


QUARTERLY REPORT

JANUARY TO MARCH 2018

Financial Highlights

- EUR 106 million operational net profit, +14% yoy; EUR 98 million nominal, +11% yoy
- Strong EUR 1.5 billion net cash from op. activities LTM, +14% yoy
- EUR 942 million net cash, EUR +600 million yoy, all divisions significantly strengthened
- Consistently high order backlog of EUR 44.3 billion +12% yoy f/x-adjusted
- Guidance confirmed: op. net profit FY 2018 of EUR 470–520 million (+4–15% yoy)

We are building the world of tomorrow.

HOCHTIEF

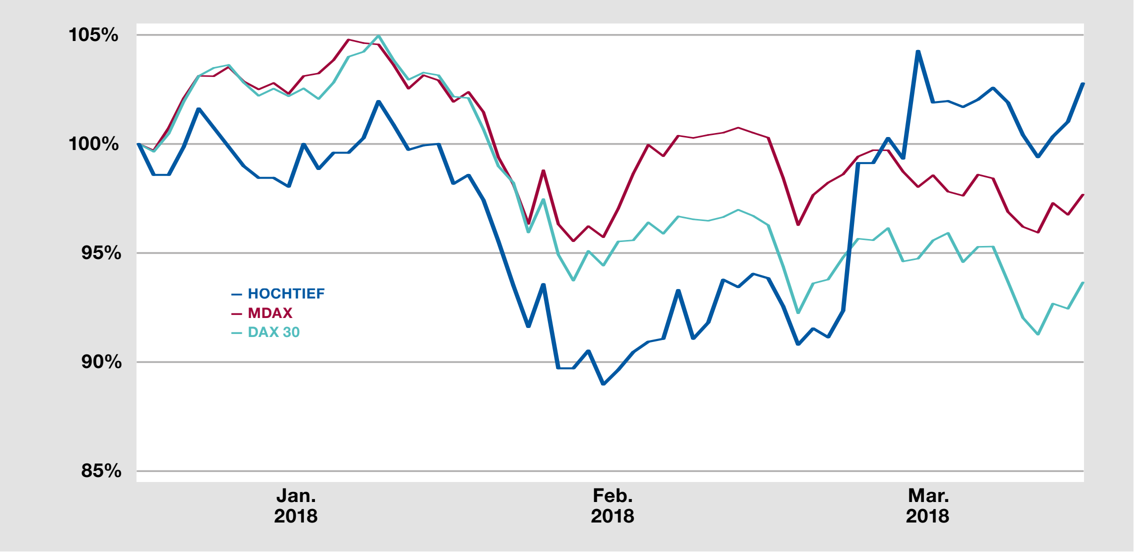
*All figures are nominal unless otherwise indicated

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

The HOCHTIEF Group: Key Figures*

(EUR million)	Q1 2018	Q1 2017	Change	Full year 2017
Sales	**5,266.2**	5,149.0	**2.3%**	22,631.0
Operational profit before tax/PBT[1]	**207.5**	194.3	**6.8%**	865.8
Operational PBT margin[1] (%)	**3.9**	3.8	**0.1**	3.8
Operational net profit[1]	**106.3**	93.3	**13.9%**	452.3
Operational earnings per share (EUR)[1]	**1.65**	1.45	**13.8%**	7.04
EBITDA	**308.9**	308.6	**0.1%**	1,294.4
EBITDA margin (%)	**5.9**	6.0	**-0.1**	5.7
EBIT	**226.5**	216.0	**4.9%**	904.1
EBIT margin (%)	**4.3**	4.2	**0.1**	4.0
Profit before tax/PBT	**199.5**	188.9	**5.6%**	823.6
Net profit	**97.9**	88.3	**10.8%**	420.7
Earnings per share (EUR)	**1.52**	1.37	**10.9%**	6.55
Net cash from operating activities	**(169.7)**	(262.6)	**35.4%**	1,372.1
Net operating capital expenditure	**(73.8)**	(61.3)	**-20.4%**	(251.8)
Free cash flow from operations	**(243.5)**	(323.9)	**24.8%**	1,120.3
Net cash (+)/net debt (-)	**941.6**	341.3	**175.9%**	1,265.8
New orders	**6,754.2**	7,445.3	**-9.3%**	30,443.5
Work done	**5,681.5**	5,767.6	**-1.5%**	24,518.4
Order backlog	**44,288.1**	44,967.0	**-1.5%**	44,644.2
Employees (end of period)	**55,530**	53,505	**3.8%**	53,890

Relative share price performance



Dear Shareholders and friends of HOCHTIEF,

Marcelino Fernández Verdes, Chairman of the Executive Board

HOCHTIEF has started 2018 in a positive fashion. During the first three months of the year, the Group has substantially improved profits and cash flow and maintained a positive order book trend.

Operational net profit, which excludes one-off impacts, **rose 14% year on year to EUR 106 million** with the Americas, Asia Pacific and Europe divisions all contributing to this positive profit development. Nominal net profit rose by 11% to EUR 98 million.

The top line also expanded. **Adjusting for foreign exchange rate movements, sales were 16% higher year on year at EUR 5.3 billion**, with growth of 2% in Euro terms. This expansion was accompanied by increased margins. As a percentage of sales, the Group's **operational PBT margin was 3.9% in Q1 2018, up 10 basis points year on year**.

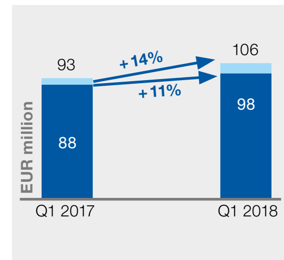
Generating cash-backed profits is a key objective for the Group. **Net cash from operating activities improved by nearly EUR 100 million year on year** driven by a further progress in working capital management. The EBITDA cash-conversion rate of 113% remains at a very high level.

HOCHTIEF ended the first quarter of 2018 with **EUR 942 million of net cash**, EUR 600 million higher year on year due to the strong cash flow performance of the last twelve months. If we adjust foreign exchange impacts since Q1 2017, net cash would stand at almost EUR 1.3 billion.

HOCHTIEF Group – Q1 2018 Highlights

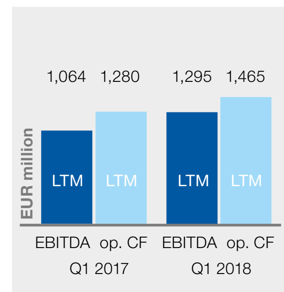
EUR 106 million operational net profit, +14%; EUR 98 million nominal, +11% yoy

- Op. PBT EUR 208 million, op. PBT margin of 3.9%, +10 bps yoy
- EBITDA LTM of EUR 1.3 billion, +22% yoy
- Sales Q1 2018 of EUR 5.3 billion, +16% yoy f/x-adjusted



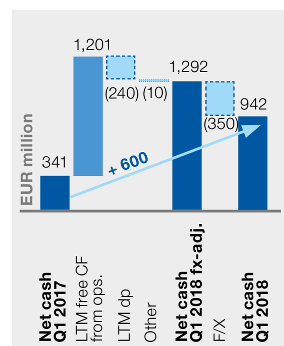
Strong EUR 1.5 billion net cash from op. activities LTM, +14% yoy

- Net cash from op. activities in Q1 2018 improved by EUR 93 million yoy
- High EBITDA cash-conversion rate of 113% LTM
- Net op. capex up EUR 13 million yoy to EUR 74 million—increased mining and tunneling work
- Free cash flow from ops. up by EUR 80 million in Q1 2018; EUR 1.2 billion LTM



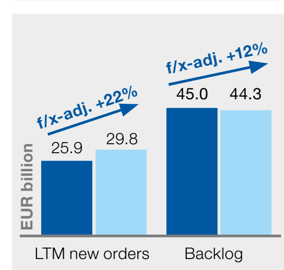
EUR 942 million net cash, EUR +600 million yoy, all divisions significantly strengthened

- Adjusted for EUR 350 million negative f/x effects LTM, net cash position would be EUR 1.3 billion
- Impact of seasonality on Q1 cash flow further mitigated
- All operating divisions ended Q1 with net cash and substantially strengthened balance sheets yoy



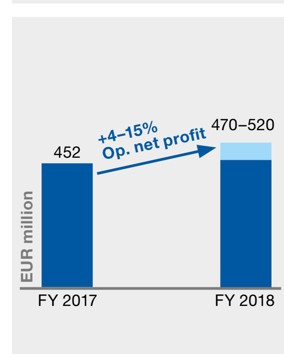
Consistently high order backlog of EUR 44.3 billion

- Order backlog +12% yoy f/x-adjusted; equivalent to 22 months of work done
- EUR 29.8 billion in new orders +15% LTM (+22% yoy f/x-adjusted)
- New orders of EUR 6.8 billion Q1 2018 equal 1.2x work done—disciplined bidding maintained



Guidance confirmed: op. net profit FY 2018 of EUR 470–520 million (+4–15% yoy)

- Strong tender pipeline in our core markets USA, Canada, Asia Pacific and Europe of around EUR 120 billion in project work for remainder of 2018 and approx. EUR 350 billion in 2019+
- Capital allocation remains focused on attractive organic and strategic growth opportunities and optimizing shareholder returns



bps = basis points
dp = dividend payments
yoy = year on year
LTM = last twelve months

The period-end **order book of EUR 44.3 billion** has increased by 12% year on year on an exchange rate adjusted basis. Almost half of our order book is for projects located in the Asia-Pacific region, with slightly above 40% in Americas and about 10% in Europe. At EUR 29.8 billion, **new orders in the last twelve months are 22% higher year on year on an exchange rate adjusted basis**, whilst our disciplined approach to risk management remains firmly in place.

The HOCHTIEF companies in all three divisions were awarded major new projects in the first quarter: Along with partners, HOCHTIEF PPP Solutions has reached commercial close to construct a people mover at Los Angeles International Airport in the U.S. The project is to be completed as a public-private partnership. Flatiron is among the consortium partners. Turner has been selected to design and build the new headquarters of the California Department of Natural Resources in Sacramento. Turner, which is the USA's leading construction manager for hospitals, also secured the contract for the new MetroHealth Hospital in Cleveland, Ohio. CIMIC Group companies booked several new orders as well, notably contract extensions in the mining sector. These include Thiess's contract for continued services at Dawson South Mine in Queensland, Australia. In addition, Leighton Asia is building a freeway project in the Philippines to improve the infrastructure south of Manila. UGL has been contracted to build and maintain the 127-megawatt Tailem Bend solar farm in South Australia for Equis Energy. In Copenhagen, HOCHTIEF is to build the Sydhavn Metro Line, the first project in Denmark where 3D modeling is being used across the board.

The Group has **identified a strong pipeline of relevant projects** coming to our markets in North America, Asia-Pacific and Europe of approximately EUR 120 billion for the remainder of 2018 and EUR 350 billion for 2019 and beyond.

Backed by the Group's strong balance sheet, HOCHTIEF is well positioned for the future. Capital allocation remains focused on attractive organic and strategic growth opportunities and optimizing shareholder returns.

We continue to move forward with out joint offer for Abertis. We expect the offer to be settled by mid-May.

The **dividend for 2017 of EUR 3.38 per share represents an increase of 30%** compared with 2016, reflecting the Group's strong profit performance and HOCHTIEF management's focus on shareholder remuneration.

Group Outlook

As a consequence of the positive Group outlook, we confirm our guidance of an **operational net profit in 2018 in the range of EUR 470–520 million**. This represents an increase of 4–15% on 2017, with all our divisions driving this further improvement in our Group performance.

Yours,

Marcelino Fernández Verdes,
Chairman of the Executive Board

Interim Management Report
Financial review

Overview
HOCHTIEF made a successful start to the new year with growing Group sales and earnings figures. The Group's net cash position, at EUR 942 million, remained at a high level.

Sales and earnings
HOCHTIEF Group **sales** came to EUR 5.3 billion in the first quarter of 2018. Compared with the first quarter of 2017 (EUR 5.1 billion), sales were up 2% year on year and +16% when adjusting for exchange rate effects.

Sales

(EUR million)	Q1 2018	Q1 2017	Change
HOCHTIEF Americas	2,869.2	2,595.5	10.5%
HOCHTIEF Asia Pacific	2,057.2	2,144.5	-4.1%
HOCHTIEF Europe	323.1	378.5	-14.6%
Corporate	16.7	30.5	-45.2%
Group	**5,266.2**	**5,149.0**	**2.3%**

The HOCHTIEF Americas division generated significantly higher sales in the first quarter of 2018. Both the Turner Group, which leads the U.S. building construction business, and civil engineering specialist Flatiron recorded substantial growth as a result of their good business performance. In total, HOCHTIEF Americas showed an 11% increase relative to the prior-year period (EUR 2.6 billion), to EUR 2.9 billion. Adjusted for exchange rates, the increase was 28%.

In the HOCHTIEF Asia Pacific division, CIMIC's sales improved by 7% from AUD 3.0 billion in the prior-year period to AUD 3.2 billion in the first quarter of 2018. There was a 4% decrease in Euros.

In the HOCHTIEF Europe division, sales in the first quarter of 2018 were primarily generated in the core business of construction. Sales here were almost stable compared with the prior-year period. There was a planned decrease in sales in the non-core real estate development business.

As a result of this, sales in the HOCHTIEF Europe division in the first quarter of 2018 reached EUR 323 million.

In markets outside of Germany, the HOCHTIEF Group recorded sales of EUR 5.1 billion in the period January to March 2018. The proportion of total Group sales generated internationally stood at 96%, which is comparable to the prior-year period.

HOCHTIEF sustained its positive earnings trend at the start of 2018. Both nominal and operational **profit before tax (PBT)** improved compared with the same period a year earlier. Nominal PBT was EUR 200 million in the first quarter of 2018, 6% higher than the equivalent prior-year figure (EUR 189 million). HOCHTIEF likewise further increased operational PBT, which is nominal PBT adjusted for one-off items and deconsolidation effects, with growth of 7% to EUR 208 million.

Profit before tax (PBT)

(EUR million)	Q1 2018	Q1 2017	Change
HOCHTIEF Americas	67.1	57.6	16.5%
HOCHTIEF Asia Pacific	136.2	136.4	-0.1%
HOCHTIEF Europe	8.8	4.6	91.3%
Corporate	(12.6)	(9.7)	-29.9%
Group nominal PBT	**199.5**	**188.9**	**5.6%**
One-off items	**8.0**	**5.4**	**48.1%**
Restructuring	0.2	1.4	-85.7%
Investments/Divestments	5.5	0.8	587.5%
Impairments	0.0	0.7	-100.0%
Others	2.3	2.5	-8.0%
Group operational PBT	**207.5**	**194.3**	**6.8%**

The HOCHTIEF Americas division carried over the good prior-year earnings performance into the first quarter of 2018. Based on a good performance in terms of margins as well as orders and work done at Turner and Flatiron, nominal PBT improved relative to the prior-year period (EUR 58 million) by 17% to EUR 67 million (+34% exchange rate adjusted).

The HOCHTIEF Asia Pacific division benefited from the further improvement in earnings at CIMIC, which raised nominal PBT in the first quarter of 2018 relative to the prior-year period by 8% to AUD 237 million. This positive development was offset by exchange rate effects. Therefore nominal PBT at division level, which includes associated financing and holding costs, and the impact of variations in the AUD/EUR exchange rate, amounted to EUR 136 million, on a par with a year earlier.

The HOCHTIEF Europe division generated solid and improved earnings contributions from the core business in the first quarter of 2018. Nominal PBT, at EUR 9 million, shows an increase relative to the first quarter of 2017 of EUR 4 million, continuing the positive earnings trend from the prior year into the start of the new year.

Net income from equity-method associates, joint ventures, and other participating interests came to EUR 45 million in the first three months of 2018. The prior-year figure of EUR 10 million was significantly exceeded overall by improvements in all divisions.

The refinancing concluded on improved terms in the prior year had a positive impact on the HOCHTIEF Group's **net investment and interest income/expenses**. As a result of lower interest expense, net investment and interest income/expenses improved compared with the prior-year period (a negative EUR 37 million) by EUR 4 million to a negative EUR 33 million in the first quarter of 2018.

Income tax expense came to EUR 64 million in the first quarter of 2018, on a par with the prior-year period. The effective tax rate at 32% showed a slight decrease on the prior-year period (34%).

HOCHTIEF further increased both nominal and operational **consolidated net profit** in the first quarter of 2018 compared with the prior-year figures. Nominal consolidated net profit improved by 11% to EUR 98 million (Q1 2017: EUR 88 million). Operational consolidated net profit, at EUR 106 million, showed a 14% increase. Non-controlling interests, which relate mainly to the CIMIC Group, were at EUR 37 million.

Consolidated net profit (EUR million)	**Q1 2018**	Q1 2017	Change
HOCHTIEF Americas	40.5	35.0	15.7%
HOCHTIEF Asia Pacific	64.6	62.6	3.2%
HOCHTIEF Europe	7.9	2.0	295.0%
Corporate	(15.1)	(11.3)	-33.6%
Group nominal net profit	**97.9**	**88.3**	**10.8%**
One-off items	**8.4**	**5.0**	**68.0%**
Restructuring	0.2	0.9	-77.8%
Investments/Divestments	5.9	0.9	555.6%
Impairments	0.0	0.7	-100.0%
Others	2.3	2.5	-8.0%
Group operational net profit	**106.3**	**93.3**	**13.9%**

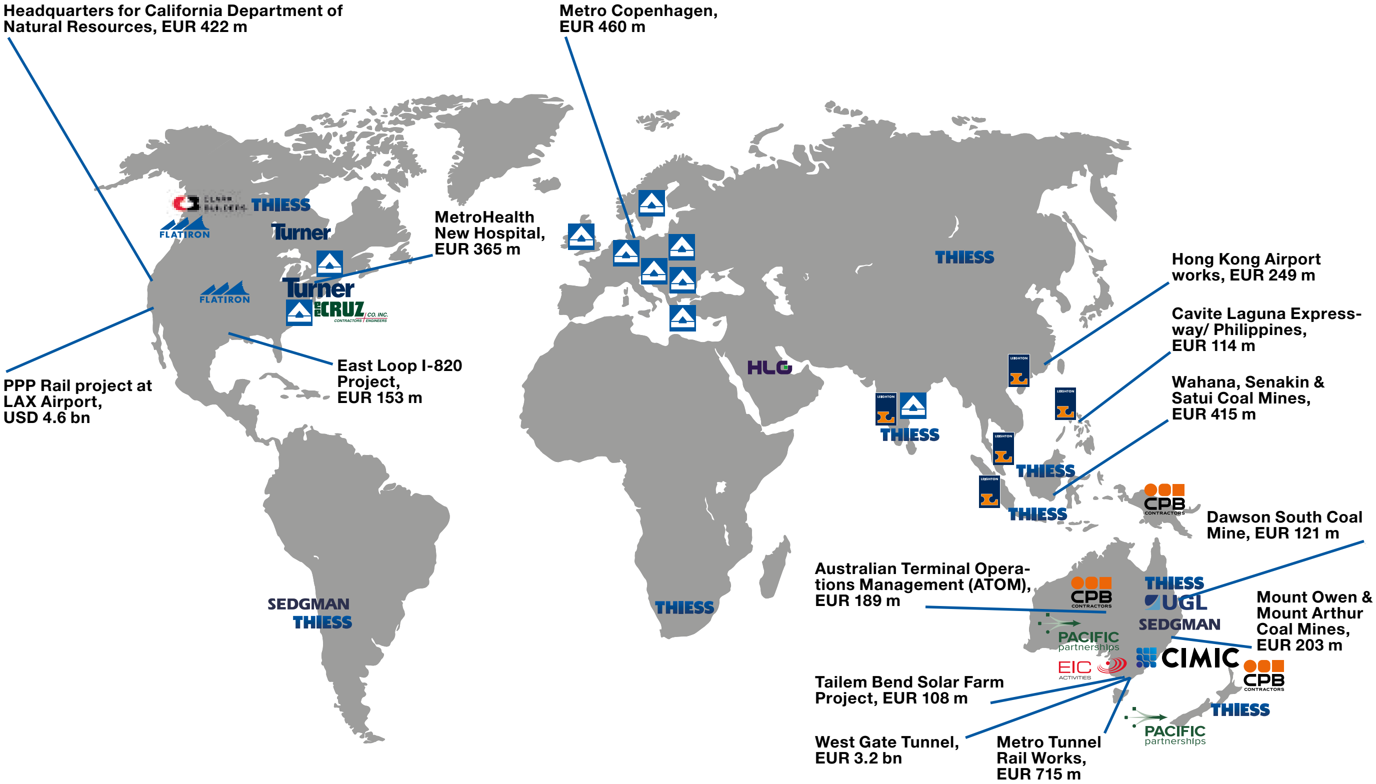
Orders and work done

In the first quarter of 2018, **new orders** increased by 3% compared with the prior-year period to EUR 6.8 billion on a currency-adjusted basis. The increase in new orders came to 15% on a last 12-month basis (currency adjusted: 22%).

New orders in the HOCHTIEF Americas division were up by 33% on the prior year and hit a new all-time high for a first quarter of EUR 4.6 billion. In the HOCHTIEF Asia Pacific division, new orders came to EUR 1.6 billion. The order backlog for CIMIC's core business rose by 10% year on year, with the forward order book remaining high at 24 months. The HOCHTIEF Europe division reported new orders in a volume of EUR 0.6 billion, down EUR 0.2 billion on the prior-year period in which a large-scale project was included. Prospects for the rest of 2018 remain positive for all divisions thanks to the strong tender pipeline.

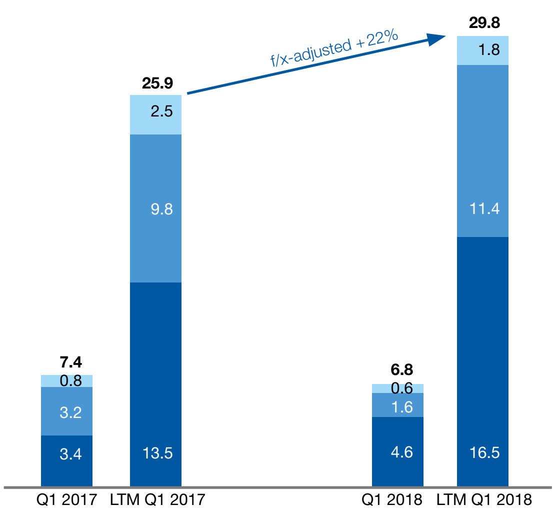
At the end of March 2018, the **order backlog** stood at EUR 44.3 billion and thus continued to remain at a high level. Adjusting for currency effects, the order backlog was up by 12% compared with the prior-year period. With work done at a sustained high level, the order backlog represents a forward order book of 22 months.

HOCHTIEF Group – Selected Recent Significant Project Announcements

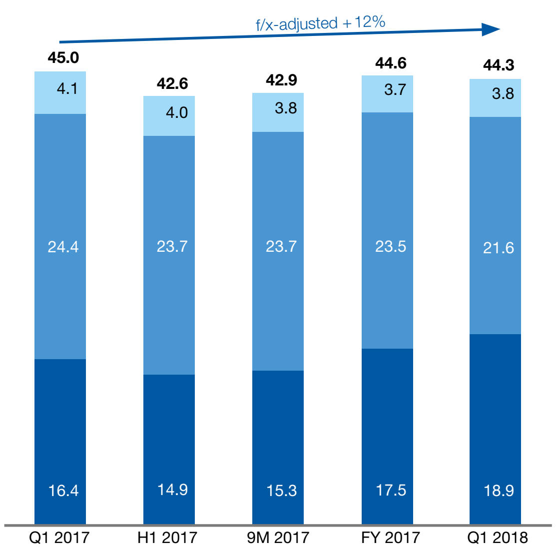


Contract values are total project volumes.

New orders (EUR billion)



Order backlog (EUR billion)



HOCHTIEF Europe
HOCHTIEF Asia Pacific*
HOCHTIEF Americas

*New orders excl. f/x effects within CIMIC backlog *last twelve months

Cash flow

(EUR million)	**Q1 2018**	Q1 2017	Change	**LTM* 4/2017–03/2018**	Full year 2017
Net cash from operating activities pre net working capital change	251.6	289.5	(37.9)	1,001.0	1,038.9
Net working capital change	(421.3)	(552.1)	130.8	464.0	333.2
Net cash from operating activities	**(169.7)**	**(262.6)**	**92.9**	**1,465.0**	**1,372.1**
Gross operating capital expenditure	(77.3)	(86.6)	9.3	(348.1)	(357.4)
Operating asset disposals	3.5	25.3	(21.8)	83.8	105.6
Net operating capital expenditure	(73.8)	(61.3)	(12.5)	(264.3)	(251.8)
Free cash flow from operations	**(243.5)**	**(323.9)**	**80.4**	**1,200.7**	**1,120.3**

Cash flow

In the first quarter, the high earnings quality is reflected in our cash flow performance. When bidding for new contracts, we place the focus on cash-backed profitability as well as on risk aspects, and our operational units concentrate on systematic working capital management.

Net cash from operating activities improved compared with the prior-year period (minus EUR 263 million) by EUR 93 million or 35% to minus EUR 170 million in the first quarter of 2018. This was primarily due to consistently high cash-in from cash-backed profits and progress in working capital. The Q1 seasonal cash outflow was consequently significantly reduced this year. In the last twelve months from April 2017 to March 2018, HOCHTIEF generated a strong EUR 1.5 billion in net cash from operating activities.

Gross operating capital expenditure came to EUR 77 million in the first three months of 2018. Both in the current year and in the first quarter of the prior year, higher contract volumes in the mining business and purchases of equipment for the construction business required correspondingly increased capital expenditure at CIMIC. Due to exchange rate effects from translation out of Australian dollars, the cash outflow was EUR 9 million smaller than in the prior-year period (EUR 87 million). Proceeds from operating asset disposals went down relative to the prior-year period (EUR 25 million) to EUR 3 million. Net operating capital expenditure consequently accounted for a cash outflow of EUR 74 million, an increase of EUR 13 million on the prior-year period (EUR 61 million).

Free cash flow from operations was affected by the seasonal factors typical for the start of the year. An outflow of EUR 244 million, the figure for the first quarter of 2018 nonetheless showed a substantial improvement on the prior-year period. In the twelve-month period from April 2017 to March 2018, free cash flow from operations is at EUR 1.2 billion.

Balance sheet

From January 1, 2018, HOCHTIEF has applied the new financial reporting standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. Application of the new standards resulted in adjustments to a number of items in the opening balance sheet as of January 1, 2018 based on the HOCHTIEF Consolidated Financial Statements as of December 31, 2017. The main adjustments related to trade receivables, financial receivables, equity-method investments, and equity. As a net outcome of the adjustments in the opening balance sheet of the HOCHTIEF Group as of January 1, 2018, there was a decrease in total assets by EUR 1.3 billion.

Aside from this, the main changes within the balance sheet in the first quarter of 2018 were due to exchange rate effects in relation to the Australian dollar and the U.S. dollar. Thus, the total exchange rate effect in Q1 2018 on assets was a negative EUR 359 million. **Total assets** of the HOCHTIEF Group amounted to EUR 11.6 billion as of March 31, 2018 (December 31, 2017: EUR 13.3 billion).

Non-current assets fell compared with the 2017 year-end by EUR 671 million to EUR 3.3 billion as of the March 31, 2018 reporting date. An amount of around EUR 600 million of the decrease related to adjustments to the opening balance sheet carrying amounts of equity-method investments and financial receivables as of January 1, 2018 in connection with the first-time application of IFRS 9 and IFRS 15. In addition, primarily due to exchange rate effects, intangible assets went down by EUR 57 million to EUR 1.1 billion and property, plant and equipment by EUR 30 million to EUR 930 million.

HOCHTIEF Group net cash (+)/net debt (-) development*

(EUR million)	**Mar. 31, 2018**	Mar. 31, 2017	Change	Dec. 31, 2017
HOCHTIEF Americas	843.9	626.9	217.0	972.4
HOCHTIEF Asia Pacific	538.9	168.5	370.4	578.5
HOCHTIEF Europe	69.4	(5.5)	74.9	210.6
Corporate	(510.6)	(448.6)	(62.0)	(495.7)
Group	**941.6**	**341.3**	**600.3**	**1,265.8**

***For definition, please see Group Report 2017, page 232.**

Current assets came to EUR 8.3 billion at the end of the first quarter of 2018. This marked a decrease of EUR 1.1 billion relative to the 2017 year-end (EUR 9.4 billion). An amount of around EUR 800 million of the decrease was accounted for by adjustments to the opening balance sheet carrying amounts as of January 1, 2018 in connection with the first-time application of the IFRS 9 and IFRS 15 financial reporting standards. The majority of these adjustments—around EUR 760 million—related to trade receivables on first-time application of IFRS 15. Additionally, taking into account operational Q1 2018 changes and exchange rate effects, trade receivables totaled EUR 4.1 billion as of March 31, 2018 (December 31, 2017: EUR 4.8 billion). HOCHTIEF had EUR 425 million in marketable securities and EUR 2.8 billion in cash and cash equivalents at the end of the first quarter of 2018. The Group's liquidity position thus remains robust and at a good level.

The first-time application of the IFRS 9 and IFRS 15 financial reporting standards led to a EUR 1.3 billion reduction in **equity** in the adjusted opening balance sheet of the HOCHTIEF Group as of January 1, 2018. The main changes during the first quarter of 2018 related to profit after tax (EUR 135 million), currency translation effects (a deduction of EUR 93 million), and dividends (a deduction of EUR 44 million).

Non-current liabilities came to EUR 3.0 billion at the end of the first quarter of 2018, on a par with December 31, 2017. **Current liabilities** amounted to EUR 7.3 billion as of March 31, 2018. Compared with the figure as of December 31, 2017 (EUR 7.9 billion), this represented a decrease of EUR 513 million, mainly due to exchange rate effects in the HOCHTIEF Americas and HOCHTIEF Asia Pacifc divisions. Most of the total relates to trade payables, which—mostly due to exchange rate effects—went down by EUR 305 million to EUR 6.1 billion.

The HOCHTIEF Group's **net cash position** amounted to EUR 942 million as of March 31, 2018. The marked increase of EUR 600 million compared with the prior-year figure as of March 31, 2017 (EUR 341 million) reflects the strong cash flow performance across all divisions in the last twelve months. Adjusted for exchange rate effects in the amount of EUR 350 million, the net cash position would have climbed by EUR 950 million to EUR 1.3 billion.

Risk and opportunities report

There has been no material change in the situation of the Group from that presented in our 2017 Group Report with regard to opportunities and risks. The statements regarding the opportunities and risks* made in the Group Report as of December 31, 2017 therefore continue to apply.

***Our opportunities and risks report is provided starting on page 121 of our 2017 Group Report and on our website, www.hochtief.com.**

Report on forecast and other statements relating to the Company's likely future development

As a consequence of the positive Group outlook, we confirm our guidance of an **operational net profit in 2018 in the range of EUR 470–520 million**. This represents an increase of 4–15% on 2017, with all our divisions driving this further improvement in our Group performance.

Divisions

HOCHTIEF Americas

***All figures are nominal unless otherwise indicated**
1) Operational earnings are adjusted for deconsolidation effects and other one-off impacts

HOCHTIEF Americas Division: Key Figures*

(EUR million)	**Q1 2018**	Q1 2017	**Change**	Full year 2017
Divisional sales	**2,869.2**	2,595.5	**10.5%**	11,838.9
Operational profit before tax/PBT[1]	**67.1**	59.0	**13.7%**	258.4
Operational PBT margin[1] (%)	**2.3**	2.3	**0.0**	2.2
Operational net profit[1]	**40.5**	35.9	**12.8%**	165.2
Profit before tax/PBT	**67.1**	57.6	**16.5%**	254.0
Net profit	**40.5**	35.0	**15.7%**	162.6
Net cash from operating activities	**(77.1)**	(186.8)	**58.7%**	449.1
Gross operating capital expenditure	**(4.1)**	(6.1)	**32.8%**	(30.4)
Net cash (+)/net debt (-)	**843.9**	626.9	**34.6%**	972.4
New orders	**4,563.5**	3,445.2	**32.5%**	15,381.5
Work done	**2,757.9**	2,701.0	**2.1%**	11,630.3
Order backlog (end of period)	**18,854.1**	16,413.1	**14.9%**	17,517.1
Employees (end of period)	**10,706**	9,780	**9.5%**	10,460

The HOCHTIEF Americas division has started 2018 in positive fashion with **sales**, in local currency terms, rising by 28% year on year in Q1 2018. The strength of the Euro moderates the increase to 11% at EUR 2.9 billion. **Operational PBT** rose by 14% year on year to EUR 67 million with the operational PBT margin remaining solid at 2.3%. Profits expanded at both Turner and Flatiron.

The trend in cash generation at HOCHTIEF Americas was strong. **Net cash from operating activities** improved by EUR 110 million year on year. This is a consequence of the continued focus on working capital and cash-backed profits across our North American businesses.

As a result of the further improved cash flow performance, divisional **net cash** ended March 2018 at EUR 844 million, up by almost EUR 220 million year on year. If one adjusts for the strength of the Euro versus the U.S. dollar during the 12-month period, net cash would stand at over EUR 1 billion.

HOCHTIEF Americas' **new orders** for Q1 2018 rose by 33% to stand at a new first quarter record level of EUR 4.6 billion. The increase in local currency terms is outstanding at 53% year on year.

The **order backlog** also reached a new all-time high of EUR 18.9 billion at the end of March, up 15% on March 2017.

HOCHTIEF won major contracts in the first quarter. A special highlight among them: Flatiron forms part of the construction consortium that secured the contract for a people mover at Los Angeles International Airport, a public-private partnership project valued at some USD 4.6 billion. Commercial close was achieved in April 2018 by a consortium including HOCHTIEF PPP Solutions.

Together with a partner, Turner has been selected to design and build the new headquarters of the California Department of Natural Resources in Sacramento. The contract is valued at approximately USD 520 million. The building is designed to meet net zero energy standards.

HOCHTIEF Americas Outlook

We expect further growth at HOCHTIEF Americas in 2018 with **operational profit before tax** in the range of **EUR 270–300 million, up 5–16% year on year** compared with EUR 258 million in 2017.

HOCHTIEF Asia Pacific

HOCHTIEF Asia Pacific Division: Key Figures

(EUR million)	**Q1 2018**	Q1 2017	**Change**	Full year 2017
Divisional sales	**2,057.2**	2,144.5	**-4.1%**	9,077.0
Profit before tax/PBT	**136.2**	136.4	**-0.1%**	578.9
PBT margin (%)	**6.6**	6.4	**0.2**	6.4
Net profit	**64.6**	62.6	**3.2%**	275.4
Net cash (+)/net debt (-)	**538.9**	168.5	**219.8%**	578.5
Order backlog (end of period)	**21,586.1**	24,421.4	**-11.6%**	23,465.5
Employees (end of period)	**39,172**	36,915	**6.1%**	37,781

The performance of the **HOCHTIEF Asia Pacific** division reflects HOCHTIEF's stake in CIMIC (72.7% at the end of March 2018, unchanged year on year) as well as associated financing and holding costs, and the impact of variations in the AUD/EUR exchange rate.

HOCHTIEF Asia Pacific's nominal **profit before tax (PBT)** in the first quarter of 2018 was stable at EUR 136 million. PBT margins expanded 20 basis points to 6.6% compared with 6.4% in Q1 2017. All of the Group's core businesses of construction, contract mining and services continued to perform well while the reported divisional result was affected by exchange rate movements.

HOCHTIEF Asia Pacific saw a further year-on-year improvement in cash flow during the first quarter and as a consequence ended the period with net cash of almost EUR 540 million up by EUR 370 million year on year. The division's **order book** remains solid at EUR 21.6 billion and implies a consistently high visibility of around 24 months of work done.

CIMIC's key figures

Net profit after tax (NPAT) at CIMIC rose by 7% in Q1 2018 to AUD 172 million compared with Q1 2017. **PBT** of AUD 237 million was 8% higher year on year with a stable PBT margin of 7.3%. Revenues increased by 7% year on year to AUD 3.2 billion.

CIMIC made further positive progress on the **cash flow** front, maintaining its focus on managing working capital and generating sustainable cash-backed profits. Cash flow from operating activities in the first three months of 2018 of AUD 118 million was up 17% year on year. Net capital expenditure was increased by 12% to AUD 105 million, reflecting increased mining and tunneling activity.

The result of this strong cash generation was that CIMIC ended Q1 2018 with a **net cash** position of AUD 912 million, an increase of AUD 634 million since the end of Q1 2017.

During Q1 2018, **work in hand** remained at a solid level of AUD 34.6 billion, with the core businesses of construction, mining and services showing a 10% year-on-year increase. New work of AUD 2.6 billion was secured in Q1 2018. The services backlog represents almost 20% of CIMIC's total March 2018 order book.

A solid **project pipeline** with AUD 100 billion of tenders relevant to CIMIC has been identified for the remainder of 2018 with a further approximately AUD 300 billion currently earmarked for thereafter.

CIMIC contracts added to the books in the first three months of the year promise further sustained success. CIMIC Group's global mining services provider, Thiess, has secured a contract extension by Anglo American valued at AUD 190 million to continue its work at the Dawson South Mine in Queensland's Bowen Basin. The 36-month extension will see Thiess continue delivering coal mining, overburden removal and handling services.

Additional contract extensions were secured by Thiess for the Wahana, Senakin and Satui coal mines in Indonesia, generating revenue of AUD 670 million.

Leighton Asia has been selected to construct an expressway project in the Philippines. Revenue to Leighton Asia is approximately AUD 182 million. The four-lane expressway stretching over 28 kilometers is slated for completion in 2020. The contract also includes the construction of bridge structures, interchanges, and toll plazas. Traffic flow in the south of the capital Manila will be significantly improved by the project.

UGL has been contracted to build and maintain the 127-megawatt Tailem Bend solar farm in South Australia for Equis Energy. Valued at around AUD 170 million, the project is expected to start power generation to the grid in 2019.

HOCHTIEF Asia Pacific Outlook

CIMIC confirmed its **NPAT (net profit after tax)** guidance for 2018 in the range of **AUD 720–780 million**, subject to market conditions, compared to the AUD 702 million reported for 2017, up 3–11%.

HOCHTIEF Europe

HOCHTIEF Europe Division: Key Figures*

(EUR million)	**Q1 2018**	Q1 2017	**Change**	Full year 2017
Divisional sales	**323.1**	378.5	**-14.6%**	1,609.0
Operational profit before tax/PBT[1]	**9.3**	7.2	**29.2%**	45.0
Operational PBT margin[1] (%)	**2.9**	1.9	**1.0**	2.8
Operational net profit[1]	**8.5**	4.7	**80.9%**	36.2
Profit before tax/PBT	**8.8**	4.6	**91.3%**	32.5
Net profit	**7.9**	2.0	**295.0%**	23.7
Net cash from operating activities	**(105.2)**	(86.6)	**-21.5%**	106.6
Gross operating capital expenditure	**(3.1)**	(5.6)	**44.6%**	(18.9)
Net cash (+)/net debt (-)	**69.4**	(5.5)	**–**	210.6
New orders	**550.8**	761.2	**-27.6%**	1,962.0
Work done	**369.8**	432.4	**-14.5%**	1,893.9
Order backlog (end of period)	**3,849.6**	4,133.7	**-6.9%**	3,663.6
Employees (end of period)	**5,454**	6,623	**-17.7%**	5,448
of which in Germany	**3,257**	3,212	**1.4%**	3,223

***All figures are nominal unless otherwise indicated**
1) Operational earnings are adjusted for deconsolidation effects and other one-off impacts

HOCHTIEF Europe continued to make progress during the first quarter of 2018. **Operational PBT** increased by EUR 2 million year on year to EUR 9 million on sales of EUR 323 million. The division's profitability rose significantly with the PBT margin expanding by 100 basis points to 2.9% compared with 1.9% in Q1 2017.

Over the last twelve months, positive **net cash from operating activities** of EUR 88 million was generated by the division, helped by increasing profit, working capital improvements in construction and divestments at the Real Estate business where capital employed has been reduced by almost EUR 1.1 billion since the end of 2013.

As a consequence of the solid cash flow performance over the last twelve months, the **divisional balance sheet** registered a firm year-on-year improvement. Net cash at the end of Q1 2018 stood at EUR 69 million, an increase of EUR 75 million compared with March 2017.

New orders of EUR 551 million for the first quarter of the year remain at a healthy level and compare with work done during the period of EUR 370 million. The Q1 2017 new orders figure included the large, EUR 421 million, Zuidasdok project win. The divisional **order backlog** at the end of March stood at more than EUR 3.8 billion and represents around two years of work.

The most significant new contract is the construction of the Sydhavn Metro Line in Copenhagen for a total of EUR 460 million. As part of a joint venture, HOCHTIEF is designing and building the 4.4-kilometer-long rail tunnel and five stations, which are scheduled for completion in 2024. The contract was awarded in equal parts (50% each) to the two partners, while HOCHTIEF will take the technical lead. This is the first project in Denmark where 3D modeling is being used extensively.

As a member of the BIM4RAIL consortium, HOCHTIEF ViCon has been commissioned by the German Federal Ministry of Transport to monitor the rollout of Building Information Modeling (BIM) in rail transport. The focus is on 13 Deutsche Bahn pilot projects.

HOCHTIEF Europe Outlook

Looking forward we expect further growth in divisional **operational profit before tax** to **EUR 55–65 million** for 2018, an **increase of EUR 10–20 million** compared with EUR 45 million in 2017.

Interim Financial Statements (Condensed)

Consolidated Statement of Earnings

(EUR thousand)	**Q1 2018**	Q1 2017	**Change**	Full year 2017
Sales	5,266,242	5,148,988	2.3%	22,630,950
Changes in inventories	10,704	(28,384)	–	(53,552)
Other operating income	46,218	40,207	15.0%	171,439
Materials	(3,801,892)	(3,474,677)	9.4%	(16,229,440)
Personnel costs	(953,990)	(1,048,508)	-9.0%	(4,119,809)
Depreciation and amortization	(82,346)	(94,029)	-12.4%	(395,621)
Other operating expenses	(296,901)	(327,115)	-9.2%	(1,239,080)
Profit from operating activities	**188,035**	**216,482**	**-13.1%**	**764,887**
Share of profits and losses of equity-method associates and joint ventures	36,219	(2,407)	–	115,215
Net income from other participating interests	8,485	12,118	-30.0%	61,338
Investment and interest income	17,706	23,541	-24.8%	87,091
Investment and interest expenses	(50,936)	(60,876)	-16.3%	(204,912)
Profit before tax	**199,509**	**188,858**	**5.6%**	**823,619**
Income taxes	(64,434)	(63,610)	1.3%	(241,132)
Profit after tax	**135,075**	**125,248**	**7.8%**	**582,487**
Thereof: Attributable to non-controlling interest	37,220	36,957	0.7%	161,751
Thereof: Attributable to HOCHTIEF shareholders (Group net profit)	97,855	88,291	10.8%	420,736
Earnings per share (EUR)	**1.52**	**1.37**	**10.9%**	**6.55**

Consolidated Statement of Comprehensive Income

(EUR thousand)	**Q1 2018**	Q1 2017	**Change**	Full year 2017
Profit after tax	**135,075**	**125,248**	**7.8%**	**582,487**
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(93,453)	(58,486)	-59.8%	(383,501)
Changes in fair value of financial instruments				
Primary	(5,715)	5,462	–	(19,259)
Derivative	732	1,789	-59.1%	6,057
Share of other comprehensive income of equity-method associates and joint ventures	(7,276)	(559)	–	(8,714)
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	23	7,953	-99.7%	39,947
Other comprehensive income (after tax)	**(105,689)**	**(43,841)**	**-141.1%**	**(365,470)**
Total comprehensive income after tax	**29,386**	**81,407**	**-63.9%**	**217,017**
Thereof: Attributable to non-controlling interest	18,789	22,659	-17.1%	71,091
Thereof: Attributable to HOCHTIEF shareholders	10,597	58,748	-82.0%	145,926

Consolidated Balance Sheet

(EUR thousand)	**Mar. 31, 2018**	Dec. 31, 2017
Assets		
Non-current assets		
Intangible assets	1,135,261	1,191,858
Property, plant and equipment	930,077	959,854
Investment properties	9,433	9,488
Equity-method investments	319,326	577,171
Other financial assets	72,587	73,528
Financial receivables	480,837	835,518
Other receivables and other assets	153,240	153,785
Non-current income tax assets	3,305	3,328
Deferred tax assets	185,218	155,754
	3,289,284	**3,960,284**
Current assets		
Inventories	429,595	424,942
Financial receivables	175,284	144,183
Trade receivables	4,060,025	4,818,231
Other receivables and other assets	407,496	411,936
Current income tax assets	21,584	44,516
Marketable securities	425,277	428,759
Cash and cash equivalents	2,756,011	3,094,924
Assets held for sale	587	20,983
	8,275,859	**9,388,474**
	11,565,143	**13,348,758**

(EUR thousand)	**Mar. 31, 2018**	Dec. 31, 2017
Liabilities and Shareholders' Equity		
Shareholders' equity		
Attributable to HOCHTIEF shareholders	732,467	1,788,114
Attributable to non-controlling interest	467,020	745,988
	1,199,487	**2,534,102**
Non-current liabilities		
Provisions for pensions and similar obligations	374,425	367,751
Other provisions	336,225	348,751
Financial liabilities	2,253,240	2,183,235
Other liabilities	29,185	30,333
Deferred tax liabilities	33,488	32,848
	3,026,563	**2,962,918**
Current liabilities		
Other provisions	685,578	728,590
Financial liabilities	184,974	235,561
Trade payables	6,060,679	6,366,009
Other liabilities	384,987	498,332
Current income tax liabilities	22,875	23,246
	7,339,093	**7,851,738**
	11,565,143	**13,348,758**

Consolidated Statement of Cash Flows

(EUR thousand)	Q1 2018	Q1 2017
Profit after tax	135,075	125,248
Depreciation, amortization, impairments and impairment reversals	80,115	90,814
Changes in provisions	(7,183)	(10,542)
Changes in deferred taxes	52,404	34,028
Gains/(losses) from disposals of non-current assets and marketable securities	(5,283)	12,011
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	(3,659)	37,818
Net working capital change	(421,324)	(552,137)
Changes in other balance sheet items	191	142
Net cash from operating activities	**(169,664)**	**(262,618)**
Intangible assets, property, plant and equipment, and investment properties		
Purchases	(77,287)	(86,625)
Proceeds from asset disposals	3,433	25,351
Acquisitions and participating interests		
Purchases	(19,432)	(7,688)
Proceeds from asset disposals/divestments	863	20,290
Changes in marketable securities and financial receivables	(31,066)	(123,879)
Cash flow from investing activities	**(123,489)**	**(172,551)**
Payments for the purchase of additional shares in subsidiaries	–	(20,363)
Payments into equity by non-controlling interests	8,481	1,404
Other financing activities	(22,505)	(2,411)
Dividends to HOCHTIEF shareholders and non-controlling interests	(1,272)	(5,051)
Proceeds from new borrowing	142,241	941,311
Debt repayment	(89,445)	(843,611)
Cash flow from financing activities	**37,500**	**71,279**
Net cash decrease in cash and cash equivalents	**(255,653)**	**(363,890)**
Effect of exchange rate changes	(83,260)	(2,421)
Overall change in cash and cash equivalents	**(338,913)**	**(366,311)**
Cash and cash equivalents at the start of the year	3,094,924	2,847,426
Cash and cash equivalents at end of reporting period	**2,756,011**	**2,481,115**

Consolidated Statement of Changes in Equity

(EUR thousand)	Subscribed capital of HOCHTIEF Aktiengesellschaft	Capital reserve of HOCHTIEF Aktiengesellschaft	Retained earnings including distributable profit	Accumulated other comprehensive income			Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
				Remeasurement of defined benefit plans	Currency translation differences	Changes in fair value of financial instruments			
Balance as of Jan. 1, 2017*	**164,608**	**817,427**	**813,140**	**(346,630)**	**371,060**	**(5,775)**	**1,813,830**	**757,279**	**2,571,109**
Dividends	–	–	–	–	–	–	–	(44,294)	(44,294)
Profit after tax	–	–	88,291	–	–	–	88,291	36,957	125,248
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	(43,622)	6,126	(37,496)	(14,298)	(51,794)
Changes from remeasurement of defined benefit plans	–	–	–	7,953	–	–	7,953	–	7,953
Total comprehensive income	–	–	88,291	7,953	(43,622)	6,126	58,748	22,659	81,407
Other changes not recognized in the Statement of Earnings	–	–	(1,656)	–	–	–	(1,656)	791	(865)
Balance as of Mar. 31, 2017	**164,608**	**817,427**	**899,775**	**(338,677)**	**327,438**	**351**	**1,870,922**	**736,435**	**2,607,357**
Balance as of Dec. 31, 2017	**164,608**	**818,177**	**1,061,484**	**(306,683)**	**79,298**	**(28,770)**	**1,788,114**	**745,988**	**2,534,102**
Change of accounting and evaluation methods	**–**	**–**	**(1,066,322)**	**–**	**–**	**–**	**(1,066,322)**	**(262,407)**	**(1,328,729)**
Balance as of Jan. 1, 2018**	**164,608**	**818,177**	**(4,838)**	**(306,683)**	**79,298**	**(28,770)**	**721,792**	**483,581**	**1,205,373**
Dividends	–	–	–	–	–	–	–	(43,840)	(43,840)
Profit after tax	–	–	97,855	–	–	–	97,855	37,220	135,075
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	(74,646)	(12,635)	(87,281)	(18,431)	(105,712)
Changes from remeasurement of defined benefit plans	–	–	–	23	–	–	23	–	23
Total comprehensive income	–	–	97,855	23	(74,646)	(12,635)	10,597	18,789	29,386
Other changes not recognized in the Statement of Earnings	–	–	78	–	–	–	78	8,490	8,568
Balance as of Mar. 31, 2018	**164,608**	**818,177**	**93,095**	**(306,660)**	**4,652**	**(41,405)**	**732,467**	**467,020**	**1,199,487**

*** Restated due to the purchase price allocation made in 2017 for the UGL acquisition as of December 31, 2016.**
**** Restated due to IFRS 9 and IFRS 15. Please see pages 18 to 19 for explanatory notes on the restatements.**

Explanatory Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of and for the three months ended March 31, 2018, which were released for publication on May 4, 2018, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. In accordance with IAS 34, the reported information is presented in condensed form relative to the full Consolidated Financial Statements.

This interim report is based on the Consolidated Financial Statements as of and for the year ended December 31, 2017. For general information on the introduction of the two new standards IFRS 9 and IFRS 15, please see Note 38, “New Accounting Pronouncements” of the Notes to the Consolidated Financial Statements in the Group Report 2017.

As of January 1, 2018, HOCHTIEF applies the new standards **IFRS 9 Financial Instruments** and **IFRS 15 Revenue from Contracts with Customers**.

The new **IFRS 9** Financial Instruments notably introduces major changes relating to the classification and measurement of financial assets as well as new rules on hedge accounting. The effects of applying the standard are as follows:

There has been no significant impact on the **classification** of the HOCHTIEF Group’s financial assets.

The change in **measurement** method from recognition of incurred losses to recognition of expected credit losses for impairment of financial assets led to additional impairments and consequently an adjustment of equity in an amount of around EUR 400 million (after tax) as of January 1, 2018.

All existing hedge relationships subject to **hedge accounting** continued to apply from January 1, 2018 under the new rules of IFRS 9.

IFRS 15 has been applied in the HOCHTIEF Group as of January 1, 2018 using the modified retrospective method. Under this method, the effects of applying the standard are recognized in consolidated equity and the presentation of the comparison period remains unchanged. The significant effects of applying the standard were as follows:

The contractual terms and the way in which the HOCHTIEF Group operates its **construction contracts** are predominantly derived from projects containing one performance obligation. Contracted revenue will continue to be recognized over time. However, IFRS 15 provides new requirements for variable consideration such as incentives, as well as accounting for claims and variations as contract modifications, which all impart a higher threshold of probability for recognition. Under IAS 11, revenue was recognized when it was probable that work performed would result in revenue, whereas under IFRS 15, revenue is recognized when it is highly probable that a significant reversal of revenue will not occur for these modifications.

Service revenue arises from maintenance and other services supplied to infrastructure assets and facilities, which may involve a range of services and processes. Under IFRS 15, these are predominantly to be recognized over time with reference to inputs on satisfaction of performance obligations. The services that have been determined to be one performance obligation are highly inter-related and fulfilled over time. Revenue therefore continues to be recognized over time. As with construction revenue, incentives, variations, and claims exist which are subject to the same higher threshold criteria of only recognizing revenue to the extent it is highly probable that a significant reversal of revenue will not happen.

Construction contract costs incurred during the tender process can only be capitalized under IFRS 15 if they are both expected to be recovered and either would not have been incurred if the contract had not been won or if they are intrinsic to the delivery of a project. Other contract costs and fulfilment costs are not material within the HOCHTIEF Group.

With regard to revenue recognition for **fully consolidated companies**, the increased revenue recognition requirements under IFRS 15 led to a reduction in equity by around EUR 700 million (after tax) as of January 1, 2018.

In the case of equity-method **joint ventures**, the carrying amount of the investment in a joint venture reflects the Group's share of equity including the revenue from construction contracts recognized by the joint venture and accounted for by the Group as its share of profit or loss. In this connection, equity was reduced by around EUR 230 million (after tax) as of January 1, 2018.

Other effects of first-time application of IFRS 9 and IFRS 15

Tax impacts and equity adjustments

Adjustments under the two new standards are subject to tax effect accounting and, therefore, the net deferred tax position is also impacted by the adjustments discussed above, which are shown net of tax. The position outlined above led to a net increase in deferred tax assets of around EUR 80 million as of January 1, 2018.

The equity adjustments on first-time application of the two standards led to a reduction in equity by EUR 1,329 million as of January 1, 2018, with the impact on equity attributable to non-controlling interests amounting to EUR 262 million.

Impact on cash flows

First-time application of IFRS 9 and IFRS 15 has no impact on the Group's cash flow performance.

This report has been prepared in all other respects using the same accounting policies as in the 2017 Consolidated Financial Statements. Information on those accounting policies is given in the Group Report 2017.

Reconciliation of profit before tax to EBITDA

(EUR thousand)	**Q1 2018**	Q1 2017
Profit before tax	**199,509**	**188,858**
- Investment and interest income	(17,706)	(23,541)
- Investment and interest expenses	50,936	60,876
- Net expense relating to long-term loans to Group companies	(6,203)	(10,192)
Operational earnings (EBIT)	**226,536**	**216,001**
- Ordinary depreciation and amortization	82,346	92,600
EBITDA	**308,882**	**308,601**

The decrease in depreciation and amortization relates in the amount of EUR 9,664 thousand to exchange rate effects.

Basic and diluted earnings per share

	Q1 2018	Q1 2017
Consolidated net profit (EUR thousand)	**97,855**	**88,291**
Number of shares in circulation (weighted average)	64,255,713	64,247,858
Earnings per share (EUR)	**1.52**	**1.37**

This indicator can become diluted as a result of potential shares (mainly stock options and convertible bonds). HOCHTIEF's share-based payment arrangements do not have a dilutive effect on earnings. Consequently, diluted and basic earnings per share are identical.

Currency translation

For currency translation purposes, the following exchange rates have been used for the main Group companies outside the Euro zone:

	Average		**Daily average at reporting date**	
(All rates in EUR)	**Q1 2018**	Q1 2017	**Mar. 31, 2018**	Dec. 31, 2017
1 U.S. dollar (USD)	0.81	0.94	0.81	0.83
1 Australian dollar (AUD)	0.64	0.71	0.62	0.65
1 British pound (GBP)	1.14	1.17	1.14	1.13
100 Polish złoty (PLN)	23.93	23.32	23.75	23.94
100 Qatari riyal (QAR)	22.22	25.66	22.22	22.73
100 Czech koruna (CZK)	3.94	3.70	3.93	3.92
100 Chilean pesos (CLP)	0.14	0.14	0.14	0.14

Changes in the scope of consolidation

The Consolidated Financial Statements for the first quarter of 2018 include four foreign companies for the first time. A total of 24 foreign companies have been removed from the scope of consolidation.

The number of companies accounted for using the equity method showed a net decrease of one foreign company in the first quarter of 2018. In addition, the number of joint operations included in the Consolidated Financial Statements increased by two.

The Consolidated Financial Statements as of March 31, 2018 include HOCHTIEF Aktiengesellschaft as well as a total of 51 German and 381 foreign consolidated companies, 18 German, and 133 foreign companies accounted for using the equity method as well as 69 foreign joint operations.

As an independent listed group, HOCHTIEF Aktiengesellschaft, Essen, Germany, Court of Registration: Essen District Court, HRB 279, publishes its own consolidated financial statements, which are also included in the consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A., Madrid, Spain.

Treasury stock

As of March 31, 2018, HOCHTIEF Aktiengesellschaft held a total of 44,287 shares of treasury stock. These shares were purchased since October 7, 2014 for the purposes provided for in the resolution of the Annual General Meeting of May 7, 2014 and that of May 6, 2015 and for all other purposes permitted under the German Stock Corporations Act (AktG). The holdings of treasury stock represent EUR 113,374.72 (0.069%) of the Company's capital stock.

Dividend

The Annual General Meeting of HOCHTIEF Aktiengesellschaft resolved on May 3, 2018 to pay a dividend for 2017 of EUR 3.38 per eligible no-par-value share.

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees; they have decreased since December 31, 2017 by EUR 21,836 thousand to EUR 387,650 thousand.

In the context of the takeover offer submitted in October 2017 for all outstanding shares in Abertis Infraestructuras, S.A., HOCHTIEF Aktiengesellschaft provided a bank guarantee in the amount of EUR 15 billion to CNMV, the National Securities Market Commission of Spain. The commitment to CNMV is required under Spanish law, which stipulates that on announcement of a takeover offer, a guarantee must be furnished to cover the funds needed for the transaction in order to secure the cash tranche of the offer. Following approval of the offer by CNMV on March 12, 2018, HOCHTIEF Aktiengesellschaft, ACS, Actividades de Construcción y Servicios, S.A., and Atlantia S.p.A on March 14, 2018 agreed to present a joint takeover offer for Abertis Infraestructuras, S.A. This involved submitting to CNMV a modification to the characteristics of the takeover bid on March 23, 2018. Under the modified takeover offer, the share component has been removed from the offer, meaning that the acquisition will be settled in full in cash. As a result, additional guarantees in the amount of approximately EUR 3.2 billion have been submitted to CNMV. The total amount of the bank guarantees provided to cover the offer therefore comes to approximately EUR 18.2 billion.

Reporting on financial instruments

The fair value of the individual assets and liabilities is stated for each class of financial instrument. The following three-level fair value hierarchy is applied that reflects the observability of inputs to the valuation techniques used to measure fair value.

Level 1: Quoted prices in active markets for identical assets or liabilities; e.g. quoted securities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); e.g. interest rate swaps and forward exchange contracts.
Level 3: No relevant observable inputs available; e.g. investments measured at fair value or determined by business valuation.

(EUR thousand)	Mar. 31, 2018 Level 1	Level 2	Level 3	Total	Dec. 31, 2017 Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	25	11,324	61,238	72,587	1,005	687	63,991	65,683
Other receivables and other assets								
Non-current	–	4,229	43,172	47,401	–	5,489	45,114	50,603
Current	–	8,147	–	8,147	–	5,783	–	5,783
Marketable securities	393,801	31,476	–	425,277	396,204	32,555	–	428,759
Total assets	**393,826**	**55,176**	**104,410**	**553,412**	**397,209**	**44,514**	**109,105**	**550,828**
Liabilities								
Other liabilities								
Non-current	–	126	–	126	–	258	–	258
Current	–	793	–	793	–	3,863	–	3,863
Total liabilities	**–**	**919**	**–**	**919**	**–**	**4,121**	**–**	**4,121**

Within each class of financial instrument, where fair value can be measured reliably, fair value generally corresponds to carrying amount. The only class of financial instrument for which the two differ is financial liabilities, which have a total carrying amount of EUR 2,438,214 thousand (December 31, 2017: EUR 2,418,796 thousand) and a fair value of EUR 2,520,474 thousand (December 31, 2017: 2,492,391 thousand).

As in the comparative period, there were no transfers of financial instruments measured at fair value between Levels 1 and 2 and Level 3 of the fair value hierarchy during the first quarter of 2018.

In Level 3, the fair value of investments in unlisted entities is measured using generally recognized valuation techniques based on discounted cash flow analysis. The unobservable inputs are the internal rate of return as well as the growth rate and discount rate. Options are measured using Monte Carlo simulation. Assumed inputs are the expected exercise period, multiplier, and discount factor. Reconciliation of opening to closing balances for Level 3 measurements of other financial assets as well as other receivables and other assets:

Level 3 reconciliation Q1 2018:

(EUR thousand)	
Balance as of Jan. 1, 2018	109,105
Currency adjustments	(4,695)
Gains/(losses) recognized in profit or loss	–
Other changes	–
Balance as of Mar. 31, 2018	**104,410**

Level 3 reconciliation FY 2017:

(EUR thousand)	
Balance as of Jan. 1, 2017	91,487
Currency adjustments	(9,192)
Gains/(losses) recognized in profit or loss	25,464
Other changes	1,346
Balance as of Dec. 31, 2017	109,105

The gains recognized in profit or loss are accounted for in net income from other participating interests; the remaining changes are accounted for in other comprehensive income.

Segment reporting

HOCHTIEF's structure reflects the operating focus of the Group as well as its presence in key national and international regions and markets. Segmental reporting in the HOCHTIEF Group is based on the Group's divisional operations. The breakdown mirrors the Group's internal reporting systems.

The Group's reportable segments (divisions) are as follows:

HOCHTIEF Americas encompasses the construction activities of operational units in the USA and Canada;

HOCHTIEF Asia Pacific pools the construction/PPP and services activities in the Asia-Pacific region;

HOCHTIEF Europe brings together the core business in Europe as well as selected other regions and designs, develops, builds, operates, and manages real estate and infrastructure.

Corporate comprises Corporate Headquarters, other activities not assignable to the separately listed divisions, including management of financial resources and insurance activities, plus consolidation effects. HOCHTIEF insurance companies primarily provide in-house reinsurance offerings for contractors' casualty and surety, subcontractor default, liability, and occupational accident insurance.

Sales by division are allocated to the types of activities "Construction/PPP", "Services" and "Other". "Construction/PPP" includes Turner and Flatiron at HOCHTIEF Americas, CPB Contractors, Leighton Asia and Pacific Partnerships at HOCHTIEF Asia Pacific, and HOCHTIEF Infrastructure and HOCHTIEF PPP Solutions at HOCHTIEF Europe. The main services companies are Thiess's and Sedgman's contract mining business and UGL at HOCHTIEF Asia Pacific, and HOCHTIEF Engineering and synexs at HOCHTIEF Europe. Sales from non-core businesses are allocated to the category "Other".

The sales at HOCHTIEF Americas in the amount of EUR 2,869,229 thousand are recognized mainly in the category "Construction/PPP". Sales at HOCHTIEF Asia Pacific (EUR 2,057,169 thousand) are mainly generated in the activities "Construction/PPP" and "Services". At HOCHTIEF Europe, external sales in the amount of EUR 321,727 thousand are mainly recognized in the "Construction/PPP" business. Other sales recognized in Corporate amount to EUR 18,117 thousand.

Sales not related to contracts with clients amount to EUR 27,197 thousand.

Almost all sales are recognized over time.

Related party disclosures

The number of companies and individuals comprising related parties of HOCHTIEF Aktiengesellschaft and HOCHTIEF Group companies is determined in accordance with IAS 24; reference is consequently made in this regard to the information provided in the notes to the last consolidated financial statements.

In the first quarter of 2018, no material transactions were entered into between HOCHTIEF Aktiengesellschaft (or any HOCHTIEF Group company) and any related party or parties having a material influence on the results of operations or financial condition of the Company or the Group.

Events since the balance sheet date:

On April 12, 2018, CNMV approved the joint takeover offer for Abertis Infraestructuras, S.A. dated March 23, 2018. On April 13, 2018, HOCHTIEF Aktiengesellschaft signed a new credit facility amounting to approximately EUR 18.2 billion pursuant to the agreement entered into with ACS, Actividades de Construcción y Servicios, S.A. and Atlantia S.p.A on March 14, 2018 regarding the joint approach to be taken in the acquisition of Abertis Infraestructuras, S.A. The bank guarantees originally submitted to CNMV were replaced by the bank guarantees provided by the lenders under the new syndicated credit facility.

Publication Details and Credits

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www.hochtief.com/ir-calendar

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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 profit before tax or consolidated net profit) or developments (such as with regard to possible future divestments, planned investments or acquisitions, general business activities or business strategy). Actual results (such as profit before tax or consolidated net profit), dividends and other developments (such as with regard to possible future divestments, planned investments or acquisitions, 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.

About the cover photo:

Less (energy) is more

The new headquarters of the California Department of Natural Resources in Sacramento will be completely energy self-sufficient. Turner and a partner are designing and building the complex scheduled for completion in summer 2021, which is seeking LEED Platinum certification. Providing office space for around 3,500 people, the 20-story building will always consume only as much energy as it can produce itself. Water consumption will be cut by about 50% compared with conventionally designed structures. This delivers tangible benefits for people and the environment alike. And it is a good example of sustainable construction. Among other state agencies, the headquarters will house California's Department of Natural Resources, Department of Water Resources, and Wildlife Conservation Board. Publicly accessible areas are part of the concept.

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