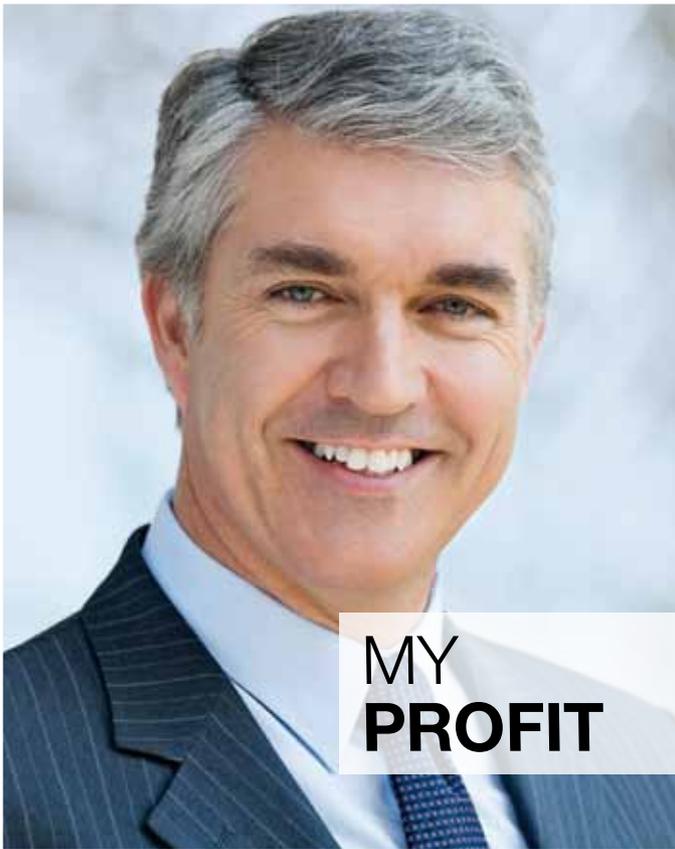


Annual Financial Statements
of HOCHTIEF Aktiengesellschaft
as of December 31, 2014



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PROFIT



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Annual Financial Statements of HOCHTIEF Aktiengesellschaft as of December 31, 2014

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The 2014 Annual Financial Statements and Management Report of HOCHTIEF Aktiengesellschaft are published in the Bundesanzeiger (Federal Official Gazette). A combined Management Report for HOCHTIEF Aktiengesellschaft and the HOCHTIEF Group is presented beginning on page 30 of the Group Report 2014.

Balance Sheet of HOCHTIEF Aktiengesellschaft

(EUR thousand)	See note	Dec. 31, 2014	Dec. 31, 2013
Assets			
Fixed assets	(1)		
Intangible assets		10,774	9,234
Property, plant and equipment		19,509	20,770
Financial assets		2,486,692	1,981,636
		2,516,975	2,011,640
Current assets			
Inventories	(2)	16,925	17,369
Receivables and other assets	(3)	681,715	715,895
Marketable securities	(4)	279,553	543,852
Cash and cash equivalents	(5)	205,958	202,675
		1,184,151	1,479,791
Prepaid expenses	(6)	16,092	18,200
Excess of plan assets over obligations	(9)	19,732	17,636
		3,736,950	3,527,267
Liabilities and Shareholders' Equity			
Shareholders' equity	(7)		
Subscribed capital*		177,432	197,120
Treasury stock		-2,159	-19,688
Reserves		1,266,021	1,278,270
Unappropriated net profit		131,688	115,500
		1,572,982	1,571,202
Provisions			
Provisions for pensions and similar obligations	(9)	15,567	12,473
Other provisions	(10)	45,973	61,570
		61,540	74,043
Liabilities	(11)	2,101,938	1,882,022
Deferred income	(12)	490	-
		3,736,950	3,527,267

*Plus conditional capital with a nominal value of EUR 49,280 thousand

Statement of Earnings of HOCHTIEF Aktiengesellschaft

(EUR thousand)	See note	2014	2013
Sales	(14)	49,872	37,216
Change in the balance of construction work in progress		(432)	(2,317)
Other operating income	(15)	53,942	63,498
Materials	(16)	(16,633)	(16,758)
Personnel costs	(17)	(27,073)	(29,260)
Depreciation and amortization	(18)	(3,984)	(5,247)
Other operating expenses	(19)	(93,653)	(184,831)
Net income from financial assets	(20)	275,682	434,108
Net interest income	(21)	(81,534)	(74,166)
Writedowns on financial assets and marketable securities	(22)	(2,953)	(1,944)
Profit from ordinary activities		153,234	220,299
Income taxes	(23)	809	(941)
Net profit before changes in reserves		154,043	219,358
Net profit brought forward		11,536	3,387
Changes in revenue reserves	(7)	(33,891)	(107,245)
Proceeds from capital reduction	(7)	19,688	-
Appropriation to capital reserve	(7)	(19,688)	-
Unappropriated net profit		131,688	115,500

Movements in Fixed Assets

(EUR thousand)	Cost of acquisition or production	
	Jan. 1, 2014	Additions
Intangible assets		
Concessions, industrial property and similar rights and assets, and licenses in such rights and assets, acquired for valuable consideration	34,094	5,001
	34,094	5,001
Property, plant and equipment		
Land, similar rights and buildings, including buildings on land owned by third parties	62,969	10
Technical equipment and machinery	2,799	-
Other equipment and office equipment	6,922	84
Prepayments and assets under construction	123	-
	72,813	94
Financial assets		
Shares in affiliated companies	2,060,521	610,430
Long-term loans to affiliated companies	138,959	-
Other participating interests	17,492	-
Long-term securities investments	19,720	21,100
	2,236,692	631,530
Total fixed assets	2,343,599	636,625

Cost of acquisition or production		Cumulative depreciation and amortization	Depreciation and amortization in 2014	Carrying amount at Dec. 31, 2014	Carrying amount at Dec. 31, 2013
Disposals	Reclassifications				
1,437	–	26,884	3,189	10,774	9,234
1,437	–	26,884	3,189	10,774	9,234
2,713	123	42,441	425	17,948	18,796
–	–	2,118	100	681	780
350	–	5,776	270	880	1,071
–	(123)	–	–	–	123
3,063	–	50,335	795	19,509	20,770
632	–	238,490	924	2,431,829	1,822,955
102,643	–	–	–	36,316	138,959
–	–	17,490	–	2	2
22,275	–	–	–	18,545	19,720
125,550	–	255,980	924	2,486,692	1,981,636
130,050	–	333,199	4,908	2,516,975	2,011,640

Notes to the HOCHTIEF Aktiengesellschaft Financial Statements

General information

These Annual Financial Statements are prepared in accordance with the German Commercial Code (HGB) and Stock Corporations Act (AktG). There are no recognition and measurement changes relative to the prior year. For purposes of clarity, a number of items are combined in the Balance Sheet and in the Statement of Earnings. These items are broken down into their constituents and commented on elsewhere in these Notes. The Statement of Earnings is presented in vertical format using the nature of expense method of analysis. The financial statements are presented in euros.

The Executive Board and Supervisory Board have issued a declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporations Act (AktG). The declaration is available for the public to view at all times on the HOCHTIEF website.*

*For further information on corporate governance at HOCHTIEF, please see www.hochtief.com/corporategovernance.

Accounting policies

Purchased intangible assets are stated at cost of purchase less amortization, on a straight-line basis. If the fair value of an intangible asset is likely to be less than its carrying amount on other than a temporary basis, a write-down is additionally recognized due to impairment. Internally generated intangible assets are not recognized. Property, plant and equipment is stated at cost of purchase or production (at the amount required to be recognized), less depreciation and, if the fair value of an item of property, plant and equipment is likely to be less than its carrying amount on other than a temporary basis, writedowns due to impairment. Borrowing costs are not included in purchase or production cost. Additions to property, plant and equipment are uniformly depreciated on a straight-line basis over useful lives of up to ten years. Minor assets with a cost of up to EUR 150 are expensed in the year of purchase or production and are not recognized as assets. Minor assets with a cost of more than EUR 150 but less than EUR 1,000 are grouped and depreciated collectively over five years.

Financial assets are reported at acquisition cost. Certain shares in affiliated companies and participating interests are reported at fair value if this is lower and the impairment is likely to be other than temporary. Long-term securities investments and long-term loans are stated at the lower of acquisition cost or their current stock market price or, if an impairment is likely to be other than temporary, fair value.

Inventories are stated in accordance with the lower of cost or market principle either at cost of purchase or at the cost of production that is required to be recognized for tax purposes. Cost of production of construction work in progress includes direct materials, direct labor, direct expenses, and an appropriate proportion of material overhead, labor overhead, and production-related depreciation of fixed assets. Progress payments received from clients are deducted from inventories up to the amount of the cost of production for each project. Advance payments in excess of these amounts are reported as liabilities.

The valuation of receivables and other current assets normally measured at nominal value includes appropriate provision as necessary for specific doubtful accounts. A global allowance is also deducted to cover general credit risks and allow for any failure to yield interest.

Marketable securities are reported at the lower of acquisition cost or their current stock market price or fair value.

If the cost of purchase or capitalizable cost of production of any asset is higher than its fair value on the balance sheet date, its carrying amount is written down accordingly.

Subscribed capital is stated at nominal value.

Treasury stock is presented as an adjusting item in shareholders' equity. The accounting par value of the treasury stock is deducted from subscribed capital on the face of the balance sheet and any remainder in respect of acquisition cost is charged against other revenue reserves. Any transaction costs are recognized in profit or loss.

Provisions for pensions and similar obligations and provisions for long-service bonuses and semi-retirement programs for older employees are measured using actuarial tables based on biometric probabilities (Prof. Dr. Klaus Heubeck 2005 G tables). Direct pension obligations are measured in accordance with Section 253 (1) and (2) of the German Commercial Code (HGB). Pensions and similar obligations are consequently measured using the internationally accepted projected unit credit method, which additionally takes into account future pay and pension benefit increases. In setting the discount factor, use was made of the option under the second sentence of Section 253 (2) HGB, permitting pension provisions and similar long-term obligations to be discounted using a single average market interest rate found for an assumed remaining term of 15 years. The average is found for the market interest rate in the last seven fiscal years. If the change in the discount rate at the end of the year produces only a non-material change in pension obligations, the figure determined and published by the German Bundesbank as of September 30 each fiscal year is applied. In light of the sharp fall in capital market interest rates, allowance was also made in 2014 for the effect, foreseeable as of September 30, of determining the average interest rate as of December 31, 2014. The great majority of pension obligations are matched by assets held with the sole purpose of meeting pension obligations and out of reach of other creditors (plan assets). These include assets invested under a contractual trust arrangement (CTA) in HOCHTIEF Pension Trust e. V., pension liability insurance assigned to employees, and mutual fund units under a deferred compensation plan. Securities are measured at fair value. Depending on the type of plan assets involved, fair value is measured using market prices, bank statements, and insurance statements. Any excess of fair value over cost of acquisition is barred from dividend distribution. Under the second sentence of Section 246 (2) HGB, the fair value of plan assets is offset with the matched pension obligations. If the fair value of plan assets exceeds that of the pension obligations, the excess is presented as "excess of plan assets over obligations." Income from plan assets is likewise offset against the interest expense from the unwinding of the discount on pension obligations and against any expense/income recognized on changes in the discount factor, and the difference included in net interest income.

Other provisions are recognized in an amount appropriate to cater for all identifiable risks; the amount provided for reflects the anticipated future charge. Expected future price and cost increases are taken into account when determining the settlement amount. Provisions with a remaining term of over one year are each discounted with the past seven-year average market interest rate for congruent maturities as determined and published by the German Bundesbank.

Liabilities are normally reported at the settlement amount.

Deferred taxes are recognized for temporary differences between the published financial statements and the tax base. Deferred tax assets are also recognized for tax refund entitlements resulting from the anticipated use of existing tax loss carryforwards in the next five years provided it is sufficiently certain that they will be realized. HOCHTIEF Aktiengesellschaft also accounts for all deferred taxes for companies in its tax group. Deferred tax is measured as in the prior year on the basis of a combined tax rate of 31.5%. Deferred tax assets and deferred tax liabilities are presented net. In 2014, as in the previous year, deferred tax liabilities were more than offset by deferred tax assets resulting primarily from the measurement of pension provisions and other provisions. Use was made of the option under the second sentence of Section 274 (1) HGB, to dispense with recognition of deferred tax assets.

Currency translation

Assets and liabilities in foreign currency are reported in the financial statements at the average spot exchange rate on initial entry in the accounts. Losses due to changes in exchange rates are recognized as expense. For foreign currency-denominated assets and liabilities with a remaining term of less than one year, any gains due to changes in quoted prices as of the balance sheet date are recognized in profit or loss.

Where the currency risk on foreign currency items is hedged with derivatives such as forward exchange contracts and valued as a unit with the derivatives, the items are translated at the hedged rate.

Derivative financial instruments

As well as for hedging exchange rate fluctuations in our international activities, derivatives are used to hedge interest rate fluctuations on variable-rate debt and to hedge our share-based payment plans. Derivatives are deployed exclusively for hedging purposes. Rules on their use and separate control are laid down together with responsibilities by binding directives in all Group companies. Derivatives must be used in connection with hedged transactions to offset risks in designated hedging relationships. The counterparties in hedging transactions are invariably banks with first-rate credit standing. Derivatives are initially recognized at cost and are measured in subsequent periods at fair value in accordance with the accounting principle of anticipating losses but not profits except where hedged items and the corresponding hedging transactions are valued as a unit. Provisions for one-way contracts are recognized if derivatives have a negative fair value. Fair values of interest rate swaps are determined from interest rate curves at the measurement date; fair values of foreign currency derivatives are determined from the forward exchange rates for the relevant currencies at the measurement date. Fair values of stock forward contracts and stock options are determined from market prices at the measurement date.

Hedged items are valued as a unit with their corresponding hedging transactions if they are objectively and intentionally complementary in use and function such that gains and losses from the hedged item and the hedging transaction are highly likely to cancel each other out. At HOCHTIEF, hedged items and hedging transactions can only be valued as a unit in the case of micro hedges, where a single hedging transaction corresponds to a single hedged item. The effectiveness of such a unit at matching future changes in value or cash flows is determined by using the critical terms match method. Retrospective measurement of effectiveness is normally performed using the dollar offset method. Any ineffectiveness is accounted for by applying the rule of anticipating losses but not gains and recognizing a provision for the unit as needed. In all other respects, accounting presentation follows the net hedge presentation method.

Management estimates and assumptions

The preparation of the annual financial statements requires the management of HOCHTIEF Aktiengesellschaft to make estimates and assumptions that affect the disclosure and reported amounts of assets and liabilities as of the balance sheet date and of income and expenses in the reporting period as well as the disclosure of risks and uncertainties. Actual results may differ from such estimates.

Explanatory Notes to the Balance Sheet

1. Fixed assets

The aggregated fixed assets categories reported in the balance sheet are subclassified, with details of changes in each item relative to the prior year, in the statement of Movements in Fixed Assets on pages 6 and 7.

The EUR 5,001 thousand in additions to intangible assets mainly relates to prepaid bank guarantee and loan commitment fees.

The EUR 610,430 thousand in additions to shares in affiliated companies includes EUR 610,300 thousand in payments into the capital reserve at HOCHTIEF Asia Pacific GmbH in connection with the increase in the shareholding in Leighton Holdings Ltd. from 57.94% to 69.62%.

The long-term loans to affiliated companies relate to HOCHTIEF Projektentwicklung GmbH, Essen. The item decreased in the reporting period from EUR 138,959 thousand to EUR 36,316 thousand due to loan repayments in connection with the sale of aurelis Real Estate GmbH & Co. KG.

A list of the main subsidiaries, associates, and other equity interests held by HOCHTIEF Aktiengesellschaft is provided on page 34.

Long-term securities investments consist in their entirety of shares in mutual fund units linked to a deferred compensation plan to provide a supplementary pension for employees. These shares were acquired on behalf of subsidiaries and thus do not constitute plan assets for HOCHTIEF Aktiengesellschaft.

2. Inventories

(EUR thousand)	Dec. 31, 2014	Dec. 31, 2013
Construction work in progress	16,925	17,356
Raw materials and supplies	–	13
	16,925	17,369

3. Receivables and other assets

(EUR thousand)	Dec. 31, 2014	Of which: residual term above 1 year	Dec. 31, 2013	Of which: residual term above 1 year
Trade receivables	2,376	–	7,318	–
Receivables from affiliated companies	596,501	279,269	677,460	324,366
Receivables from companies in which the Company has participating interests	67	–	17	–
Other assets	82,771	6,399	31,100	9,558
	681,715	285,668	715,895	333,924

Receivables from affiliated companies are largely connected with intra-Group financial management.

Other assets include tax refund entitlements, premiums receivable on derivative financial instruments, pension liability insurance entitlements, entitlements from real estate sales, interest receivables from securities and fixed-term deposit investments, other non-trade receivables, and other assets.

Other assets totaling EUR 3,120 thousand (2013: EUR 4,012 thousand) are subject to restrictions.

4. Securities

Marketable securities include EUR 279,553 thousand (2013: EUR 543,852 thousand) in shares in fixed-interest investments and investment funds.

5. Cash and cash equivalents

Cash and cash equivalents mostly consist of bank balances and, as in the prior year, are not subject to any restrictions.

6. Prepaid expenses

Prepaid expenses mainly consisted of prepaid loan liabilities, licenses, and rents. The difference between the settlement amount and issue amount of liabilities came to EUR 7,885 thousand (2013: EUR 6,685 thousand).

7. Shareholders' equity

(EUR thousand)	Amount on Jan. 1, 2014	Capital reduction	After capital reduction	Dividends distributed	Net loss before changes in reserves	Change in capital/revenue reserves	Amount on Dec. 31, 2014
Subscribed capital	197,120	(19,688)	177,432	-	-	-	177,432
Treasury stock	(19,688)	19,688	-	-	-	(2,159)	(2,159)
Capital reserve	784,326	19,688	804,014	-	-	4	804,018
Revenue reserves							
Statutory reserve	1,492	-	1,492	-	-	-	1,492
Other revenue reserves	492,452	(19,688)	472,764	-	-	(12,253)	460,511
Total reserves	1,278,270	-	1,278,270	-	-	(12,249)	1,266,021
Unappropriated net profit	115,500	-	115,500	(103,964)	154,043	(33,891)	131,688
	1,571,202	-	1,571,202	(103,964)	154,043	(48,299)	1,572,982

The Executive Board passed a resolution on February 24, 2014 exercising the authorization given at the Annual General Meeting of May 7, 2013 to redeem all 7,690,565 shares of treasury stock acquired in accordance with Section 71 (1) No. 8 of the German Stock Corporations Act (AktG). The Supervisory Board approved the redemption. Following the redemption, the Company's capital stock is divided into 69,309,434 no-par-value bearer shares. Concurrently with the redemption, the Company's capital stock was reduced to EUR 177,432,151.04. The capital reduction was effected by redemption of treasury stock acquired in accordance with Section 71 (1) No. 8 Sentence 6 AktG by application of the simplified redemption procedure (Section 237 (3) No. 2 AktG). As in the prior year, each share accounts for EUR 2.56 of capital stock.

As of December 31, 2014, HOCHTIEF Aktiengesellschaft held a total of 843,189 shares of treasury stock as defined in Section 160 (1) No. 2 of the German Stock Corporations Act (AktG). These shares were purchased from October 7, 2014 onward for the purposes provided for in the resolution of the Annual General Meeting of May 7, 2014 and for all other purposes permitted under AktG, at a total price of EUR 48,303,535 (an average price of EUR 57.29 per share). The holdings of treasury stock represent EUR 2,158,564 (1.22%) of the Company's capital stock.

Including treasury stock still held, subscribed capital totaled EUR 175,273 thousand (2013: EUR 177,432 thousand) as of December 31, 2014.

The capital reserve comprises EUR 782,684 thousand constituting the premium on shares issued by HOCHTIEF Aktiengesellschaft as in the prior year together with EUR 1,646 thousand (2013: EUR 1,642 thousand) for the book gain on the sale of treasury stock and EUR 19,688 thousand (prior year: EUR -) for the subscribed capital amount represented by the redeemed shares.

EUR 33,891 thousand was transferred to other revenue reserves from net profit for the year (2013: EUR 107,245 thousand). This was countered within other revenue reserves by EUR 46,144 thousand charged against equity for the purchase cost of acquired treasury stock. Reserves in the amount of EUR 26,035 thousand (2013: EUR 16,586 thousand) are barred from distribution in accordance with Section 268 (8) of the German Commercial Code (HGB). The entire amount relates to the excess of the fair value of plan assets over the cost of acquisition.

The Executive Board is unaware of any restrictions on voting rights or on transfers of securities.

There are no shares with special control rights. The Executive Board is not aware of any employee shares where the control rights are not exercised directly by the employees.

Statutory rules on the appointment and replacement of Executive Board members are contained in Sections 84 and 85 and statutory rules on the amendment of the Articles of Association in Sections 179 and 133 of the German Stock Corporations Act (AktG). Under Section 7 (1) of the Company's Articles of Association, the Executive Board comprises at least two individuals. Section 23 (1) of the Articles of Association provides that resolutions of the Annual General Meeting require a simple majority of votes cast unless there is a statutory requirement stipulating a different majority. In instances where the Act requires a majority of the capital stock represented at the time of the resolution in addition to a majority of votes cast, Section 23 (3) of the Articles of Association provides that a simple majority will suffice unless there is a mandatory requirement stipulating a different majority.

Pursuant to Section 4 (5) of the Articles of Association, the Executive Board is authorized subject to Supervisory Board approval to increase the capital stock by issuing new no-par-value bearer shares for cash and/or non-cash consideration in one or more issues up to a total of EUR 35,840 thousand by or before May 10, 2015 (Authorized Capital I). Similarly, there is an authorization to increase capital by up to EUR 23,296 thousand by or before May 11, 2016 under Section 4 (6) of the Articles of Association (Authorized Capital II). Detailed provisions are contained in the stated section of the Articles.

Pursuant to Section 4 (4) of the Articles of Association, the Company's capital stock has been conditionally increased by up to EUR 49,280 thousand divided into up to 19,250,000 no-par-value bearer shares (conditional capital). Detailed provisions are contained in the stated section of the Articles.

Authorization to repurchase shares:

The Company is authorized by resolution of the Annual General Meeting of May 7, 2014 to repurchase its own shares in accordance with Section 71 (1) 8 of the German Stock Corporations Act (AktG). The authorization expires on May 6, 2019. It is limited to 10% of the capital stock at the time of the Annual General Meeting resolution or at the time of exercising the authorization, whichever figure is smaller, with the quantity of shares able to be acquired by the use of call options limited to a maximum of 5% of the capital stock at the time of the Annual General Meeting resolution. The authorization can be exercised directly by the Company or by a company in its control or majority ownership or by third parties engaged by the Company or engaged by a company in its control or majority ownership and allows the share repurchase to be executed in one or more installments covering the entire amount or any fraction. The repurchase may be effected through the stock exchange or by public offer to all shareholders, or by public invitation to all shareholders to tender shares for sale, or by issuing shareholders with rights to sell shares, or by the use of call options. The conditions governing the repurchase are set forth in detail in the resolution.

By resolution of the Annual General Meeting of May 7, 2014, the Executive Board is authorized, subject to Supervisory Board approval, in the event of a sale of treasury shares effected by way of an offer to all shareholders, to issue subscription rights to the shares to holders of warrant-linked and/or convertible bonds issued by the Company or by any subordinate Group company. The Executive Board is also authorized, subject to Supervisory Board approval, to sell treasury shares other than through the stock exchange and other than by way of

an offer to all shareholders provided that the shares are sold for cash at a price not substantially below the current stock market price for Company shares of the same class at the time of sale.

The HOCHTIEF Aktiengesellschaft Executive Board is also authorized, subject to Supervisory Board approval and the conditions set out in the following, to offer and transfer treasury shares to third parties other than through the stock exchange and other than by way of an offer to all shareholders. Such transactions may take place in the course of acquisitions of business enterprises in whole or part and in the course of mergers. They are also permitted for the purpose of obtaining a listing for the Company's shares on foreign stock exchanges where it is not yet listed. The shares may also be offered for purchase by employees or former employees of the Company or its affiliates. Holders of bonds which the Company or a Group company subordinate to it issues or has issued under the authorization granted at the Annual General Meeting of May 12, 2011 (agenda item 8) may also be issued with the shares upon exercising the warrant and/or conversion rights and/or obligations attached to the bonds

The shares may also, on condition that they be held for at least two years after transfer, be transferred to (current or past) members of the Executive Board of the Company and to (current or past) members of the executive boards and general management of companies under its control within the meaning of Section 17 of the German Stock Corporations Act (AktG), and to current or past employees of the Company or of a company under its control within the meaning of Section 17 AktG. Such transfers are only permitted for the purpose of settling the transferees' variable compensation entitlements in place of cash settlement. Further conditions of transfer are detailed in the resolution. Where shares are issued to members of the Executive Board of the Company, the decision to issue the shares is taken solely by the Supervisory Board.

Shareholders' statutory subscription rights to such shares are barred pursuant to Sections 71 (1) 8 and 186 (3) and (4) of the German Stock Corporations Act (AktG) to the extent that the shares are used in exercise of the authorizations set out above.

The Executive Board is also authorized, subject to Supervisory Board approval, to retire repurchased shares without a further resolution of the Annual General Meeting being required for the share retirement itself or its execution.

The conditions governing awards of subscription rights and the sale, transfer, and retirement of treasury stock are set forth in detail in the Annual General Meeting resolution.

HOCHTIEF Aktiengesellschaft made use of the authorization granted at the Annual General Meeting of May 7, 2014 to purchase 13,991 shares in HOCHTIEF Aktiengesellschaft for a total price of EUR 924,205 (an average price of EUR 66.06 per share) between May 12, 2014 and May 23, 2014. The shares represent EUR 35,817 (0.02%) of the Company's capital stock.

In May 2014, 13,991 shares of treasury stock were transferred to members of the Executive Board of the Company and to members of the Executive Board of HOCHTIEF Solutions AG at a price of EUR 66.35 per share on condition that the shares be held for at least two years after transfer. The transfer settled the transferees' variable compensation entitlements in place of cash settlement. The shares represent EUR 35,817 (0.02%) of the Company's capital stock.

8. Share-based payment

The following Group-wide share-based payment systems were in force for managerial staff of HOCHTIEF Aktiengesellschaft and its affiliates in 2014:

Retention Stock Awards 2008

In May 2008, the Supervisory Board adopted a resolution to launch, for members of the Executive Board, a Retention Stock Award plan (RSA 2008) consisting of three tranches and running for seven years, and granted a first tranche of awards under the plan. The conditions for the first tranche of stock awards stipulated that for each stock award exercised within a two-year exercise period following a three-year waiting period, entitled individuals received at HOCHTIEF Aktiengesellschaft's discretion either a HOCHTIEF share or a compensatory cash amount equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date. The gain on each stock award was limited to EUR 160.

The second tranche was granted in March 2009. The conditions for the second tranche differed from the first tranche solely in the time frame being one year later and with regard to the cap, which was set for the second tranche at EUR 66.50 per stock award. The third tranche was granted in March 2010. The conditions for the third tranche differed from the first tranche solely in the time frame being two years later and with regard to the cap, which was set for the third tranche at EUR 133.12 per stock award.

The first tranche was exercised in full by the members of the Executive Board in 2011. The second and third tranches were exercised in full or expired in 2014.

Top Executive Retention Plan 2008

The Executive Board also resolved in June 2008 to launch a Top Executive Retention Plan 2008 (TERP 2008) for selected managerial employees.

This plan is likewise based on stock awards and consists of three tranches. The first tranche was granted in July 2008, the second in July 2009, and the third in July 2010.

The total term of the plan is ten years. The waiting period after the granting of each tranche is three years. The exercise period is between five and seven years, depending on the tranche.

The conditions stipulate that, after the waiting period, entitled individuals receive for each stock award either a HOCHTIEF share or, at HOCHTIEF Aktiengesellschaft's discretion, a compensatory cash amount equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date. The gain is capped for each year of the exercise period. The cap rises annually up to a maximum gain at the end of the term. The maximum gain is set to EUR 160 per stock award for the first tranche, EUR 81.65 for the second tranche, and EUR 166.27 for the third tranche.

Long-term Incentive Plan 2009

The Long-term Incentive Plan 2009 (LTIP 2009) was launched by resolution of the Supervisory Board in 2009 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. Alongside grants of stock appreciation rights (SARs), LTIP 2009 also provided for grants of stock awards. The SARs could only be exercised if, for at least ten consecutive stock market trading days before the exercise date, the ten-day average (arithmetic mean) stock market closing price of HOCHTIEF stock was higher relative to the issue price compared with the ten-day average closing level of the MDAX index rela-

tive to the index base (relative performance threshold) and, additionally, return on net assets (RONA) in the then most recently approved set of Consolidated Financial Statements was at least 10% (absolute performance threshold). The relative performance threshold was waived if the average stock market price of HOCHTIEF stock exceeded the issue price by at least 10% on ten consecutive stock market trading days after the end of the waiting period.

Provided that the targets were met, the SARs could be exercised at any time after a two-year waiting period except during a short period before publication of any business results. When SARs were exercised, the issuing entity paid out the difference between the then current stock price and the issue price. The difference was capped at 50% of the issue price.

The LTIP conditions for stock awards stipulated that for each stock award exercised within a two-year exercise period following a three-year waiting period, entitled individuals received at HOCHTIEF Aktiengesellschaft's discretion either a HOCHTIEF share or a compensatory cash amount equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date. The maximum gain was set to EUR 40.10 per stock award.

The plan was exercised in full.

Long-term Incentive Plan 2010

The Long-term Incentive Plan 2010 (LTIP 2010) was launched by resolution of the Supervisory Board in 2010 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. Except for the longer waiting period (four instead of two years) for the SARs, the conditions do not differ in any material respect from those of LTIP 2009. The gain is limited to EUR 27.28 per SAR and EUR 81.83 per stock award.

Long-term Incentive Plan 2011

The Long-term Incentive Plan 2011 (LTIP 2011) was launched by resolution of the Supervisory Board in 2011 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. The conditions do not differ in any material respect from those of LTIP 2010. The gain is limited to EUR 32.67 per SAR and EUR 98.01 per stock award.

Long-term Incentive Plan 2012

The Long-term Incentive Plan 2012 (LTIP 2012) was launched by resolution of the Supervisory Board in 2012 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. The plan conditions differ from those of LTIP 2011 in two points:

1. Return on net assets (RONA) as per the most recently approved Consolidated Financial Statements must be at least 15%.
2. The waiting time for stock awards was extended from three to four years and the total term of the plan accordingly from five to six years.

The gain is limited to EUR 25.27 per SAR and EUR 75.81 per stock award.

Long-term Incentive Plan 2013

The Long-term Incentive Plan 2013 (LTIP 2013) was launched by resolution of the Supervisory Board in 2013 and is open to Executive Board members. The plan conditions differ from those of LTIP 2012 in only one point:

The number of SARs that can be exercised depends on attainment of the planned value range for adjusted free cash flow. This value range is set in the business plan for each exercise year.

The gain is limited to EUR 24.61 per SAR and EUR 73.83 per stock award.

Long-term Incentive Plan 2014

The Long-term Incentive Plan 2014 (LTIP 2014) was launched by resolution of the Supervisory Board in 2014 and is open to Executive Board members. The plan conditions do not differ in any material respect from those of LTIP 2013.

The gain is limited to EUR 30.98 per SAR and EUR 92.93 per stock award.

Other information

Return on net assets (RONA)

Return on net assets (RONA)* indicates how well HOCHTIEF's assets are performing as an investment and thus measures the profitability of the HOCHTIEF Group. RONA measures return as a percentage of net assets. For this purpose, return is defined as operational earnings (EBITA, shown in the Operational Statement of Earnings) plus interest income from the Group's financial assets. The net assets figure reflects the total capital commitment from which returns are to be generated.

The HOCHTIEF Group generated a return on net assets (RONA) of 20.3% in 2014 (2013: 15.6%**). RONA thus increased by 4.7 percentage points compared with the prior year.

The conditions of all plans stipulate that on the exercise of SARs or stock awards—and the fulfillment of all other requisite criteria—HOCHTIEF Aktiengesellschaft normally has the option of delivering HOCHTIEF shares instead of paying out the gain in cash. Where the entitled individuals are not employees of HOCHTIEF Aktiengesellschaft, the expense incurred on exercise of SARs or stock awards is met by the affiliated company concerned.

Provisions recognized for the stated share-based payment arrangements totaled EUR 7,219 thousand as of the balance sheet date (2013: EUR 10,668 thousand). The total expense recognized for the stated arrangements in 2014 was EUR 1,024 thousand (2013: EUR 7,064 thousand). The intrinsic value of options exercisable at the end of the reporting period was EUR 3,305 thousand (2013: EUR 6,213 thousand).

*For further information on RONA, please see www.hochtief.com/rona.

**restated

The quantities of SARs and stock awards granted, expired, and exercised under the plans are as follows:

	Originally granted	Outstanding at Dec. 31, 2013	Granted in 2014	Expired in 2014	Exercised/ settled in 2014	Disposal/ sale 2014	Outstanding at Dec. 31, 2014
TERP 2008/Tranche 1	130,900	4,800	–	–	–	–	4,800
TERP 2008/Tranche 2	359,000	85,500	–	12,600	55,950	–	16,950
TERP 2008/Tranche 3	174,100	26,900	–	–	4,600	–	22,300
RSA 2008/Tranche 2	347,478	80,188	–	–	80,188	–	–
RSA 2008/Tranche 3	146,884	40,060	–	–	40,060	–	–
LTIP 2009 – stock awards	273,400	500	–	500	–	–	–
LTIP 2010 – SARs	353,200	202,500	–	6,100	146,850	500	49,050
LTIP 2010 – stock awards	166,000	10,600	–	500	6,300	–	3,800
LTIP 2011 – SARs	275,250	180,250	–	13,350	–	9,850	157,050
LTIP 2011 – stock awards	124,850	72,300	–	1,100	55,450	–	15,750
LTIP 2012 – SARs	457,406	340,506	–	30,550	–	19,250	290,706
LTIP 2012 – stock awards	82,991	54,829	–	5,135	–	2,880	46,814
LTIP 2013 – SARs	38,288	38,288	–	–	–	–	38,288
LTIP 2013 – stock awards	9,297	9,297	–	–	–	–	9,297
LTIP 2014 – SARs	–	–	83,554	–	–	–	83,554
LTIP 2014 – stock awards	–	–	19,664	–	–	–	19,664

9. Provisions for pensions and similar obligations

Pension arrangements at HOCHTIEF Aktiengesellschaft consist of a Company-funded basic pension in the form of a modular defined contribution plan and a supplementary pension linked to business performance. The size of the basic pension component depends on employee income and age (resulting in an annuity conversion factor) and a general pension contribution which HOCHTIEF Aktiengesellschaft reviews every three years. The size of the supplementary pension component depends on growth in IFRS-basis profit after taxes. The basic pension can be supplemented in this way by up to 20%. Benefits comprise an old-age pension, an invalidity pension, and a surviving dependants' pension.

The size of pension provisions is determined on an actuarial basis. This necessarily involves estimates. The Prof. Dr. Klaus Heubeck 2005 G tables are used to provide biometric data for the calculations. The remaining actuarial assumptions used are as follows:

(%)	2014	2013
Discount factor	4.55	4.91
Salary increases	3.00	3.25
Pension increases	1.75	2.00

HOCHTIEF Aktiengesellschaft's pension finances are based on a contractual trust arrangement (CTA). Transferred assets are administered in trust by HOCHTIEF Pension Trust e. V. and serve exclusively to fund pension obligations. The transferred cash is invested on the capital market in accordance with investment principles set out in the trust agreement. Units in a special-purpose investment fund (a mixed investment fund) had a fair value,

which was equal to their carrying amount, of EUR 186,223 thousand as of December 31, 2014 (December 31, 2013: EUR 194,304 thousand). As in the prior year, HOCHTIEF Aktiengesellschaft did not receive any distribution from the fund. The plan assets—like the pension liability insurance and investment fund units in the deferred compensation plan assigned to employees—meet the requirements in the second sentence of Section 246 (2) of the German Commercial Code (HGB). The fair value of these assets is therefore offset against the fair value of the pension obligations and gains on plan assets against pension expense. This offsetting is carried out separately for each type of pension commitment. An asset or liability is recognized on the balance sheet depending on whether there is a pension surplus or deficit.

Assets were offset against pension obligations as follows in the balance sheet as of December 31, 2014:

(EUR thousand)	December 31, 2014			December 31, 2013		
	Excess of plan assets over obligations	Provisions for pensions and similar obligations	Total	Excess of plan assets over obligations	Provisions for pensions and similar obligations	Total
Settlement amount of pensions and similar obligations	(46,849)	(230,838)	(277,687)	(44,063)	(234,275)	(278,338)
Fair value of assets offset against obligations (Section 246 (2) Sentence 2 HGB)	66,581	215,271	281,852	61,699	221,802	283,501
Balance	19,732	(15,567)	4,165	17,636	(12,473)	5,163
Acquisition cost of assets offset against obligations (Section 246 (2) Sentence 2 HGB)	66,581	191,890	258,471	61,699	207,870	269,569

Pension payments totaled EUR 22,432 thousand in 2014 (2013: EUR 22,285 thousand).

The pension expense is made up as follows:

(EUR thousand)	2014	2013
Pension expense	(57)	7,364
Personnel expense	(57)	7,364
Interest expense from unwinding of discount and changes in discount factor	21,712	17,092
Gains/(losses) on plan assets offset against pension expense (Section 246 (2) Sentence 2 HGB)	(15,029)	(9,118)
Net interest income	6,683	7,974
Total expense	6,626	15,338

The negative pension expense in 2014 results from the reduction in the rate of salary and pension increases in the calculation of pension obligations.

10. Other provisions

(EUR thousand)	Dec. 31, 2014	Dec. 31, 2013
Provisions for taxes	2,852	3,757
Sundry other provisions	43,121	57,813
	45,973	61,570

Other provisions cover items such as personnel-related provisions, risks in real estate and equity holdings, one-ous contracts not accounted for elsewhere, costs of preparing the annual financial statements, payments for damages, and other uncertain liabilities.

11. Liabilities

(EUR thousand)	Dec. 31, 2014	Of which: with residual term of up to 1 year	Dec. 31, 2013	Of which: with residual term of up to 1 year
Bonds	1,801,897	51,897	1,294,094	44,094
Amounts due to banks	92,606	42,606	411,086	37,586
Trade payables	3,546	3,546	9,301	9,301
Amounts due to affiliated companies	136,153	136,153	149,496	130,896
Amounts due to companies in which the Company has participating interests	1,172	1,172	1,187	1,187
Other liabilities	66,564	66,473	16,858	16,668
Of which: from taxes	[11,140]	[11,140]	[8,717]	[8,717]
Of which: from social insurance contributions	[12]	[12]	[12]	[12]
	2,101,938	301,847	1,882,022	239,732

A EUR 500,000 thousand bearer bond issued by HOCHTIEF Aktiengesellschaft in May 2014 has a carrying amount of EUR 507,803 thousand. The bond matures in May 2019. It carries a coupon of 2.625% per year. Coupon payments are made on May 28 each year. A EUR 750,000 thousand bearer bond issued by HOCHTIEF Aktiengesellschaft in March 2013 has a carrying amount of EUR 772,772 thousand. The bond matures in March 2020. It carries a coupon of 3.875% per year. Coupon payments are made on March 20 each year. A EUR 500,000 thousand bearer bond issued by HOCHTIEF Aktiengesellschaft in March 2012 has a carrying amount of EUR 521,322 thousand. The bond matures in March 2017. It carries a coupon of 5.50% per year. Coupon payments are made on March 23 each year.

Amounts due to banks include a EUR 50,000 thousand portion of a bilateral promissory note loan arranged on December 13, 2012. The loan has an initial term of four years and a fixed interest rate. A liability of EUR 44,500 thousand previously included in this item and resulting from a EUR 120,600 thousand promissory note loan issue placed in the market on November 25, 2011 was repaid ahead of time as of May 26, 2014. A further EUR

240,000 thousand promissory note loan issue put out by HOCHTIEF in 2010 and consisting of two tranches, for EUR 59,500 thousand and EUR 180,500 thousand respectively, was likewise repaid ahead of time as of May 26, 2014. Repayment of four promissory note loans taken out in 2009 for a total of EUR 300,000 thousand and with terms of three and five years split halfway with part-fixed, part-variable interest was completed on schedule at the end of the loan terms with a remaining amount of EUR 30,000 thousand paid as of May 26, 2014. Of the two promissory note loans taken out in 2008, one loan with an initial term of seven years remains included in this item. The loan is for a nominal amount of EUR 39,000 thousand and carries a coupon equal to six-month EURIBOR plus an appropriate lending margin.

In December 2011, an international banking syndicate provided HOCHTIEF on market terms with a five-year credit facility comprising a EUR 1.5 billion guarantee tranche and a EUR 500,000 thousand cash tranche. In April 2014, this syndicated facility was extended ahead of time on market terms to April 30, 2019. As in the prior year, there are no drawings on the cash tranche as of the reporting date.

Amounts due to affiliated companies are largely connected with intra-Group financial management.

Sundry other liabilities include tax liabilities, payroll liabilities, social insurance liabilities, other non-trade payables, and other obligations.

As in the prior year, aside from the EUR 750,000 thousand bearer bond issued by HOCHTIEF Aktiengesellschaft in March 2013, there are no liabilities with a remaining time to maturity of more than five years.

12. Prepaid expenses

Prepaid expenses mainly consisted of prepaid property rents and leases.

13. Contingencies, commitments, and other financial obligations

(EUR thousand)	Dec. 31, 2014	Dec. 31, 2013
Obligations from guarantees, sureties, and letters of support	1,275,359	833,217
Of which: for affiliated companies	[1,200,996]	[768,735]

The commitments and potential obligations primarily serve as security for bank loans, contract performance, warranty obligations, and advance payments. Most guarantees as of the reporting date related to participating interests and construction joint ventures. In our estimation, all companies can meet the underlying obligations and recourse to HOCHTIEF Aktiengesellschaft is not probable.

In connection with an intra-Group restructuring, HOCHTIEF Aktiengesellschaft—as in the prior year—gave an asset value guarantee for an investment for a limited period of initially five years.

The EUR 2 billion syndicated guarantee facility taken out in December 2011 and extended in April 2014 continues to be a central long-term financing instrument for HOCHTIEF Aktiengesellschaft. The syndicated facility has a EUR 1.5 billion tranche for guarantees, drawings on which amounted to EUR 0.947 billion as of December 31, 2014 (2013: EUR 1.02 billion) and a EUR 500,000 thousand cash tranche, which as in the prior year was undrawn as of December 31, 2014. The facility permits the furnishing of guarantees for ordinary activities, mainly of the HOCHTIEF Europe division. The guarantee and credit facility initially ran for five years and was extended in April 2014 to April 30, 2019.

In addition, HOCHTIEF Aktiengesellschaft has available a further EUR 1,191,348 thousand (2013: EUR 983,086 thousand) in revolving guarantee facilities provided by insurance companies and banks. Drawings on these facilities were EUR 791,642 thousand as of December 31, 2014 (2013: EUR 477,236 thousand).

HOCHTIEF Aktiengesellschaft has provided an unlimited bonding guarantee in favor of U.S. insurance companies in respect of obligations of the Turner Group and the Flatiron Group. Bonding is a statutory form of security used in the U.S. to guarantee performance of public projects. It is also used with other selected customers. The total bonding amount is USD 6,500 million as in the prior year. USD 5,032 million was utilized as of December 31, 2014 (2013: USD 4,027 million). No recourse has ever been made to this guarantee provided by HOCHTIEF and none is currently anticipated for the future.

HOCHTIEF Aktiengesellschaft is additionally liable for joint venture guarantees given by Flatiron Construction Corporation up to a maximum of the total contract value. This amounted to EUR 787,496 thousand as of December 31, 2014 (2013: EUR 786,704 thousand).

As in the prior year, marketable securities are not subject to any restrictions.

Other financial obligations include EUR 103,137 thousand (2013: EUR 112,354 thousand) in commitments under long-term contracts for the supply of goods and services. These represent obligations under long-term rental contracts and are partly offset by anticipated rental income totaling EUR 96,317 thousand (2013: EUR 105,383 thousand).

Derivative financial instruments

The EUR 39,000 thousand nominal value of loan liabilities (2013: EUR 323,500 thousand) subject to variable interest is hedged with a total of one interest rate swap (2013: nine interest rate swaps). The interest rate swaps used to hedge the promissory note loans repaid early on May 26, 2014 were terminated in the corresponding amount. The nominal amount outstanding allows inferences to be drawn as to the overall use made of derivatives, but does not reflect the level of risk involved in their use. On the basis of the interest rate curve as of the balance sheet date, the fair value of the interest rate swap is determined from the discounted expected future cash flows. The opposing cash flows are settled according to the remaining term of the hedged item and the corresponding hedge in the subsequent seven (2013: five to 35) months. As of the balance sheet date, the net fair value of the interest rate swap was minus EUR 2,461 thousand (2013: minus EUR 14,712 thousand).

Our cash-settled share-based compensation plans are hedged—as in the prior year—with six stock options and four stock forward contracts. The net fair value of the stock option transactions was EUR 4,982 thousand (2013: EUR 7,915 thousand). The stock options had a net carrying amount of EUR 3,017 thousand (2013: EUR 4,818 thousand), which is contained in other assets and other liabilities. The stock forward contracts had a net fair value of EUR 2,399 thousand as of December 31, 2014 (2013: 6,276 thousand). EUR 156 thousand (2013: EUR 539 thousand) in provisions for onerous contracts were recognized for stock options and stock forward contracts with negative fair values as of December 31, 2014, as these are not valued as a unit together with the share-based compensation plans. The income and expenditure associated with these derivatives is included in personnel expense.

Foreign currency transactions with a face value of EUR 2 thousand (2013: EUR 87,261 thousand) are hedged with forward exchange contracts in the same currency and with the same term as the underlying transaction and valued as a unit. The fair value of forward exchange contracts used for exchange rate hedging is the difference between the present value of the cash flows based on the agreed forward rate and the forward rate prevailing as of the balance sheet date. Forward exchange contracts had a net fair value of minus EUR 2 thousand (2013: plus EUR 3,944 thousand) as of the balance sheet date. As in the prior year, no provisions for onerous contracts were recognized for forward exchange contracts that had negative fair values. The opposing changes in fair value and cash flows are matched according to the remaining term of the hedged item and the corresponding hedge in the subsequent seven months (2013: three to 19 months).

Derivatives not measured at fair value because they were valued as a unit with a hedged item or had a positive market value had a net fair value of EUR 7,627 thousand at December 31, 2014 (2013: EUR 8,911 thousand).

Explanatory Notes to the Statement of Earnings

14. Sales

HOCHTIEF Aktiengesellschaft's reported sales comprise revenue from performing the functions of a holding company. Sales contain rental income of EUR 23,624 thousand (2013: EUR 24,510 thousand).

15. Other operating income

This item mainly consists of income in connection with corporate headquarters charges, reversals of provisions, disposals of marketable securities, and disposals of property, plant and equipment. The EUR 11,306 thousand (2013: EUR 23,196 thousand) in income from reversal of provisions is prior-period income. Other operating income also includes EUR 6,924 thousand (2013: EUR 4,135 thousand) in exchange rate gains.

16. Materials

(EUR thousand)	2014	2013
Raw materials, supplies, and purchased goods	669	897
Purchased services	15,964	15,861
	16,633	16,758

17. Personnel costs

(EUR thousand)	2014	2013
Wages and salaries	24,532	19,716
Social insurance and support	2,352	1,857
Pensions	189	7,687
	27,073	29,260

Employees

(average for the year)	2014	2013
Waged/industrial employees	5	6
Salaried/office employees	216	175
	221	181

The increase in the number of employees in the year under review is an outcome of the restructuring program at HOCHTIEF Solutions AG, in the course of which employees from the legal, project finance, and communication departments at HOCHTIEF Solutions AG were assigned to the corresponding corporate departments within HOCHTIEF Aktiengesellschaft.

18. Depreciation and amortization

(EUR thousand)	2014	2013
Intangible assets	3,189	4,316
Property, plant and equipment	795	931
	3,984	5,247

This consists in its entirety of depreciation and amortization as such, with no impairments.

19. Other operating expenses

Other operating expenses primarily include rentals and lease payments, consulting fees, additions to provisions for project risks, losses on disposal of financial assets and current assets, Supervisory Board compensation, court costs, attorneys' and notaries' fees, severance benefits, mail and funds transfer expenses, travel and other business expenses, costs of preparing the annual financial statements, and other social benefits payable that are not reported elsewhere. The item also includes EUR 2,970 thousand (2013: EUR 8,026 thousand) in foreign exchange losses. Other taxes included here come to EUR 276 thousand (2013: EUR 279 thousand). In

the prior year, other operating expenses were affected on a large scale by the disposal losses and transaction costs incurred on divestment of our airport activities. These were countered by profits transferred from HOCHTIEF AirPort GmbH.

20. Income from financial assets (net)

(EUR thousand)	2014	2013
Income from profit/loss transfer agreements	282,870	490,161
Income from participating interests	3	2,491
Of which: from affiliated companies	[3]	[2,491]
Expenses from transfer of losses	(9,168)	(85,713)
Income from other securities and long-term loans	1,977	27,169
Of which: from affiliated companies	[1,842]	[27,164]
	275,682	434,108

The income from profit/loss transfer agreements mainly relates to HOCHTIEF Asia Pacific GmbH (EUR 174,744 thousand; 2013: EUR 127,589 thousand), HOCHTIEF Projektentwicklung GmbH (EUR 58,328 thousand; 2013: EUR 12,892 thousand), HOCHTIEF Solutions AG (EUR 37,085 thousand; 2013: loss transfer of EUR 72,658 thousand), and HOCHTIEF Americas GmbH (EUR 10,703 thousand; 2013: loss transfer of EUR 9,345 thousand). In the prior year, this item also included EUR 198,548 thousand in income from the profit/loss transfer agreement with HOCHTIEF AirPort GmbH, mainly from the sale of our airport activities. The prior-year figure was additionally affected by larger income from the profit/loss transfer agreement with HOCHTIEF Insurance Broking and Risk Management Solutions GmbH (EUR 1,089 thousand; 2013: EUR 149,789 thousand), which mainly related to intra-Group transfers of holdings in the reorganization of insurance activities.

21. Interest expense

(EUR thousand)	2014	2013
Other interest and similar income	33,503	45,852
Of which: from affiliated companies	[30,112]	[43,530]
Interest and similar expenses	(115,037)	(120,018)
Of which: to affiliated companies	[(2,693)]	[(6,142)]
	(81,534)	(74,166)

The EUR 21,712 thousand interest expense from the unwinding of the discount on pension provisions (2013: EUR 17,092 thousand) is offset in net interest income against the EUR 15,029 thousand in gains or losses on plan assets (2013: EUR 9,118 thousand). A positive balance is shown under other interest and similar income; a negative balance under interest and similar expenses. Interest and similar expenses also contain EUR 197 thousand (2013: EUR 156 thousand) in interest expense from the unwinding of the discount on other provisions with a remaining term of more than one year.

22. Writedowns on financial assets and marketable securities

This item contains EUR 2,029 thousand (2013: EUR 1,819 thousand) in writedowns on marketable securities and EUR 924 thousand (2013: EUR 125 thousand) in writedowns on shares in affiliated companies.

23. Income taxes

This item contains domestic corporation tax, taxes on foreign profits, and domestic income tax refunds. Other taxes are disclosed under other operating expenses.

24. Total Executive Board and Supervisory Board compensation

Executive Board compensation for the 2014 fiscal year

The Executive Board compensation system is geared toward long-term, sustainable management goals. Total compensation for members of the Executive Board is set by the Supervisory Board. The compensation system for the Executive Board is also decided and regularly reviewed by the Supervisory Board. The Supervisory Board's Human Resources Committee prepares the relevant motions for resolution by the full Supervisory Board.

The compensation for the Executive Board members for 2014 comprises

1. Fixed compensation
2. Fringe benefits
3. Variable compensation
4. Old-age pension plan.

1. The fixed compensation is paid in equal monthly amounts.

2. The fringe benefits comprise amounts to be recognized for tax purposes for private use of company cars and other non-cash benefits.

3. The variable compensation is computed on the basis of the following equally weighted components: adjusted free cash flow, consolidated net profit (absolute), and consolidated net profit delta as compared to the prior year. Target attainment for all three components can range between zero and 200% of the budgeted figure. In addition to these financial targets, the Supervisory Board annually stipulates up to four strategic targets that apply uniformly for all members of the Executive Board. The Supervisory Board has the right to adjust overall target attainment with regard to the financial targets upward or downward according to its assessment of the attainment of those strategic targets.

The resulting variable compensation is settled in three equal parts as follows:

- a. Cash settlement (short-term incentive component)
 - b. Transfer of shares in HOCHTIEF Aktiengesellschaft in the net amount, subject to a two-year bar (long-term incentive component* I)
 - c. Grant of an annual long-term incentive plan (long-term incentive component II).
4. All members of the Executive Board have company pension provision in the form of individual contractual pension arrangements that provide for a minimum pension age of 65. The amount of the pension is determined as a percentage of fixed compensation, the percentage rising with the number of years in office. The maximum amount the Executive Board member can receive is 65% of his final fixed compensation. Surviving dependents receive 60% of the pension.

Benefits granted (EUR thousand)	Fernández Verdes Chairman of the Executive Board Date joined: April 15, 2012				Legorburo Member of the Executive Board Date joined: May 7, 2014				von Matuschka Member of the Executive Board Date joined: May 7, 2014				Sassenfeld Member of the Executive Board Date joined: November 1, 2011			
	2013 ¹⁾	2014			2013	2014			2013	2014			2013	2014		
	Granted	Minimum	Maximum	Maximum	Granted	Minimum	Maximum	Maximum	Granted	Minimum	Maximum	Maximum	Granted	Minimum	Maximum	Maximum
Fixed compensation	900	1,008	1,008	1,008	–	195	195	195	–	228	228	228	600	600	600	600
Fringe benefits	64	46	46	46	–	79	79	79	–	12	12	12	233	22	22	22
Total	964	1,054	1,054	1,054	–	274	274	274	–	240	240	240	833	622	622	622
One-year variable compensation	846	1,048	0	1,300	–	184	0	228	–	210	0	261	564	564	0	700
Multi-year variable compensation																
Long-term incentive component I ²⁾	846	886	0	1,100	–	184	0	228	–	210	0	261	564	564	0	700
Long-term incentive component II ³⁾																
LTIP stock awards (6-year term)	423	443 ⁴⁾	0	550	–	92 ⁴⁾	0	114	–	105 ⁴⁾	0	131	282	282 ⁴⁾	0	350
LTIP stock appreciation rights (7-year term)	423	443 ⁴⁾	0	550	–	92 ⁴⁾	0	114	–	105 ⁴⁾	0	131	282	282 ⁴⁾	0	350
Total	3,502	3,874	1,054	4,554	–	826	274	958	–	870	240	1,024	2,525	2,314	622	2,722
Service cost	804	452	452	452	–	118	118	118	–	160	160	160	317	290	290	290
Total compensation	4,306	4,326	1,506	5,006	–	944	392	1,076	–	1,030	400	1,184	2,842	2,604	912	3,012

¹⁾Excluding subsequent restatement (see compensation for past years)

²⁾Share-based with two-year bar

³⁾Granted as long-term incentive plan

⁴⁾Value at grant date

Benefits allocated (EUR thousand)	Fernández Verdes Chairman of the Executive Board Date joined: April 15, 2012		Legorburo Member of the Executive Board Date joined: May 7, 2014		von Matuschka Member of the Executive Board Date joined: May 7, 2014		Sassenfeld Member of the Executive Board Date joined: November 1, 2011	
	2014	2013 ¹⁾	2014	2013	2014	2013	2014	2013
	Fixed compensation	1,008	900	195	–	228	–	600
Fringe benefits	46	64	79	–	12	–	22	233
Total	1,054	964	274	–	240	–	622	833
One-year variable compensation	1,048	846	184	–	210	–	564	564
Multi-year variable compensation								
Long-term incentive component I ²⁾	886	846	184	–	210	–	564	564
Long-term incentive component II	0	0	0	–	0	–	0	0
Total	2,988	2,656	642	–	660	–	1,750	1,961
Service cost	452	804	118	–	160	–	290	317
Total compensation	3,440	3,460	760	–	820	–	2,040	2,278

¹⁾Excluding subsequent restatement (see compensation for past years)

²⁾Share-based with two-year bar

Arrangements in the event of termination of contract

If their contract is not extended, Executive Board members receive a severance award equaling one year's fixed annual compensation. For the severance award to be payable, an Executive Board member must on termination of contract be in at least the second term of office as a member of the Executive Board and be under the age of 65. If an individual's service on the Executive Board is prematurely terminated, severance awards will not exceed the value of two years' annual compensation (severance cap) and compensation will not be payable for more than the remaining term of the contract.

The present value of pension benefits for current and former Executive Board members is EUR 70,049 thousand (2013: EUR 65,883 thousand).

Payments to former members of the Executive Board and their surviving dependents were EUR 7,676 thousand (2013: EUR 17,011 thousand). Pension obligations to former members of the Executive Board and their surviving dependents totaled EUR 65,494 thousand (2013: EUR 63,726 thousand).

(EUR thousand)		Present value of pension benefits
Fernández Verdes	2014	3,281
	2013	1,451
Legorburo	2014	118
	2013	–
von Matuschka	2014	160
	2013	–
Sassenfeld	2014	996
	2013	706
Executive Board total	2014	4,555
	2013	2,157

Executive Board compensation for past years

For 2013, as a result of the exceptional transactions as well as Mr. Fernández Verdes' performance, the Supervisory Board set overall target attainment for Mr. Fernández Verdes for the STIP, LTIP I, and LTIP II components from 161.16% to 200%. Compensation was awarded accordingly in the amount of EUR 204 thousand short-term incentive, EUR 204 thousand long-term incentive I, and EUR 204 thousand long-term incentive II. In connection with an amendment to the pension arrangement with Mr. Fernández Verdes, a past service cost of EUR 1,378 thousand was incurred in 2014 for 2013.

In addition, in 2014, the Supervisory Board adopted a Long-term Incentive Plan 2014 (LTIP 2014) for Mr. Fernández Verdes and Mr. Sassenfeld to satisfy the long-term incentive component II from 2013. This comprises grants of stock appreciation rights (SARs) and stock awards (phantom stock). If the applicable exercise targets are met after a four-year waiting period, the 2014 stock appreciation rights grant the Executive Board members a monetary claim against the Company, which they can exercise over the then following three years. The amount of the claim depends on the development of the share price within the waiting and exercise periods. Furthermore, relative and

absolute performance targets, which cannot be modified retroactively, have to be met. The terms of the 2014 stock awards provide that after the four-year waiting period, those entitled have, for each stock award and for a further two-year exercise period, a monetary claim against the Company equal to the closing price of HOCHTIEF stock on the last day of stock market trading prior to the exercise date. The value of all entitlements under Long-term Incentive Plan 2014 is capped (at a 50% increase in the share price) so that the amount of compensation stays appropriate in the event of extraordinary, unforeseeable developments. Mr. Fernández Verdes was granted 47,797 stock appreciation rights and 11,249 stock awards, in each case worth EUR 525 thousand at the date of grant. Mr. Sassenfeld was granted 25,676 stock appreciation rights and 6,043 stock awards, in each case worth EUR 282 thousand at the date of grant. Additional information on the plans is provided in the Notes to the Consolidated Financial Statements on pages 212 to 215.

The long-term incentive plans granted to Executive Board members in the last few years resulted in the following expense:

(EUR thousand)	Expenses under long-term incentive plans	
Fernández Verdes	2014	325
	2013	75
Legorburo	2014	0
	2013	–
von Matuschka	2014	153
	2013	–
Sassenfeld	2014	282
	2013	130
Executive Board total	2014	760
	2013	205

Executive Board compensation in relation to offices held at Group companies

The members of the Executive Board received pension awards under Australian law for their services on the Leighton Board. Leighton incurred an expense for this purpose of EUR three thousand for Mr. Fernández Verdes and EUR 12 thousand for Mr. Sassenfeld.

For his services in Australia as Chairman of Leighton Holding Limited, Mr. Fernández Verdes received an expense allowance of EUR 251 thousand* for 2014. Mr. Fernández Verdes was additionally granted a one-time bonus in the form of a long-term incentive plan (stock appreciation rights) for the company's restructuring and strategic realignment. If and only if the share price increases, Mr. Fernández Verdes will receive a payment that is capped at a share price of AUD 50 per Leighton share. The stock appreciation rights can be exercised for three years after a waiting period of two years. No more than 40% of the stock appreciation rights can be exercised per year. Their value at the time they were granted was EUR 3.2 million*. If Leighton's share price does not rise above AUD 17.71 during the exercise period, the plan loses its value. If the share price increases by 182%, a maximum of EUR 5.3 million* will become due per year of the five-year term. This presupposes a EUR 7,426 million* increase in the value of the company.

*The euro amount depends on the exchange rate.

Further compensation for the holding of office on the boards of other companies in which HOCHTIEF has a direct or indirect interest are either not paid out to the Executive Board members or are set off against their Executive Board compensation.

Supervisory Board compensation

Supervisory Board compensation is determined at the Annual General Meeting and is governed by Section 18 of the Company's Articles of Association. Compensation for fiscal 2014 based on the use of net profit proposed for approval at the Annual General Meeting in May 2015 is shown in the table below.

(EUR)	Fixed compensation	Variable compensation	Attendance fees	Total
Pedro López Jiménez	22,500	168,750	13,500	204,750
Thomas Eichelmann	27,000	202,500	7,000	236,500
Gregor Asshoff	24,000	180,000	15,000	219,000
Ángel García Altozano	24,000	180,000	15,000	219,000
Abdulla Abdulaziz Turki Al-Subaie	12,000	90,000	7,500	109,500
Carsten Burckhardt	18,000	135,000	9,000	162,000
José Luis del Valle Pérez	18,000	135,000	15,000	168,000
Dr. Michael Frenzel	18,000	135,000	13,500	166,500
Dr. rer. pol. h. c. Francisco Javier García Sanz	18,000	135,000	7,500	160,500
Dr. Thomas Krause	12,000	90,000	10,500	112,500
Matthias Maurer	18,000	135,000	16,500	169,500
Udo Paech	18,000	135,000	10,500	163,500
Nikolaos Paraskevopoulos	18,000	135,000	15,000	168,000
Klaus Stümper	18,000	135,000	10,500	163,500
Olaf Wendler	18,000	135,000	13,500	166,500
Dr. Jan Martin Wicke	18,000	135,000	15,000	168,000
Christine Wolff	2,900	21,750	1,500	26,150
Supervisory Board total	304,400	2,283,000	196,000	2,783,400

25. Related party disclosures

All transactions between HOCHTIEF Aktiengesellschaft and related parties in the year under review were conducted on an arm's length basis.

26. Auditing fees

HOCHTIEF Aktiengesellschaft has elected to make use of the option under Section 285 (17) of the German Commercial Code (HGB) and to dispense with individual disclosure of the fees recognized as expense in 2014 for auditors Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. The total expense is disclosed in the Notes to the HOCHTIEF Group Consolidated Financial Statements for 2014.

27. Disclosures on ownership structure pursuant to Section 160 (1) 8 of the German Stock Corporations Act (AktG)

The following changes in the ownership structure of HOCHTIEF Aktiengesellschaft pertaining or arising during 2014 must be reported under Section 26 and/or Section 21 (1) of the German Securities Trading Act (WpHG):

On June 17, 2011, we were notified by ACS Actividades de Construcción y Servicios, S.A. (“ACS”), Madrid, Spain, pursuant to Section 21 (1) of the German Securities Trading Act (WpHG), that on June 16, 2011, its voting share in HOCHTIEF Aktiengesellschaft, Essen, Germany, exceeded the threshold of 50%, and on that day amounted to 50.16%, equivalent to 38,619,868 of a total of 76,999,999 voting rights in HOCHTIEF Aktiengesellschaft.

Of these voting rights, 35,502,869 (equivalent to 46.11% of the voting rights in HOCHTIEF Aktiengesellschaft) would, according to the notification, be attributable to ACS pursuant to Section 22 (1) Sentence 1 No. 1 WpHG via the following subsidiaries within the meaning of Section 22 (3) WpHG (including 3,435,075 voting rights, equivalent to 4.46% in HOCHTIEF Aktiengesellschaft, from treasury shares in HOCHTIEF Aktiengesellschaft):

Cariátide S.A., Madrid, Spain,
Major Assets S.L., Madrid, Spain,
Corporate Statement S.L., Madrid, Spain,
HOCHTIEF Aktiengesellschaft, Essen, Germany.

On September 24, 2012, **CARIÁTIDE S.A. (“Cariátide”)**, Spain, informed us according to Section 21 (1) of the WpHG that via shares its voting rights in HOCHTIEF Aktiengesellschaft, Essen, Germany, exceeded the 30% threshold of the voting rights on September 19, 2012 and on that day amounted to 30.69% (this corresponds to 23,634,501 voting rights).

On March 24, 2014, **Major Assets, S.L.**, Madrid, Spain, informed us according to Section 21 (1) of the WpHG that via shares its voting rights in HOCHTIEF Aktiengesellschaft, Essen, Germany, exceeded the 20% threshold of the voting rights on March 19, 2014 and on that day amounted to 20.13% (this corresponds to 13,948,778 voting rights).

On July 25, 2012, **Corporate Statement S.L.**, Madrid, Spain, informed us according to Section 21 (1) of the WpHG that via shares its voting rights in HOCHTIEF Aktiengesellschaft, Essen, Germany, have passed below the 10% threshold of the voting rights on July 23, 2012 and on that day amounted to 9.32% (this corresponds to 7,172,778 voting rights).

On July 31, 2007, we were notified by **Gartmore Investment Management Ltd of Gartmore House**, London, Great Britain, pursuant to Article 21, Section 1 of the WpHG, that: We hereby give notice, pursuant to Section 21 (1) of the WpHG, that on 24 July 2007 our voting interest in HOCHTIEF Aktiengesellschaft went above the threshold of 3% and on that day amounted to 3.091% (equivalent to 2,163,632 shares). 3.091% of the voting rights (equivalent to 2,163,632 shares) are attributable to us in accordance with Section 22 (1) Sentence 1 No. 6 and Section 22 (1) Sentence 2 of the WpHG.

On April 30, 2014, **Mr O. Mason Hawkins**, USA, informed us according to Section 21 (1) of the WpHG that via shares his voting rights in HOCHTIEF Aktiengesellschaft, Essen, Germany, passed below the 3% threshold of the voting rights on April 28, 2014 and on that day amounted to 2.98% (this corresponds to 2,066,601 voting rights). According to Section 22 (1), Sentence 1, No. 6 in connection with Section 22 (1), Sentence 2 of the WpHG, 2.98% of the voting rights (this corresponds to 2,066,601 voting rights) is to be attributed to Mr Hawkins.

On April 30, 2014, **Southeastern Asset Management, Inc.**, Memphis, Tennessee, USA, informed us according to Section 21 (1) of the WpHG that via shares its voting rights in HOCHTIEF Aktiengesellschaft, Essen, Germany, passed below the 3% threshold of the voting rights on April 28, 2014 and on that day amounted to 2.98% (this corresponds to 2,006,601 voting rights). According to Section 22 (1), Sentence 1, No. 6 of the WpHG, 2.98% of the voting rights (this corresponds to 2,066,601 voting rights) is to be attributed to the company.

In the name of and acting by power of attorney granted by the legal entities and companies referred to under nos. (1), (2) and (3) below, we were given notice on March 23, 2011, pursuant to Section 21 (1) of the WpHG:

(1) Pursuant to Section 21 (1) WpHG we hereby notify for and on behalf of the **State of Qatar**, acting by and through the Qatar Investment Authority, Doha, Qatar, that its voting rights in HOCHTIEF Aktiengesellschaft exceeded the threshold of 10% on March 23, 2011 and amounted to 10.000001% of the voting rights (7,700,001 voting rights) in HOCHTIEF Aktiengesellschaft as per this date. All of these voting rights are attributed to the State of Qatar pursuant to Section 22 (1) Sentence 1 No. 1 WpHG. The voting rights that are attributed to the State of Qatar are held via the following entities which are controlled by it and whose attributed proportion of voting rights in HOCHTIEF Aktiengesellschaft amount to 3% or more each:

- (a) Qatar Investment Authority, Doha, Qatar;
- (b) Qatar Holding LLC, Doha, Qatar.

(2) Pursuant to Section 21 (1) WpHG we hereby notify for and on behalf of the **Qatar Investment Authority**, Doha, Qatar, that its voting rights in HOCHTIEF Aktiengesellschaft exceeded the threshold of 10% on March 23, 2011 and amounted to 10.000001% of the voting rights (7,700,001 voting rights) in HOCHTIEF Aktiengesellschaft as per this date. All of these voting rights are attributed to the Qatar Investment Authority pursuant to Section 22 (1) Sentence 1 No. 1 WpHG. The voting rights that are attributed to the Qatar Investment Authority are held via Qatar Holding LLC, Doha, Qatar, which is controlled by the Qatar Investment Authority and whose attributed proportion of voting rights in HOCHTIEF Aktiengesellschaft amounts to 3% or more.

(3) Pursuant to Section 21 (1) WpHG we hereby notify for and on behalf of **Qatar Holding LLC**, Doha, Qatar, that its voting rights in HOCHTIEF Aktiengesellschaft exceeded the threshold of 10% on March 23, 2011 and amounted to 10.000001% of the voting rights (7,700,001 voting rights) in HOCHTIEF Aktiengesellschaft as per this date.

On September 29, 2011, **Qatar Holding Luxembourg II S.à r.l.**, Luxembourg, Luxembourg informed us according to Section 21 (1) of the WpHG that via shares its voting rights in HOCHTIEF Aktiengesellschaft, Essen, Germany, exceeded the 3%, 5%, and 10% thresholds of the voting rights on September 28, 2011 and on that day amounted to 10.000001% (this corresponds to 7,700,001 voting rights).

28. Subsidiaries, associates, and other significant participating interests of the HOCHTIEF Group at December 31, 2013

	Percent- age stock held	Shareholders' equity Local currency (thousand)	EUR thousand	Profit/(loss) for the year (EUR thousand)
I. Affiliates				
HOCHTIEF Americas Division				
HOCHTIEF Americas GmbH, Essen	100		610,159	- ¹⁾
The Turner Corporation, Dallas, USA	100 ²⁾	USD 596,209	491,074	75,929 ³⁾
Clark Builders Partnership Corporation, Alberta, Canada	51 ²⁾	CAD 69,432 ⁴⁾	49,372 ⁴⁾	23,694 ⁴⁾
Flatiron Construction Corp., Wilmington, USA	100 ²⁾	USD 203,870	167,920	-17,828 ³⁾
E. E. Cruz and Company Inc., Holmdel, USA	100 ²⁾	USD 71,399 ⁵⁾	58,809 ⁵⁾	3,003 ⁵⁾
HOCHTIEF Asia Pacific Division				
HOCHTIEF Asia Pacific GmbH, Essen	100		2,198,305	- ¹⁾
HOCHTIEF Australia Holdings Ltd., Sydney, Australia	100 ²⁾	AUD 3,630,042	2,447,919	170,648
Leighton Holdings Limited, Sydney, Australia	70 ²⁾	AUD 3,753,589	2,531,233	460,893 ³⁾
	100			
HOCHTIEF Europe Division				
	100			
HOCHTIEF Solutions AG, Essen	100		225,743	- ¹⁾
HOCHTIEF Building GmbH, Essen	²⁾		44,727	- ¹⁾
HOCHTIEF Engineering GmbH, Essen	²⁾		3,842	- ¹⁾
HOCHTIEF Infrastructure GmbH, Essen	100 ²⁾		150,771	- ¹⁾
HOCHTIEF PPP Solutions GmbH, Essen	100 ²⁾		32,540	- ¹⁾
HOCHTIEF Projektentwicklung GmbH, Essen			7,909	- ¹⁾
Corporate Headquarters				
HOCHTIEF Insurance Broking and Risk Management Solutions GmbH, Essen	100		257,497	- ¹⁾
Builders Reinsurance S.A., Steinfurt, Luxemburg	100 ²⁾	USD 362,067	298,220	118,583
II. Other investments				
HOCHTIEF Asia Pacific Division				
Al Habtoor Engineering Enterprises Co. LLC, Dubai, United Arab Emirates ⁶⁾	45 ²⁾	AUD		0

¹⁾ Profit/loss transfer agreement

²⁾ Indirect shareholding

³⁾ Consolidated result for group

⁴⁾ Consolidated in Turner

⁵⁾ Consolidated in Turner/Flatiron

⁶⁾ Presentation as at Leighton Holdings

Group affiliation

The annual financial statements of HOCHTIEF Aktiengesellschaft, Essen, Germany, are incorporated into the consolidated financial statements of HOCHTIEF Aktiengesellschaft, which publishes them as an independent listed Group and is simultaneously consolidated in the consolidated financial statements of ACS Actividades de Construcción y Servicios, S.A., Madrid, Spain. The consolidated financial statements of HOCHTIEF Aktiengesellschaft are published in the Bundesanzeiger (Federal Official Gazette); the consolidated financial statements of ACS are published in the register of Comisión Nacional del Mercado de Valores.

Executive Board proposal for the use of net profit

The Executive Board proposes resolution on the use of net profit as follows:

The unappropriated net profit of HOCHTIEF Aktiengesellschaft for fiscal 2014 in the amount of EUR 131,687,942.60 will be used to pay a dividend of EUR 1.90 per eligible no-par-value share for fiscal 2014 (EUR 129,307,560.90 on total), and the amount of the dividend that would have been payable on non-eligible shares, amounting to EUR 2,380,363.70 will be carried forward. The stated amount of EUR 1.90 includes a special dividend of EUR 0.20 in connection with the disposal of John Holland Group and the partial disposal of the services business by Leighton Holdings Limited.

The dividend is payable on the day following the Annual General Meeting.

The amounts given here for the profit distribution and for the profit to be carried forward take into account the 68,056,611 no-par-value shares with dividend entitlement for 2014 that exist at the time of the profit appropriation proposal. The number of eligible shares may change by the date of the Annual General Meeting. In this case, while the distribution of EUR 1.90 for each no-par-value share with dividend entitlement for 2014 will stay the same, an adjusted proposal for the appropriation of the profit will be made to the Annual General Meeting.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company, and the management report, which is combined with the Group management report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Essen, February 24, 2015

HOCHTIEF Aktiengesellschaft

The Executive Board



Marcelino Fernández Verdes



Peter Sassenfeld



Nikolaus Graf von Matuschka



José Ignacio Legorburo

Independent Auditors' Report

We have audited the annual financial statements—comprising the balance sheet, the statement of earnings and the notes to the financial statements—together with the bookkeeping system, and the combined management report of HOCHTIEF Aktiengesellschaft, Essen/Germany, for the business year from January 1, 2014 to December 31, 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB (German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of HOCHTIEF Aktiengesellschaft, Essen/Germany, comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, February 25, 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft



(Schlereth)
Wirtschaftsprüfer (German Public Auditor)



(Bedenbecker)
Wirtschaftsprüfer (German Public Auditor)

Boards

* Supervisory Board member representing employees

a) Membership in other supervisory boards prescribed by law (as of December 31, 2014)

b) Membership in comparable domestic and international corporate governing bodies (as of December 31, 2014)

Reporting date for memberships: December 31, 2014, or date of departure if membership ended during the course of the year

Supervisory Board

Pedro López Jiménez

Madrid, Chairman of the Supervisory Board of HOCHTIEF Aktiengesellschaft (from October 1, 2014), Member of the Board and of the Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., Madrid

- b) ACS Servicios y Concesiones, S.L. (Vice-Chairman)
ACS Servicios, Comunicaciones y Energía, S.L. (Vice-Chairman)
Dragados, S.A. (Chairman-in-Office)
Leighton Holdings Limited

Gregor Asshoff*

Frankfurt am Main, Deputy Chairman of the Supervisory Board, attorney-at-law and head of the Policy and Fundamental Issues department, Federal Executive Committee of the Construction, Agricultural and Environmental Employees' Union

- a) Zusatzversorgungskasse des Gerüstbaugewerbes VVaG

Abdulla Abdulaziz Turki Al-Subaie

Doha, Managing Director of Qatar Railways

- b) Barwa Bank
Qatar Construction & Engineering Company
Qatar Rail

Ángel García Altozano

Madrid, Corporate General Manager of ACS, Actividades de Construcción y Servicios, S.A., Madrid

- b) ACS Servicios y Concesiones, S.L.
ACS Servicios, Comunicaciones y Energía, S.L.
Dragados, S.A.
Xfera Móviles, S.A. (Chairman)

Carsten Burckhardt*

Dortmund, Member of the Federal Executive Committee of the Construction, Agricultural and Environmental Employees' Union

- a) Zusatzversorgungskasse des Baugewerbes AG
- b) Dein Plus GmbH
DGB Rechtsschutz GmbH
Urlaubs- und Lohnausgleichskasse der Bauwirtschaft (ULAK)

José Luis del Valle Pérez

Madrid, Member and Secretary of the Board of ACS, Actividades de Construcción y Servicios, S.A., Madrid, and General Secretary of the ACS Group, Madrid

- b) ACS Servicios y Concesiones, S.L.
ACS Servicios, Comunicaciones y Energía, S.L.
Cobra Gestión de Infraestructuras, S.A.
Dragados, S.A.
Leighton Holdings Limited

Thomas Eichelmann

Munich, Chairman of the Supervisory Board of HOCHTIEF Aktiengesellschaft (until September 30, 2014), Chief Executive Officer of ATON GmbH, Munich

- a) ATON Engineering AG
FFT GmbH & Co. KGaA
HAEMA AG
V-Bank AG
Wüstenrot & Württembergische AG
- b) ATON US, Inc.
Bankhaus Ellwanger & Geiger KG (Chairman)
OrthoScan, Inc.
J.S. Redpath Holdings, Inc.

Dr. Michael Frenzel

Burgdorf, President of the Federal Association of the German Tourism (BTW)

- a) AXA Konzern AG

Dr. rer. pol. h. c. Francisco Javier Garcia Sanz

Braunschweig, Member of the Board of Management of Volkswagen Aktiengesellschaft, Wolfsburg

- a) AUDI AG
Dr. Ing. h. c. F. Porsche Aktiengesellschaft
- b) CAIXAHOLDING, S.A.
FAW-Volkswagen Automotive Company, Ltd.
Porsche Holding Stuttgart GmbH
Scania AB
Scania CV AB
SEAT, S.A.
Shanghai-Volkswagen Automotive Company Ltd.
VfL Wolfsburg-Fußball GmbH
Volkswagen (China) Investment Company Ltd.
Volkswagen Group of America, Inc.

Dr. Thomas Krause*

Bremen, Executive Vice President of HOCHTIEF Infrastructure GmbH International

Matthias Maurer*

Hamburg, Works Council of HOCHTIEF Infrastructure GmbH

Udo Paech*

Berlin, Works Council of HOCHTIEF Building GmbH (Northeast division)

Nikolaos Paraskevopoulos*

Bottrop, Member of the Group Works Council, HOCHTIEF Aktiengesellschaft

Klaus Stümper*

Lohmar, Chairman of the Works Council of HOCHTIEF Infrastructure GmbH (West division)

Olaf Wendler*

Sülzetal, Head of Human Resources Coordination
Shell Construction/Industrial Construction (HOCHTIEF Building GmbH)

Dr. Jan Martin Wicke

Stuttgart, Chairman of the Executive Board of Talanx Deutschland AG, Hanover

- a) HDI Lebensversicherung AG
- HDI Versicherung AG
- HDI Vertriebs AG
- PB Lebensversicherung AG
- PB Versicherung AG
- Talanx Service AG
- Talanx Systeme AG
- TARGO Lebensversicherung AG
- TARGO Versicherung AG

Christine Wolff

Hamburg, management consultant (from October 10, 2014)

- a) Berliner Wasserbetriebe A. ö. R.
- KSBG Kommunale Verwaltungsgesellschaft GmbH

Supervisory Board Committees**Audit Committee**

Ángel García Altozano (Chairman)
Gregor Asshoff (Deputy Chairman)
José Luis del Valle Pérez
Matthias Maurer (until December 19, 2014)
Udo Paech (from December 20, 2014)
Nikolaos Paraskevopoulos
Dr. Jan Martin Wicke

Human Resources Committee

Pedro López Jiménez (Chairman) (from October 1, 2014)
Thomas Eichelmann (Chairman)
(until September 30, 2014)
José Luis del Valle Pérez (from December 19, 2014)
Dr. Michael Frenzel
Matthias Maurer
Klaus Stümper (from December 19, 2014)
Olaf Wendler
Christine Wolff (from December 19, 2014)

Nomination Committee

Pedro López Jiménez (Chairman) (from October 1, 2014)
Thomas Eichelmann (Chairman)
(until September 30, 2014)
Dr. Michael Frenzel
Christine Wolff (from December 19, 2014)

Mediation Committee pursuant to Sec. 27 (3) of the German Codetermination Act (MitbestG)

Pedro López Jiménez (Chairman) (from October 1, 2014)
Thomas Eichelmann (Chairman)
(until September 30, 2014)
Gregor Asshoff
Carsten Burckhardt
Dr. Michael Frenzel

Executive Board**Marcelino Fernández Verdes**

Düsseldorf, Chairman of the Executive Board of HOCHTIEF Aktiengesellschaft, Essen

- b) Flatiron Holding, Inc.
- HOCHTIEF AUSTRALIA HOLDINGS Ltd.
- Leighton Holdings Limited (Executive Chairman)
- The Turner Corporation

Peter Sassenfeld

Duisburg, Member of the Executive Board and Labor Director of HOCHTIEF Aktiengesellschaft, Essen

- b) Flatiron Holding, Inc.
- HOCHTIEF AUSTRALIA HOLDINGS Ltd.
- Leighton Holdings Limited
- The Turner Corporation

José Ignacio Legorburo Escobar

Düsseldorf, Member of the Executive Board and Chief Operating Officer (COO) of HOCHTIEF Aktiengesellschaft, Essen, and of HOCHTIEF Solutions AG, Essen

- a) HOCHTIEF Building GmbH
- HOCHTIEF Infrastructure GmbH

Nikolaus Graf von Matuschka

Aldenhoven/Jüchen, Member of the Executive Board of HOCHTIEF Aktiengesellschaft, Essen, and Chairman of the Executive Board of HOCHTIEF Solutions AG, Essen

- a) HOCHTIEF Building GmbH
- HOCHTIEF Infrastructure GmbH

Publication Details and Credits

Published by:

HOCHTIEF Aktiengesellschaft
Opernplatz 2, 45128 Essen, Germany
Tel.: +49 201 824-0, Fax: +49 201 824-2777
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Photo credits:

Johnny Greig (top left)
Oli Keinath

Imaging work, typesetting and prepress:

Creafix GmbH, Solingen

Printed by:

Druckpartner, Essen



These Annual Financial Statements are printed on eco-friendly Maxi Silk coated paper certified in accordance with the rules of the Forest Stewardship Council (FSC).



These annual financial statements are a translation of the original German version, which remains definitive.