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# Press Release

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## HOCHTIEF: Steady Progress in First Quarter

- **Improving cash flow trend**
  - Improved trend in cash flow from operations and free cashflow
  - Seasonal working capital outflow reduced
- **Solid growth in Group operating results**
  - EBT: EUR 134.0 m; +17.3% (vs EUR 114.2 m Q1 2013)
  - Net profit: EUR 53.3 m; +22.7% (vs EUR 43.4m)
  - EPS: EUR 0.77; +30.5% (vs EUR 0.59)
  - Improved results in all operational units
- **Net debt down EUR 1.4bn year-on-year**
- **Strong growth in new orders**
  - New orders +18.7% vs Q1 2013 (like-for-like)
  - Stable order backlog of EUR 40 bn
- **Further progress in strategic reorganization during Q1**
- **FY 2014 operational guidance remains unchanged**

HOCHTIEF has made a promising start to the year: The Group has shown an improved trend in cash flow from operations and free cash flow. The seasonal working capital outflow has been reduced. Furthermore HOCHTIEF has seen a solid growth in Group operating results: On a comparable basis – i.e. adjusted for one-off and non-operational items such as the effects of restructuring and deconsolidation – **earnings before taxes**, at EUR 134 million, were up 17.3% on the prior-year quarter. **Net profit** increased by 22.7% to EUR 53.3 million, while **earnings per share** amounted to EUR 0.77 an increase of 30.5%. The solid increase came from all operational units.

The Group registered a significant year-on-year **net debt** reduction to under EUR 600 million, i.e. a decrease of approximately EUR 1.4 billion versus the end of Q1 2013. The **new order** volume of EUR 5.69 billion represents an 18.7% increase on a comparable basis – i.e. adjusted for deconsolidation and f/x-effects – year-on-year to the prior-year period. The **order backlog** continued to be stable, at roughly EUR 40 billion, slightly higher than at the end of 2013 and is at a similar level to a year ago once adjusted for the impact of exchange rate effects and divestments (EUR 8.9 billion).

This development shows that HOCHTIEF is well on track to bolster its position as a relevant global infrastructure contractor with sustained profitable growth. “It is my clear objective to systematically pursue the path we have embarked upon and to push ahead our Group-wide reorganization. The focus throughout is on sustained cash profitability, an improved approach to risk management and a strong balance sheet. This is the way to enhance the value of HOCHTIEF”, states Marcelino Fernández Verdes, CEO of HOCHTIEF.

HOCHTIEF’s shareholders continue to participate in the Group’s progress, for example via the cancellation of 10% of the treasury shares, the company carried out in the first quarter of 2014. Furthermore the Executive Board and the Supervisory Board will propose an increase in the Group’s **dividend** for fiscal year 2013 to EUR 1.50 per share (+50%) to the shareholders at today’s AGM.

**Focus on core business**

The first quarter of the new year saw HOCHTIEF once again rigorously pursue its chosen strategic path, focusing on the core business of delivering complex infrastructure projects. The Group will increase its shareholding in Leighton, has made changes in the management team and increased its presence on the Board.

HOCHTIEF firmly believes in the growth potential of its Leighton Group company and has, accordingly, increased its stake in Leighton at the beginning of the year. In addition, in March 2014, HOCHTIEF announced its intention to make Leighton’s shareholders an offer for three out of every eight shares they hold. The Independent Directors of Leighton, based on an independent experts’ report, have recommended that shareholders accept the AUD 22.50 per share offer ex dividend. If all accept, HOCHTIEF will increase its stake in Leighton from nearly 59% to a maximum of approximately 74.2% for a cash consideration of about AUD 1.2 billion (around EUR 800 million). The offer will be funded from excess cash.

HOCHTIEF intends to work with the Leighton Board and management to complete the broad based, general review of Leighton's operating model that is currently being undertaken by Leighton management. A particular focus of the review is whether the existing operating businesses of Leighton can be more efficiently structured.

In Europe HOCHTIEF has disposed of further non-core activities: The Group sold its stake (50%) in aurelis Real Estate in mid-March. The remaining European real-estate businesses—HOCHTIEF Projektentwicklung, formart, and HOCHTIEF Property Management—likewise no longer form part of the core business. For these, too, HOCHTIEF is looking at several options to release capital from the business including strategic partners or potential buyers. The proceeds from disposals are used to invest in the Group's core business, for example to increase the stake in Leighton, strengthen the Group's balance sheet and remunerate HOCHTIEF's shareholders.

**Operational divisions**

In the first three months of 2014, all divisions have won attractive new orders. In the USA, Turner will deliver a number of building construction projects, including the extension of the Anaheim Convention Center in California. In Canada, Flatiron secured a large follow-on contract as part of the Ruskin Dam upgrade. New orders for the HOCHTIEF Asia Pacific division include a contract for tunnel buildings, systems and fitting out works with the Central-Wanchai Bypass tunnel in Hong Kong and a 56-kilometer stretch of freeway to be built by Habtoor Leighton Group near the Qatari capital, Doha. For the HOCHTIEF Europe division HOCHTIEF Infrastructure started dismantling and replacing the 400-meter Langenfeld bridge on the A7 freeway in Hamburg-Stellingen. In Trier, the company is delivering a lock facility for the local waterways and shipping office.

**Outlook**

The Group guidance remains unchanged. In 2013, the operational net profit was EUR 207.5 million. In 2014, the Group continues to expect further progress with an operational Group net profit in the range of EUR 225-250 million.

## HOCHTIEF Group: Reported Figures

| (EUR million) | **Q1 2014** | Q1 2013 (restated)* | **Percentage change** | Full year 2013 (restated)* |
|---|---|---|---|---|
| **New orders** | **5,693.5** | 5,548.8 | **2.6** | 26,491.5 |
| **Work done** | **6,174.9** | 6,495.1 | **-4.9** | 29,049.2 |
| **Order backlog** | **40,207.3** | 50,690.8 | **-20.7** | 39,940.4 |
| **Divisional sales** | **5,600.6** | 5,788.9 | **-3.3** | 27,036.9 |
| **External sales**** | **5,599.0** | 5,786.6 | **-3.2** | 27,022.2 |
| **EBITDA** | **307.1** | 393.9 | **-22.0** | 1,908.1 |
| **EBIT**** | **178.9** | 187.5 | **-4.6** | 1,172.7 |
| **Profit before taxes**** | **122.6** | 122.6 | **-** | 801.2 |
| **Consolidated net profit**** | **44.1** | 43.5 | **1.3** | 171.2 |
| **Earnings per share (EUR)** | **0.64** | 0.59 | **8.5** | 2.37 |
| **Cash flow from operations***** | **-488.9** | -606.9 | **-19.4** | 280.8 |
| **Free cash flow** | **-436.6** | -1,103.1 | **-60.4** | 1,387.0 |
| **Net debt** | **(574.5)** | (2,018.7) | **-71.5** | (39.6) |
| **Employees** | **72,506** (Q1 2014) | 82,196 (Q1 2013) | **-11.8** | 80,912 (2013 average) |

*** Restated for IFRS 11. For details on the restatement, please see pages 17 et seq. of the Quarterly Report January to March 2014**
**** Note: The percentage changes are calculated at the level of precision used in the interim financial statements (thousands of euros)**
***** without changes in current marketable securities**

## HOCHTIEF Group: Key Operating Variables (like for like)

| (EUR million) | **Q1 2014** | Q1 2013 (restated)* | **Percentage change** | Full year 2013 (restated)* |
|---|---|---|---|---|
| **New orders**[1)] | **6,319.7** | 5,323.8 | **18.7** | 26,062.0 |
| **Work done**[1)] | **7,006.0** | 6,269.0 | **11.8** | 28,480.8 |
| **Order backlog**[1)] | **46,720.5** | 48,297.6 | **-3.3** | 39,940.4 |
| **External sales**[1)] | **6,360.8** | 5,560.5 | **14.4** | 26,489.3 |
| **EBIT**[2)] | **190.3** | 174.6 | **9.0** | 834.5 |
| **Profit before taxes**[2)] | **134.0** | 114.2 | **17.3** | 569.6 |
| **Consolidated net profit/(loss)** [2)] | **53.3** | 43.4 | **22.7** | 178.1 |
| **Earnings per share (EUR)** [2)] | **0.77** | 0.59 | **30.5** | 2.47 |

*** Restated for IFRS 11. For details on the restatement, please see pages 17 et seq. of the Quarterly Report January to March 2014**
**[1)] Adjusted for f/x effects and deconsolidation**
**[2)] Operational figures excl. one-off impacts; adjusted for sold assets**