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Press Release

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HOCHTIEF right on track: Significantly improved profits and cash flow

- **Operational net profit up 46%**
  - Operational net profit: EUR 252 million (2013 operational: EUR 173 million)
  - Above 2014 guidance of EUR 225 million to EUR 250 million
- **Cash generation – sharp improvement**
  - Free operational Cash Flow of EUR 322 million (yoy improvement of over EUR 500 million)
- **Net Cash position of EUR 421 million**
  - Balance sheet transformed versus net debt EUR 40 million in 2013
- **Successful delivery on strategy**
  - Leighton: HOCHTIEF's stake increased, first phase of restructuring completed, successful divestments
  - Europe: Restructuring well advanced, non-core activities sold
  - Americas: Solid performance
- **27% increase in dividend to EUR 1.90 per share proposed**
  - Includes 20 ct per share special dividend
- **Outlook 2015: Increase in operational net profit 15% to 35%**
  - Operational net profit of between EUR 220 million and EUR 260 million expected (2014: comparable net operational profit EUR 190 million post divestments)

HOCHTIEF has completed a successful year that saw important changes in the business portfolio. "We have substantially strengthened the balance sheet and enhanced earnings quality, thus creating the basis for a sustained improvement of returns," said Chairman of the Executive Board Marcelino Fernández Verdes. "The figures illustrate that HOCHTIEF has improved significantly in its core business." Adjusted for one-off items (such as disposals of activities and restructuring expenses), operational **net profit** thus went up by 46% to EUR 252 million (2013: EUR 173 million). This is above the top end of our guidance range of between EUR 225 million and EUR 250 million. All divisions contributed to this increase.

Operational **earnings before taxes** grew by 16% to EUR 644 million (2013: EUR 557 million). The Group also significantly improved Free operational Cash Flow by more than EUR 500 million to EUR 322 million. Including the disposal proceeds from Australia, HOCHTIEF shows a net cash position—of EUR 421 million—for the first time since 2010.

Orders and work done likewise developed well in 2014. Post divestments **new orders**, at EUR 21.5 billion (2013: EUR 21.9 billion), stayed at a solid level. New orders in the HOCHTIEF Americas and HOCHTIEF Europe divisions showed strong increases on a like-for-like basis, by 36% and 18% respectively. **Work done**, at EUR 24.3 billion, stayed on a constantly high level (2013: EUR 24.6 billion). **Order backlog** remains stable at EUR 35.7 billion and corresponds to 19 months work. The Group generated **sales** of EUR 22.1 billion (2013: EUR 22.5 billion).

HOCHTIEF continued to successfully deliver on strategy. Alongside strengthening the balance sheet, its strategy is focused on the core businesses of construction, contract mining, public-private partnership (PPP), and engineering. HOCHTIEF's objective is to become a market and technology leader in its target markets in order to develop the Group into the most relevant infrastructure construction group driven by sustainable, profitable growth. The company has made key progress in this direction:

- In Australia, Leighton sold its subsidiary John Holland and 50% of the services business. Furthermore HOCHTIEF sold not only its 50% stake in aurelis Real Estate, but also the property management business, the offshore business, residential developer formart, and the project services business unit at STREIF Baulogistik.

- HOCHTIEF raised its shareholding in Leighton to almost 70% (from just under 58%) for EUR 615 million. The Group is convinced of Leighton's short- and long-term potential and views the increased stake as a strategic step and an investment in the core business. The investment was funded from excess cash.

- Leighton initiated an extensive reorganisation and restructuring in the year under review. The new structure was already implemented by the end of 2014, meaning that Leighton comprises of four operating companies for the construction, mining, public-private partnership, and engineering segments. The Division secured a large number of new PPP contracts. In Australia, PPP is a growing market, due to to the government's announcement of major spending on infrastructure projects. The divestment proceeds, totaling EUR 1.1 billion will be used to pay down debt, strengthen the balance sheet and invest in new PPP projects.

- HOCHTIEF Europe established three new operating subsidiaries for Building, Infrastructure, and Engineering alongside the existing HOCHTIEF PPP Solutions. These four companies now operate independently, complementing each other in the market. The aim is to be more competitive in Europe as well as to enhance profitability by creating leaner structures and more efficient processes. The HOCHTIEF Americas division had a highly successful year, achieving a substantial increase in earnings. The division had great success in acquiring projects and new orders were at record level.

On October 1, 2014, the Group announced a further **share buyback program**. It plans to repurchase up to 10% of the capital stock of HOCHTIEF Aktiengesellschaft.

At the upcoming Annual General Meeting, the Executive Board and Supervisory Board of HOCHTIEF plan to propose to shareholders the distribution of a **dividend** for 2014 of EUR 1.90 per share (2013: EUR 1.50). This includes a special dividend of 20 ct per share allowing shareholders to participate in the successful sale of activities at Leighton.

Group outlook

"HOCHTIEF made crucial decisions with an eye to long-term success in 2014 and achieved significant progress," said Chairman of the Executive Board Marcelino Fernández Verdes. For 2015, HOCHTIEF expects operational net profit of between

EUR 220 million and EUR 260 million, representing an increase of 15% to 35% (2014: comparable net operational profit EUR 190 million post divestments).

HOCHTIEF Group: Key operational variables[1)]

(EUR million)	2014	2013*)	Percentage change yoy
EBIT	864.5	817.3	5.8%
Earnings before taxes	644.0	556.7	15.7%
Net profit	252.4	173.0	45.9%
EBT margin	2.5	2.1	0.4
Earnings per share (EUR)	3.65	2.40	52.1%

New orders	like-for-like, i.e. adjusted for f/x effects and deconsolidation (year on year)	1.1%
Work done		1.4%
Order backlog		(6.0)
External sales		0.9%

*) Restated for IFRS 11.

1) Operational earnings excluding one-off impacts and adjusted for sold assets. Orders, sales and work done adjusted for f/x and deconsolidation effects

HOCHTIEF Group: Nominal figures

(EUR million)	2014	2013*	Change yoy
New orders	21,529.6	21,911.6	(1.7%)
Work done	24,305.9	24,630.0	(1.3%)
Order backlog	35,704.2	35,884.5	(0.5%)
External sales	22,099.1	22,498.7	(1.8%)
EBIT**	558.7	901.3	(38%)
Net profit	251.7	171.2	+47%
Earnings per share (EUR)	3.64	2.37	+53.6%
Cash flow from operations	756.0	280.8	+269.2%
Free operational cash flow	322.1	(213.7)	+535.8
Net cash (+)/net debt (-)***	420.8	(39.6)	+460.4
Employees	53,247 (Year-end)	75,433 (Year-end)	

* Restated for IFRS 11

** 2013 included significant divestment gains; like-for-like EBIT increased by 5.8%

*** Net cash 2014 post Leighton divestment proceeds

Forward-looking statements

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