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Press Release

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First half year 2016: HOCHTIEF increased profits, margins, and order backlog

- **Operational net profit increased to EUR 160 million (up 25% year on year); Q2: EUR 88 million, up 29% year on year**
  - Nominal net profit at EUR 140 million, 30% higher than first half of 2015
  - Operational PBT margin up by 60 basis points to 3.5%, with all divisions showing improvements
- **Net cash from operating activities at EUR 312 million in Q2 and EUR 974 million in last twelve months**
  - Consistently converting profit into cash; last twelve months EBITDA with 90% cash conversion rate
  - Further improvement of capex management: net capex reduced by EUR 47 million year on year
- **Net cash stands at EUR 113 million; improvement of EUR 88 million quarter on quarter**
  - Net cash would stand at EUR 808 million if adjusted for dividends, share buybacks, and acquisitions vs. EUR 133 million in June 2015
- **Order backlog of EUR 38.8 billion up by 6% since end 2015**
  - New orders up 12% to EUR 13.2 billion year on year
  - Revenue trend reversing: Q2 2016 up 12% versus Q1
- **Guidance for 2016 confirmed: Operational net profit expected to be between EUR 300 million and EUR 360 million**

HOCHTIEF continues on its successful path. Profits, margins, and the order backlog increased substantially in the first half of 2016. “We are consistently on track and have a strong financial base enabling us to pursue further growth,” said Chairman of the Executive Board Marcelino Fernández Verdes.

The Group’s **operational net profit** was up by a significant 25% in the first six months of 2016 to EUR 160 million (H1 2015: EUR 129 million). Nominal net profit went up by 30% to EUR 140 million. Operational profit before tax increased by 4% to EUR 328 million. The Group’s **operational PBT margin** rose by 60 basis points to 3.5%, as a result of the Goup’s focus on tight cost control, financial cost reduction, improved project bidding and risk management. All three divisions—Americas, Asia Pacific, and Europe—contributed to this increase. This was achieved in spite of an expected lower level of sales which mainly reflects the gap between the completion of several LNG contracts and the ramp-up of new infrastructure projects booked in our order backlog. The revenue trend is now reversing with Q2 **sales** showing a 12% increase on Q1 and HOCHTIEF expects the positive momentum to continue during the second half of 2016 and beyond.

HOCHTIEF ended the half year with a **net cash position** of EUR 113 million, an improvement of EUR 88 million on the first quarter. Adjusted for the cash outflow from the stock buyback programs at HOCHTIEF and CIMIC, dividends, and the acquisitions of Sedgman and Devine in Australia, the net cash position at the end of the first half year would stand at EUR 808 million.

The **order backlog** grew by 6% since the beginning of the year, to EUR 38.8 billion. “Our solid order book shows the great confidence that clients have in our expertise and competitiveness worldwide,” said Marcelino Fernández Verdes. Overall, HOCHTIEF lifted the total value of **new orders** to EUR 13.2 billion, an increase of 12% on the first half of the prior year. These included amongst others a billion-dollar contract to build a stadium in Los Angeles, rail projects in the United Kingdom and Australia, a mining contract in Indonesia, and the Mercedes Plaza in Berlin.

All **divisions** contributed to the successful first half of 2016. Americas increased new orders by 34% to EUR 7.6 billion—a record figure for the first half of any year. Operational profit before tax climbed a significant 33% to EUR 113 million. In Asia Pacific CIMIC improved its PBT margin by a substantial 170 basis points to 6.1% and sales rose in the second quarter. Europe kept up the positive trend, generating operational net profit of EUR 11 million (H1 2015: EUR 1 million).

Group guidance confirmed

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

HOCHTIEF Group figures

(EUR million)	**H1 2016**	H1 2015	**Change yoy**	Full year 2015
Sales	**9,366**	10,784	-13%	21,097
Op. profit before tax/PBT*)	**328**	314	+4%	600
Operational PBT margin*)	**3.5%**	2.9%	+60 bps	2.8%
Operational net profit*)	**160**	129	+25%	265
Op. earnings per share (EUR) *)	**2.49**	1.89	+32%	3.95
EBITDA	**548**	609	-10%	1,143
EBITDA margin	**5.9%**	5.6%	+30 bps	5.4%
Profit before tax/PBT	**300**	285	+5%	523
Net profit	**140**	108	+30%	208
Earnings per share (EUR)	**2.18**	1.59	+37%	3.11
Net cash from op. activities	**(57)**	104	(161)	1,135
Gross op. capital expenditure	**96**	155	(60)	285
Free operational cash flow	**(123)**	(9)	(114)	985
Net cash	**113**	133	-15%	805
New orders	**13,245**	11,852	+12%	22,263
Order backlog	**38,813**	37,716	+3%	36,717
Order backlog, ytd			+6%	
Employees (end of period)	**44,849**	49,154	-9%	44,264

*** Operational earnings are adjusted for deconsolidation effects and other one-off impacts**

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