

Press Release

Embargoed until 7:00 a.m. (CET) on May 11, 2016

Solid Q1 profit increase and strong new order growth: guidance confirmed

- **Operational net profit increased by 19% to EUR 72 million; strong margin increase**
 - Nominal net profit of EUR 63 million 22% higher than Q1 2015
 - Operational PBT margin up significantly by 60 basis points to 3.6%
- **Free cash flow from operations improved by EUR 149 million year on year**
- **Underlying net cash increase of EUR 327 million year on year**
- **Strong new order growth and positive trend in order book**
 - New orders up 31% year on year to EUR 6.3 billion
 - Order backlog robust at EUR 37 billion, up 3% year to date adjusted for f/x effects
 - Strong tender pipeline for 2016 and beyond
- **Guidance for 2016 confirmed**
 - Operational net profit expected to be between EUR 300 million and EUR 360 million; a 15% to 35% increase on 2015

Page 1 of 4
05/11/2016

HOCHTIEF made a successful start to 2016. Profits, margins and new orders increased significantly in the first quarter. “We are sustaining our positive forward momentum,” said Chairman of the Executive Board Marcelino Fernández Verdes.

Adjusted for one-off items (such as disposals of activities and restructuring expenses), operational **net profit** went up in the first three months of 2016 by a substantial 19% to EUR 72 million (Q1 2015: EUR 60 million). Nominal net profit of EUR 63 million was 22% higher than the 2015 comparable figure. Operational profit before tax increased by 5% to EUR 159 million. All three divisions—Americas, Asia Pacific, and Europe—contributed to the improvement in the Group’s operational PBT margin which rose by 60 basis points to 3.6%.

The underlying **net cash** position was EUR 327 million higher compared with March 2015. HOCHTIEF ended the quarter with a net cash position of EUR 25

million. Adjusted by cash-out for the share buyback programs of HOCHTIEF and CIMIC in Q1 2016 and the takeovers of Sedgman and Devine in Australia, the net cash position would stand at EUR 337 million. Free cash flow from operations improved by EUR 149 million reflecting a further substantial improvement in working capital.

The **transformation** of HOCHTIEF has involved strengthening the balance sheet, restructuring and reorganizing businesses and focusing the Group on its core activities. This has been achieved whilst developing and embedding a Group-wide culture which is focused on sustainable, cash-backed profits, and implementing a tighter approach to risk management.

In the PPP business the development expertise is a key competency. The Group's financial strength now allows HOCHTIEF to allocate capital more efficiently and to consider other opportunities. The recent acquisition in Australia, by CIMIC, of Sedgman, a leading designer, constructor and operator of mineral processing plants, reflects both, this more growth-oriented strategy and the aim of increasing value in our core activities.

Marcelino Fernández Verdes: "HOCHTIEF is now well positioned to take advantage of organic and market growth opportunities."

All **divisions** delivered significant improvements in key financial performance indicators. Americas increased new orders by 36% to EUR 3.6 billion—a record figure for a first quarter. Operational net profit climbed a significant 30% to EUR 31 million. Asia Pacific improved margins and cash flow, with new orders more than doubling to EUR 2.3 billion. Europe maintained its positive trend, generating operational net profit of EUR 4 million (Q1 2015: EUR 0 million).

In total, HOCHTIEF increased the value of **new orders** to EUR 6.3 billion, marking growth of 31% on the prior-year quarter. Contributions to this growth included a freeway upgrade in North America, several rail and metro projects in Australia, and

the contract for the A7 tunnel in Hamburg, Germany. The Group **order backlog** remains solid at EUR 37.2 billion.

Group guidance confirmed

For 2016, HOCHTIEF expects operational net profit of between EUR 300 million and EUR 360 million, representing an increase of approximately 15% to 35% (2015: like-for-like operational net profit of EUR 265 million).

HOCHTIEF Group figures

(EUR million)	Q1 2016	Q1 2015	Change yoy	Full year 2015
Op. profit before tax/PBT^{*)}	159	151	+5%	600
Operational PBT margin^{*)}	3.6%	3.0%	+60 bps	2.8%
Operational net profit^{*)}	72	60	+19%	265
Op. earnings per share (EUR)^{*)}	1.11	0.88	+26%	3.95
Profit before tax/PBT	148	142	+4%	523
Net profit	63	52	+22%	208
Earnings per share (EUR)	0.98	0.76	+29%	3.11
Cash flow from operations	(369)	(491)	+25%	1,135
Gross op. capital expenditure	45	65	-31%	285
Free operational cash flow	(400)	(549)	+27%	985
Net cash	25	10	+15	805
Underlying net cash change			+327	
Sales	4,414	5,059	-13%	21,097
Sales, f/x adjusted			-11%	
New orders	6,330	4,824	+31%	22,263
Order backlog	37,158	38,231	-3%	36,717
Order backlog, ytd, f/x adjusted			+3%	
Employees^{**)}	42,593	46,607	-4%	44,264

* Operational figures excluding one-off impacts and adjusted for sold assets

** Quarterly period and year-end figures; percentage change year to date

HOCHTIEF is one of the most international construction groups worldwide. The company delivers complex infrastructure projects, in some cases on the basis of concession models. The Group operates in the transportation infrastructure, energy infrastructure and social/urban infrastructure segments as well as in the contract mining business. With around 44,000 employees and a sales volume of more than EUR 21 billion in FY 2015, HOCHTIEF is represented in all the world's major markets. With its subsidiary CIMIC, the Group is market leader in Australia. In the USA, the biggest construction market in the world, HOCHTIEF is the No. 1 general builder via its subsidiary Turner and, with Group company Flatiron, ranks among the most important players in the field of transportation infrastructure construction. Because of its engagement for sustainability, HOCHTIEF has been listed in the Dow Jones Sustainability Indexes since 2006. Further information is available at www.hochtief.com/press.