Abertis (HOCHTIEF shareholding)	3,189,569	–
Other new borrowing	974,746	1,778,654
Debt repayment	(213,839)	(1,586,958)
Cash flow from financing activities	**3,596,434**	**(39,602)**
Net change in cash and cash equivalents	**534,411**	**41,568**
Effect of exchange rate changes	2,452	(222,805)
Overall change in cash and cash equivalents	**536,863**	**(181,237)**
Cash and cash equivalents at the start of the year	3,094,924	2,847,426
Cash and cash equivalents at end of reporting period	**3,631,787**	**2,666,189**

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 Jan. 1, 2017*	**164,608**	**817,427**	**813,140**	**(346,630)**	**371,060**	**(5,775)**	**1,813,830**	**757,279**	**2,571,109**
Dividends	–	–	(167,044)	–	–	–	(167,044)	(86,261)	(253,305)
Profit after tax	–	–	302,772	–	–	–	302,772	116,739	419,511
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	(283,463)	(22,714)	(306,177)	(94,339)	(400,516)
Changes from remeasurement of defined benefit plans	–	–	–	41,692	–	–	41,692	–	41,692
Total comprehensive income	–	–	302,772	41,692	(283,463)	(22,714)	38,287	22,400	60,687
Other changes not recognized in the Statement of Earnings	–	750	(1,063)	–	–	–	(313)	6,628	6,315
Balance as of Sep. 30, 2017	**164,608**	**818,177**	**947,805**	**(304,938)**	**87,597**	**(28,489)**	**1,684,760**	**700,046**	**2,384,806**
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	**–**	**–**	**(1,028,737)**	**–**	**(57,567)**	**–**	**(1,086,304)**	**(269,918)**	**(1,356,222)**
Balance as of Jan. 1, 2018**	**164,608**	**818,177**	**32,747**	**(306,683)**	**21,731**	**(28,770)**	**701,810**	**476,070**	**1,177,880**
Dividends	–	–	(217,184)	–	–	–	(217,184)	(98,639)	(315,823)
Profit after tax	–	–	402,819	–	–	–	402,819	125,522	528,341
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	32,636	(6,637)	25,999	5,538	31,537
Changes from remeasurement of defined benefit plans	–	–	–	(3,818)	–	–	(3,818)	–	(3,818)
Total comprehensive income	–	–	402,819	(3,818)	32,636	(6,637)	425,000	131,060	556,060
Other changes not recognized in the Statement of Earnings	–	737	782	–	–	–	1,519	15,849	17,368
Balance as of Sep. 30, 2018	**164,608**	**818,914**	**219,164**	**(310,501)**	**54,367**	**(35,407)**	**911,145**	**524,340**	**1,435,485**

*** Restated due to the purchase price allocation made in 2017 for the UGL acquisition as of December 31, 2016.**
**** Restated due to IFRS 9 and IFRS 15. Please see pages 19 to 21 for explanatory notes on the restatements.**

Explanatory Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of September 30, 2018, which were released for publication on November 6, 2018, 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, 2017. For general information on the introduction of the two new standards IFRS 9 and IFRS 15, please see Note 38, "New Accounting Pronouncements" of the Notes to the Consolidated Financial Statements in the Group Report 2017.

As of January 1, 2018, HOCHTIEF applies the new standards **IFRS 9 "Financial Instruments"** and **IFRS 15 "Revenue from Contracts with Customers"**.

The new standard on financial instruments **IFRS 9** notably introduces major changes relating to the classification and measurement of financial assets as well as new rules on hedge accounting. The effects of applying the standard are as follows:

There has been no significant impact on the **classification** of the HOCHTIEF Group's financial assets.

A methodological change was made in **measurement** method from recognition of incurred losses to expected credit losses for impairment of financial assets. To quantify the expected credit losses under IFRS 9, it is necessary to determine the probability of default on initial recognition of an asset and subsequently whether there has been any significant increase in credit risk on an ongoing basis at each reporting period. To assess whether there has been a significant increase in credit risk, the HOCHTIEF Group compares the risk of default on the asset as of the reporting date with the risk of default as of the date of initial recognition. In making this assessment, the HOCHTIEF Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the HOCHTIEF Group's core operations. In particular, as far as available, the following information is taken into account when assessing significant movements in credit risk:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the borrower.
- Significant increases in credit risk on other financial instruments of the same borrower.
- External credit rating.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.
- Macroeconomic information such as market interest rates and growth rates.

As of January 1, 2018, there was an additional impairment and consequently an adjustment of equity in an amount of EUR 401 million (after tax).

Existing hedge relationships subject to **hedge accounting** continued to apply from January 1, 2018 under the new rules of IFRS 9.

IFRS 15 has been applied in the HOCHTIEF Group as of January 1, 2018 using the modified retrospective method. Under this method, the effects of applying the standard are recognized in consolidated equity and the presentation of the comparison period remains unchanged. Significant judgments and estimates are used in determining the impact of IFRS 15, such as the assessment of the probability of customer approval of variations and acceptance of claims, estimation of project completion date and assumed levels of project productivity. In making this assessment we have considered, for applicable contracts, the individual status of legal proceedings, including arbitration and litigation. The significant effects of applying the standard were as follows:

The contractual terms and the way in which the HOCHTIEF Group operates its **construction contracts** are predominantly derived from projects containing one performance obligation. Contracted revenue will continue to be recognized over time. IFRS 15 provides new requirements for variable consideration such as incentives, as well as accounting for claims and variations as contract modifications, which all impart a higher threshold of probability for recognition. Under IAS 11, revenue was recognized when it was probable that work performed would result in revenue, whereas under IFRS 15, revenue is recognized when it is highly probable that a significant reversal of revenue will not occur for such modifications.

Service revenue arises from maintenance and other services supplied to infrastructure assets and facilities, which may involve a range of services and processes. Under IFRS 15, these are predominantly to be recognized over time. The services that have been determined to be one performance obligation are highly inter-related and fulfilled over time. Revenue therefore continues to be recognized over time. As with construction revenue, incentives, variations, and claims exist which are subject to the same higher threshold criteria of only recognizing revenue to the extent it is highly probable that a significant reversal of revenue will not happen.

Construction contract costs incurred during the tender process can only be capitalized under IFRS 15 if they are both expected to be recovered and either would not have been incurred if the contract had not been won or if they are intrinsic to the delivery of the project.

With regard to revenue recognition for **fully consolidated companies**, the increased revenue recognition requirements under IFRS 15 led to a reduction in equity by EUR 710 million (after tax) as of January 1, 2018.

In the case of equity-method **joint ventures**, the carrying amount of the investment in a joint venture reflects the Group's share of equity including the revenue from construction contracts recognized by the joint venture and accounted for by the Group as its share of profit or loss. In this connection, equity was reduced by EUR 245 million (after tax) as of January 1, 2018.

Overall effects of first-time application of IFRS 9 and IFRS 15

Tax impacts and equity adjustments

Adjustments under the two new standards are subject to deferred taxes and, therefore, the net deferred tax position is also impacted by the adjustments discussed above, which are shown net of tax. The position outlined above led to a net increase in deferred tax assets of EUR 95 million as of January 1, 2018.

The equity adjustments on first-time application of the two standards led to a reduction in equity by EUR 1,356 million as of January 1, 2018, with the impact on equity attributable to non-controlling interests amounting to EUR 270 million.

Impact on cash flows

First-time application of IFRS 9 and IFRS 15 has **no impact** on the HOCHTIEF Group's cash flows.

Impact on Consolidated Balance Sheet

Impact of first-time application of IFRS 9 and IFRS 15 on assets, liabilities and equity in the HOCHTIEF Consolidated Balance Sheet as of January 1, 2018:

(EUR thousand)	Dec. 31, 2017	Restatement IFRS 9	Restatement IFRS 15	Sum of Restatements	Jan. 1, 2018
Assets					
Non-current assets					
Intangible assets	1,191,858	–	–	–	1,191,858
Property, plant and equipment	959,854	–	–	–	959,854
Investment properties	9,488	–	–	–	9,488
Equity-method investments	577,171	–	(271,632)[2]	(271,632)	305,539
Other financial assets	73,528	–	–	–	73,528
Financial receivables	835,518	(342,500)[1]	–	(342,500)	493,018
Other receivables and other assets	153,785	–	–	–	153,785
Non-current income tax assets	3,328	–	–	–	3,328
Deferred tax assets	155,754	–	95,466	95,466	251,220
	3,960,284	**(342,500)**	**(176,166)**	**(518,666)**	**3,441,618**
Current assets					
Inventories	424,942	–	–	–	424,942
Financial receivables	144,183	(39,014)	–	(39,014)	105,169
Trade receivables	4,818,231	(19,882)	(761,933)[3]	(781,815)	4,036,416
Other receivables and other assets	411,936	–	–	–	411,936
Current income tax assets	44,516	–	–	–	44,516
Marketable securities	428,759	–	–	–	428,759
Cash and cash equivalents	3,094,924	–	–	–	3,094,924
Assets held for sale	20,983	–	–	–	20,983
	9,388,474	**(58,896)**	**(761,933)**	**(820,829)**	**8,567,645**
	13,348,758	**(401,396)**	**(938,099)**	**(1,339,495)**	**12,009,263**
Liabilities and Shareholders' Equity					
Shareholders' equity					
Attributable to HOCHTIEF shareholders	1,788,114	(314,354)	(771,950)	(1,086,304)	701,810
Attributable to non-controlling interest	745,988	(87,042)	(182,876)	(269,918)	476,070
	2,534,102	**(401,396)**	**(954,826)**	**(1,356,222)**	**1,177,880**
Non-current liabilities					
Provisions for pensions and similar obligations	367,751	–	–	–	367,751
Other provisions	348,751	–	–	–	348,751
Financial liabilities	2,183,235	–	–	–	2,183,235
Other liabilities	30,333	–	–	–	30,333
Deferred tax liabilities	32,848	–	–	–	32,848
	2,962,918	**–**	**–**	**–**	**2,962,918**
Current liabilities					
Other provisions	728,590	–	–	–	728,590
Financial liabilities	235,561	–	–	–	235,561
Trade payables	6,366,009	–	16,727[3]	16,727	6,382,736
Other liabilities	498,332	–	–	–	498,332
Current income tax liabilities	23,246	–	–	–	23,246
	7,851,738	**–**	**16,727**	**16,727**	**7,868,465**
	13,348,758	**(401,396)**	**(938,099)**	**(1,339,495)**	**12,009,263**

1) The change in method from recognition of incurred losses to recognition of expected credit losses for impairment of financial assets under IFRS 9 has led to an adjustment reducing non-current financial receivables. This adjustment mainly relates to the non-current loan receivables (EUR 318 million) from the joint venture BIC Contracting LLC "BICC" (formerly HLG Contracting LLC).
2) The adjustment reflects the consistent application of HOCHTIEF Group revenue recognition criteria as outlined in the accounting policies under IFRS 15. The higher recognition threshold and constraint criteria in the new standard have led to a reduction in investments. The adjustment mainly relates to BICC as an equity-method accounted joint venture (EUR 160 million).
3) Construction and services revenue will continue to be recognized over time, however IFRS 15 provides new requirements for variable consideration such as incentives, as well as accounting for claims and variations as contract modifications which all impart a higher threshold of probability for recognition as outlined in the accounting policies. The restatement mainly related to the HOCHTIEF Asia Pacific division (EUR 507 million).

This report has been prepared in all other respects using the same accounting policies as in the 2017 Consolidated Financial Statements. Information on those accounting policies is given in the Group Report 2017.

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 2018**	9M 2017	**Sep, 30, 2018**	Dec. 31, 2017
1 U.S. dollar (USD)	0.84	0.89	0.86	0.83
1 Australian dollar (AUD)	0.63	0.69	0.62	0.65
1 British pound (GBP)	1.13	1.14	1.13	1.13
100 Polish złoty (PLN)	23.51	23.50	23.38	23.94
100 Qatari riyal (QAR)	22.95	24.29	23.52	22.73
100 Czech koruna (CZK)	3.90	3.77	3.89	3.92
100 Chilean pesos (CLP)	0.13	0.14	0.13	0.14

Changes in the scope of consolidation

The Consolidated Financial Statements for the first three quarters of 2018 include one German and 14 foreign companies for the first time. A total of two German and 37 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 company in Germany and 13 foreign companies in the first nine months of 2018. In addition, the number of joint operations included in the Consolidated Financial Statements decreased by 23.

The Consolidated Financial Statements as of September 30, 2018 include HOCHTIEF Aktiengesellschaft as well as a total of 50 German and 378 foreign consolidated companies, 17 German, and 121 foreign companies accounted for using the equity method as well as 44 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.

Investment in Abertis Infraestructuras, S.A.

On March 14, 2018, HOCHTIEF Aktiengesellschaft, Actividades de Construcción y Servicios, S.A. (ACS), and Atlantia S.p.A. (Atlantia) agreed to present a joint takeover offer for Abertis Infraestructuras, S.A. (Abertis). In this regard, a modification to the characteristics of the takeover bid originally made by HOCHTIEF was submitted to the Spanish Securities Market Commission, CNMV, on March 23, 2018. Under the modified takeover offer, the share component was removed from the offer, meaning that the acquisition will be settled in full in cash. On April 12, 2018, CNMV approved the joint takeover offer for Abertis and set an acceptance period for the offer ending May 8, 2018. CNMV confirmed on May 14, 2018 that the voluntary takeover offer for Abertis had been accepted by a total of 78.79% of the share capital. Additional shares were subsequently purchased, at a maximum of the offer price resulting in a shareholding of 98.7%.

On October 29, 2018, HOCHTIEF Aktiengesellschaft (HOCHTIEF) has transferred 98.7% of Abertis shares to Abertis Participaciones S.A.U., a company capitalized and owned by Abertis HoldCo S.A. which, in turn, is owned by the following shareholders: Atlantia S.p.A. (Atlantia) 50% plus one share, ACS, Actividades de Construcción y Servicios, S.A. (ACS) 30% and HOCHTIEF 20% less one share. The interest in Abertis remaining with HOCHTIEF constitutes significant influence and was therefore accounted for as an equity-method associate. In the transition phase, the carrying amount of the equity-method investment is EUR 3.4 billion as of the reporting date. In connection with the Abertis transaction, a current financial liability is presented as a separate item in the balance sheet.

Non-current assets held for sale (disposal group)

The remaining portion transferred to Abertis Participaciones S.A.U. and indirectly to ACS/Atlantia (80%) on October 29, 2018 is classified in a separate line as assets held for sale as of September 30, 2018. The associated liabilities are likewise presented separately. All other non-current assets held for sale relate to the HOCHTIEF Asia Pacific division. The table below shows the major classes of assets and liabilities held for sale.

(EUR thousand)	**Sep. 30, 2018**	Dec. 31, 2017
Abertis shares	13,208,057	–
Other (HOCHTIEF Asia Pacific division)	584	20,983
Total assets	**13,208,641**	**20,983**
Total liabilities	**13,208,057**	**–**

Treasury stock

As of September 30, 2018, HOCHTIEF Aktiengesellschaft held a total of 34,824 shares of treasury stock. These shares were purchased since October 7, 2014 for the purposes provided for in the resolution of the Annual General Meeting of May 7, 2014 and that of May 6, 2015 and for all other purposes permitted under the German Stock Corporations Act (AktG). The holdings of treasury stock represent EUR 89,149.44 (0.054%) of the Company's capital stock.

In May 2018, 9,463 shares of treasury stock were transferred to members of the Company's Executive Board at a price of EUR 151.30 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 24,225.28 (0.015%) of the Company's capital stock.

Corporate bond issue

In July 2018, HOCHTIEF Aktiengesellschaft completed its fourth corporate bond issue. The capital market issue with a face value of EUR 500 million carries a fixed coupon of 1.75% p.a. and a seven-year term to maturity ending July 3, 2025. Issued in denominations of EUR 1,000, the bonds are listed on the Luxembourg Stock Exchange as well as all German stock exchanges.

Basic and diluted earnings per share

	9M 2018	9M 2017	**Q3 2018**	Q3 2017
Consolidated net profit (EUR thousand)	**402,819**	**302,772**	**173,917**	**113,707**
Number of shares in circulation (weighted average)	64,260,970	64,252,222	64,265,176	64,255,713
Earnings per share (EUR)	**6.27**	**4.71**	**2.71**	**1.77**

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

Dividend

The Annual General Meeting of HOCHTIEF Aktiengesellschaft resolved on May 3, 2018 to pay a dividend for 2017 of EUR 3.38 per eligible no-par-value share. The resulting dividend payment of EUR 217,184,309.94 was made on July 6, 2018.

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees; they have increased since December 31, 2017 by EUR 19,999 thousand to EUR 429,485 thousand.

Reporting on financial instruments

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

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

	Sep. 30, 2018				Dec. 31, 2017			
(EUR thousand)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	–	8,802	65,489	74,291	1,005	687	63,991	65,683
Other receivables and other assets								
Non-current	–	8,324	43,140	51,464	–	5,489	45,114	50,603
Current	–	9,567	–	9,567	–	5,783	–	5,783
Marketable securities	387,554	35,696	–	423,250	396,204	32,555	–	428,759
Total assets	**387,554**	**62,389**	**108,629**	**558,572**	**397,209**	**44,514**	**109,105**	**550,828**
Liabilities								
Other liabilities								
Non-current	–	–	–	–	–	258	–	258
Current	–	417	–	417	–	3,863	–	3,863
Total liabilities	**–**	**417**	**–**	**417**	**–**	**4,121**	**–**	**4,121**

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 6,374,515 thousand (December 31, 2017: EUR 2,418,796 thousand) and a fair value of EUR 6,431,014 thousand (December 31, 2017: 2,492,391 thousand).

As in the comparative 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 2018.

In Level 3, the fair value of investments in unlisted entities is measured using generally recognized valuation techniques based on discounted cash flow analysis. The unobservable inputs are the internal rate of return as well as the growth rate and discount rate. Options are measured using Monte Carlo simulation. The input parameters used are the exercise period, multiplier, and discount factor. Reconciliation of opening to closing balances for Level 3 measurements of other financial assets as well as other receivables and other assets:

Level 3 reconciliation 9M 2018:

(EUR thousand)	
Balance as of Jan. 1, 2018	109,105
Currency adjustments	(4,840)
Gains/(losses) recognized in profit or loss	–
Other changes	4,364
Balance as of Sep. 30, 2018	**108,629**

Level 3 reconciliation FY 2017:

(EUR thousand)	
Balance as of Jan. 1, 2017	91,487
Currency adjustments	(9,192)
Gains/(losses) recognized in profit or loss	25,464
Other changes	1,346
Balance as of Dec. 31, 2017	109,105

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

Segment reporting

HOCHTIEF's structure reflects the operating focus of the Group as well as its presence in key national and international regions and 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/PPP and services activities in the Asia-Pacific region;

HOCHTIEF Europe brings together the core business in Europe as well as selected other regions and designs, develops, builds, operates, and manages real estate and infrastructure.

Corporate comprises Corporate Headquarters, other activities not assignable to the separately listed divisions, including management of financial resources, insurance activities and our **investment in Abertis**, plus consolidation effects. HOCHTIEF insurance companies primarily provide in-house reinsurance offerings for contractors' casualty and surety, subcontractor default, liability, and occupational accident insurance.

Sales by division are allocated to the types of activities "Construction/PPP", "Services" and "Other". "Construction/PPP" includes Turner and 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 services companies are Thiess' and Sedgman's contract mining and mineral processing businesses and UGL at HOCHTIEF Asia Pacific, and HOCHTIEF Engineering and synexs at HOCHTIEF Europe. Sales from non-core businesses are allocated to the category "Other".

The sales at HOCHTIEF Americas in the amount of EUR 9,501,083 thousand are recognized mainly in the category “Construction/PPP”. Sales at HOCHTIEF Asia Pacific (EUR 6,767,821 thousand) are mainly generated in the activities “Construction/PPP” and “Services”. At HOCHTIEF Europe, external sales in the amount of EUR 1,051,495 thousand are mainly recognized in the “Construction/PPP” business. Other sales from the non-core business recognized in Corporate amount to EUR 81,664 thousand.

Sales not related to contracts with clients amount to EUR 106,597 thousand.

Almost all sales are recognized over time.

Related party disclosures

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

In the first three quarters of 2018, 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:

On October 29, 2018, HOCHTIEF Aktiengesellschaft (HOCHTIEF) has transferred 98.7% of Abertis shares to Abertis Participaciones S.A.U., a company capitalized and owned by Abertis HoldCo S.A. which, in turn, is owned by the following shareholders: Atlantia S.p.A. (Atlantia) 50% plus one share, Actividades de Construcción y Servicios, S.A. (ACS) 30% and HOCHTIEF 20% less one share. HOCHTIEF has invested EUR 1.38 billion for its stake and issued 6.35 million new shares at EUR 143.04 (EUR 908 million) to ACS. ACS sold 16.85 million HOCHTIEF shares at the same price to Atlantia. In the course of the Abertis transaction, ACS sold a 23.9% stake in HOCHTIEF to Atlantia. ACS’s stake in HOCHTIEF as of October 29, 2018 amounts to 50.4%.

Publication Details and Credits

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p. 3 CIMIC

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

This interim report is printed on eco-friendly Maxi Silk coated paper certified in accordance with the rules of the Forest Stewardship Council (FSC).

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climate neutral print
www.klima-druck.de
ID-No. 1875681
bvdm.