# Interim Report
## January to September 2011

- Strong third quarter with EUR 333 million profit before taxes
- Positive trend in operating business
- Sustained strong order backlog equivalent to 22-month forward order book
- Revised Group guidance for 2011 and 2012; guidance for 2013 confirmed

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Turning Vision into Value. HOCHTIEF

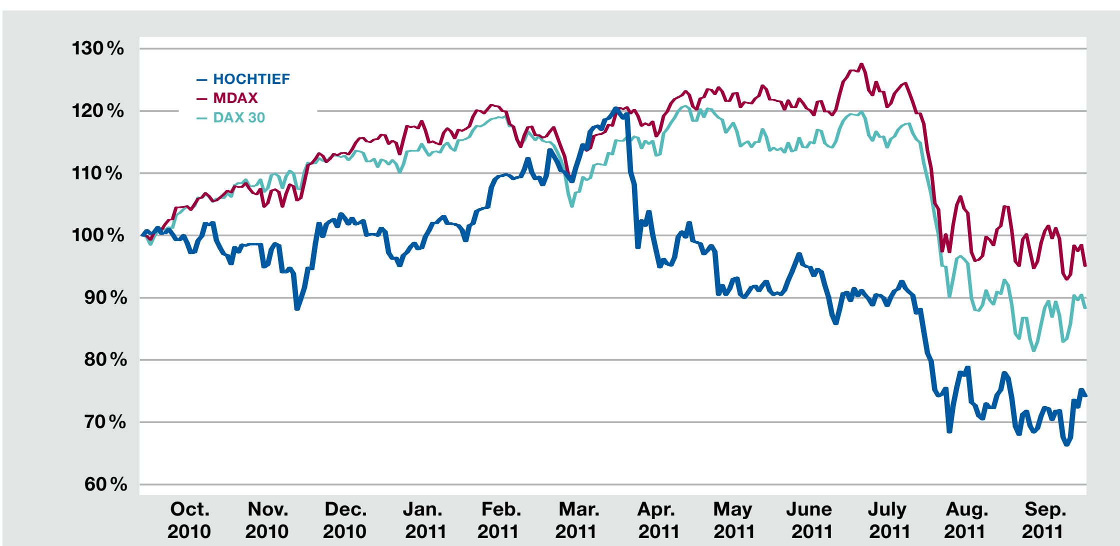
*For details on the restatement, please see pages 17–19.

**Note: The percentage changes are calculated at the level of precision used in the interim financial statements (thousands of euros).

## The HOCHTIEF Group

| (EUR million) | **Q1–3 2011** | Q1–3 2010 (restated)* | **Percentage change** | **Q3 2011** | Q3 2010 (restated)* | Full year 2010 (restated)* |
|---|---|---|---|---|---|---|
| New orders | **16,124.6** | 19,330.1 | **–16.6** | **3,079.6** | 6,409.2 | 29,627.4 |
| Work done | **17,647.2** | 16,661.6 | **5.9** | **6,037.5** | 6,037.8 | 23,233.9 |
| Order backlog | **44,518.5** | 41,207.4 | **8.0** | **44,518.5** | 41,207.4 | 47,486.1 |
| Divisional sales | **15,783.4** | 14,270.4 | **10.6** | **5,390.8** | 4,704.9 | 20,260.9 |
| External sales** | **15,756.9** | 14,201.9 | **10.9** | **5,381.9** | 4,676.3 | 20,159.3 |
| Operating earnings (EBITA)** | **22.0** | 538.2 | **–95.9** | **372.3** | 147.1 | 947.5 |
| Profit before taxes** | **(101.6)** | 430.2 | **–** | **333.0** | 128.6 | 756.6 |
| Consolidated net profit/(loss)** | **(57.0)** | 142.7 | **–** | **98.7** | 54.6 | 288.0 |
| Earnings per share (EUR) | **(0.77)** | 2.14 | **–** | **1.34** | 0.82 | 4.31 |
| Capital expenditure** | **1,432.4** | 858.1 | **66.9** | **312.7** | 247.0 | 1,127.7 |
| Net assets | **7,139.6** | 6,963.0 | **2.5** | **7,139.6** | 6,963.0 | 7,408.9 |
| Employees | **76,415** (End Q3 2011) | 70,551 (End Q3 2010) | **8.3** | **76,415** (End Q3 2011) | 70,551 (End Q3 2010) | 70,657 (2010 average) |

## HOCHTIEF stock




**Cover image:**
**Maximum potential: maxCologne on the Deutz bank of the Rhine will offer prime office space with views of Cologne's cathedral and old town. HOCHTIEF is completely revitalizing the former Lufthansa headquarters tower and the "Rheinetagen," giving the ensemble a completely new identity. Four-fifths have already been leased, and the property was sold before construction even began. The German Sustainable Building Council has awarded the project pre-certification in gold. HOCHTIEF held the maxCologne topping-out ceremony in September 2011. Completion is scheduled for the end of 2012.**

## Dear Shareholders,

Dr. Frank Stieler,
Chairman of the
Executive Board

Our operating business performed as planned in the third quarter of 2011. We are in the black, with profit before taxes of EUR 333 million and consolidated net profit of EUR 98.7 million. We have achieved turnaround in the operating business, although we have not yet fully made good the first-half loss. Leighton, too, once again made a strong contribution to earnings in the third quarter as planned. All four HOCHTIEF Group divisions have secured attractive, high-margin new contracts. The order backlog is equivalent to 22 months in forward orders. This is an excellent basis.

But the current global economic and financial market turbulence has not passed us by. The macroeconomic situation has caused delays in the sale of our airport activities. We are still in close negotiations and are confident of being able to seal the transaction in the near future. It is nonetheless possible that this will no longer happen in 2011 as previously announced. In that event, we will continue to profit from rising sales figures and passenger numbers at our airports for the time being.

We are also reviewing the assessment of potential risks for individual road contracts in Greece and Chile. This affects the HOCHTIEF Concessions and HOCHTIEF Europe divisions.

**The Group therefore supplements its guidance for 2011 as follows:**

- Under the assumption that the airport transaction can still be concluded in 2011, we confirm our previous guidance for 2011—that is, we expect profit before taxes to exceed half the prior-year figure and consolidated net profit to be above its prior-year level. This still applies if the above-mentioned review results in additional provisioning.
- If the sale no longer takes place in 2011 and is postponed until 2012, HOCHTIEF still expects strong operating earnings (EBITA) of some EUR 100 million for 2011 as a whole—despite the losses incurred at our subsidiary Leighton in the first half of the year. In that event, however, there would be a pretax loss in the low double-digit millions and a consolidated net loss of approximately EUR 100 million. This still applies if the above-mentioned review results in additional provisioning.

**In light of the increasingly uncertain macroeconomic environment, we are revising our guidance for 2012 as follows:**

- We now expect profit before taxes and consolidated net profit significantly higher than the current record set in 2010. These will include the planned extraordinary items resulting from the sale of the interests in aurelis Real Estate and all earnings effects from the airports sale in 2012.

**Our guidance for 2013 remains unchanged:**

- We plan to generate pretax profit in excess of EUR 1 billion and consolidated net profit of around EUR 450 million for the first time, purely out of our operating business.

We have restructured the Group. Our units are leaner. They now cooperate far more closely while operating at lower cost and there is ready transfer of expertise across all continents. This makes us resilient, it gives HOCHTIEF a competitive edge and we are confident that we can capitalize on this to the benefit of our company. Leighton, too, after the once-only negative impact in the first half year, has regained its accustomed strength. For the twelve months to June 30, 2012, our subsidiary plans profit after taxes of EUR 400 million to EUR 430 million. Additionally, we have a boost to earnings from the sale of mine operator HWE Mining. Leighton's post-tax profit on this transaction is roughly EUR 120 million.

HOCHTIEF is very well positioned and expects the strong performance trend to continue. Moving forward, the Group will focus on regional growth markets such as Canada. The Canadian economy is growing strongly and construction is booming. In the next three years, up to EUR 15 billion is set to go into new public and private-sector contracts. Only a limited number of high-capability construction companies are there to serve this rapid growth. Just a few days ago, through its US subsidiary Turner, HOCHTIEF therefore acquired the Canadian construction group Clark Builders, which is currently expanding across the country. The two companies will jointly develop potential in the Canadian construction market. Further regional growth markets targeted by the Group include the Gulf states, where HOCHTIEF is already involved in contracts worth billions of euros, and selected countries in the Asia-Pacific region.

Over and above this, we aim to position HOCHTIEF in growth segments driven by long-term trends. Most of all, this means services to help transform energy supplies, shape major cities, and develop transportation infrastructure. All three of these areas show strong growth potential that we can tap into. We already have a diverse range of capabilities—take the offshore wind sector, where we are among the leading players.

**Group outlook**

Summarizing the new guidance for HOCHTIEF once more:

Under the assumption that the airport transaction can be successfully concluded in 2011, we confirm our guidance for 2011. We expect profit before taxes to exceed half the prior-year figure and consolidated net profit above its prior-year level. If the sale of our airport activities no longer takes place this year, we still expect strong operating earnings (EBITA) of around EUR 100 million for 2011. Due to the losses at our subsidiary Leighton in the first half year, however, there would then be a loss before taxes in the low double-digit millions of euros and a consolidated net loss of approximately EUR 100 million. This guidance continues to apply in the event of risk provisioning for the mentioned road contracts in Greece and Chile. New orders, work done, and the order backlog will normalize as planned below the record figures of 2010 in both instances and sales will be broadly on a par with 2010.

For 2012, we now expect profit before taxes and consolidated net profit significantly higher than the current record set in 2010. These will include the planned extraordinary items resulting from the sale of the interests in aurelis Real Estate and all earnings effects from the airports sale in 2012.

For 2013, we continue to project pretax profit in excess of EUR 1 billion and consolidated net profit of around EUR 450 million, excluding non-recurring income—that is, solely from the operating business.

The planning is based on the assumption that there will be neither a further marked slowdown in the global economy or disruptions in the financial markets, nor actions by specific governments that materially affect HOCHTIEF's business.

This all means we are focusing on HOCHTIEF's inherent strength: our operating business. We have high expectations of this business and are well positioned—despite the adverse circumstances. We will work hard to meet our goals.

Sincerely yours,

Dr. Frank Stieler
Chairman of the Executive Board

# Interim Management Report

## Orders and work done

**New orders** were down on the prior-year period, at EUR 16.12 billion as of September 30, 2011. Adjusted for exchange rates, new orders fell short of the prior-year comparative figure by 17.8 percent. There are three main reasons for the decrease: HOCHTIEF Asia Pacific came in below the equivalent prior-year figure due to the postponement of major contracts until the fourth quarter of 2011. HOCHTIEF Americas was only down on the comparative figure due to the weakening US dollar. The HOCHTIEF Europe division mainly did less well than in the prior year because of changes in Germany (down 27.2 percent) as a result of project delays on large contracts.

**Work done** amounted to EUR 17.65 billion after the first nine months, an increase of 5.9 percent on the prior-year figure, or 3.9 percent on an exchange rate adjusted basis. The increase largely reflects the large order backlog at the HOCHTIEF Asia Pacific division, which the division is working its way through on a continuous basis. Adjusted for adverse exchange rate effects, HOCHTIEF Americas likewise exceeded the prior-year period. In Germany, the HOCHTIEF Europe division delivered sustained strong performance with work done 16 percent up on the prior-year figure.

The **order backlog** totaled EUR 44.52 billion in the third quarter, eight percent (exchange rate adjusted: 7.0 percent) higher than the comparative prior-year figure. The Group began fiscal 2011 with a record figure of EUR 47.49 billion from the prior year. Besides changes as a result of new orders and work done, the recent trend in the American and the Australian dollar resulted in an exchange rate adjustment to the order backlog in the reporting period (a reduction of EUR 1.91 billion). The order backlog nonetheless remains equivalent to a 22-month forward order book.

## Financial review

### Earnings

HOCHTIEF generated **sales** of EUR 15.76 billion in the first nine months of 2011. This represented an increase of 10.9 percent compared with the same period a year earlier, when sales came to EUR 14.2 billion. Sales in the HOCHTIEF Asia Pacific division were significantly up on the prior-year period because of the continued growth at Leighton. Compared with 2010—when HOCHTIEF Asia Pacific secured external sales of EUR 7.19 billion in the first nine months—the figure this year climbed 23.1 percent to EUR 8.85 billion. The appreciation of the Australian dollar relative to the euro also boosted the sales figure with a positive exchange rate effect of EUR 647.3 million. The HOCHTIEF Americas division took in sales of EUR 4.44 billion in the period January to September 2011. This was 5.3 percent below the prior-year figure (EUR 4.68 billion) due to a negative exchange rate effect of EUR 354.6 million. On a US dollar basis, however, the prior-year sales figure was exceeded. The HOCHTIEF Europe division raised sales compared with the prior-year period (EUR 2.19 billion) by 7.7 percent to EUR 2.36 billion in the period under review. A notable contributing factor here consisted of major project sales in the real estate development and formart units.

After the severe impact on earnings at the HOCHTIEF Asia Pacific division in the first half of 2011, the performance trend stabilized again as the year went on. In the third quarter, the HOCHTIEF Group generated substantial **operating earnings (EBITA)** of EUR 372.3 million (Q3 2010: EUR 147.1 million). A significant portion of this was accounted for by the book gain on the sale, completed in September 2011, of mine projects at Leighton subsidiary HWE Mining. The losses accumulated in the first half year on the Airport Link (Brisbane) and Victorian Desalination Plant (Melbourne) infrastructure projects, the negative effect on earnings of risk provisioning, and the impairment loss recognized on the investment in Habtoor Leighton Group nonetheless continued to have an adverse effect on the HOCHTIEF Group's results for the first nine months of the year. The small operating earnings figure of EUR 22 million was consequently far below the comparative figure for the prior year (EUR 538.2 million). The HOCHTIEF Group's remaining operating divisions returned very healthy earnings performance during the period January to September 2011. The HOCHTIEF Americas division further improved operating earnings compared with the prior-year period. The division comfortably exceeded the comparative figure from 2010 (EUR 100.6 million) with a 14.3 percent increase to EUR 115 million. As well as stable growth in the American construction sector, this also reflected the good quality of contracts taken on by our subsidiaries and their excellent market positioning. The division also gained on a reversal of risk provisioning that was no longer needed. The HOCHTIEF Concessions division likewise reported significant earnings growth. The division raised operating earnings by 72.1 percent from EUR 59.8 million in the prior-year period to EUR 102.9 million in the first nine months of the current year. Notwithstanding the negative impact of the economic crisis in Greece on operating performance at Athens Airport, all airport holdings contributed toward this success. Other positive factors boosting earnings included reversals of provisions for investment risk at Düsseldorf Airport and for capital expenditure commitments at Budapest Airport,

**Figures in table form are provided in the interim financial statements starting on page 14.**

and a cut in dividend taxation in Greece. Success fees were also earned for contract awards in the PPP business. The first nine months of 2011 were similarly highly successful for the HOCHTIEF Europe division. The steps taken to restructure our building construction business in Germany are increasingly gaining traction and showing through in positive contract margins. On top of this, HOCHTIEF Europe generated a considerable portion of earnings from international activities. There was a further, once-only boost to earnings from the resale of the Group's 50 percent stake in BELUGA HOCHTIEF Offshore. In total, HOCHTIEF Europe improved operating earnings compared with the prior-year period (EUR 49.5 million) by EUR 50.6 million to EUR 100.1 million.

HOCHTIEF's **net income from participating interests** was negative, at minus EUR 424 million in the first nine months of 2011, compared with a positive amount of EUR 131.7 million in the same period a year earlier. The sharp deterioration notably reflected difficulties at HOCHTIEF Asia Pacific in the first half of the year on the large-scale Victorian Desalination Plant project and at the Habtoor Leighton Group, an associated company. The final figure for net income from participating interests in the HOCHTIEF Asia Pacific division was a negative EUR 556.2 million, a long way below the positive EUR 26.7 million figure in the prior-year period. In contrast, net income from participating interests in the HOCHTIEF Concessions division showed very healthy growth. The division substantially improved upon the comparative prior-year figure (EUR 60.1 million) with an increase of EUR 30.8 million to EUR 90.9 million. Contributing toward this, our airports business was highly successful: All HOCHTIEF airport holdings are operating profitably and delivered stronger contributions to earnings. Contributing factors alongside improved passenger numbers included a lower tax burden at Athens Airport and the reversal of a provision for capital expenditure commitments at Budapest Airport. Net income from participating interests at the HOCHTIEF Americas division continued to improve on the prior-year period, reaching EUR 34.5 million in the period under review (Q3 2010: EUR 28.7 million). The HOCHTIEF Europe division likewise kept net income from participating interests in positive figures, at EUR 7.5 million, although this was down on the prior-year period (EUR 18.7 million).

HOCHTIEF has made use of the opportunities presented by the financial markets in the current fiscal year to further improve Group finances, securing the provision of loan finance with a diversified range of instruments on attractive terms. In the process, the Group held net interest income at the same level as in the prior-year period. In the remainder of **net investment and interest income**, however, higher investment income was countered by greater expenditure for derivative financial instruments in connection with the refinancing of a loan. As a result, net investment and interest income went further into the negative range, at minus EUR 115.6 million compared with minus EUR 103.5 million in the prior-year period.

In the first nine months of 2011, the Group generated a **loss before taxes** of EUR 101.6 million. This compares with profit before taxes of EUR 430.2 million in the comparative prior-year period. The earnings trend was stabilized in the third quarter, notably due to the strong operating performance of our divisions and the gain on the sale of parts of the mining business. Overall, however, earnings performance in fiscal 2011 has been unsatisfactory as a result of the losses incurred at Leighton in the first half year.

Substantial deferred tax assets have been recognized at Leighton in connection with the project losses. As a result, our Consolidated Statement of Earnings shows a tax income item of EUR 5.8 million for the period under review. In the prior-year period, the Group reported a **tax expense** of EUR 136.5 million.

The Group recorded a **loss after taxes** of EUR 95.8 million, marking a substantial deterioration on the prior-year profit after taxes of EUR 293.7 million.

Out of the total figure, EUR 57 million was allocated as consolidated net loss attributable to HOCHTIEF shareholders, compared with a consolidated net profit of EUR 142.7 million in the prior-year period. A substantial negative amount was likewise accounted for as minority interest, which was allocated EUR 38.8 million of the HOCHTIEF Group's loss after taxes. The comparative figure for the first nine months of the prior year was a positive amount of EUR 151 million.

## Cash flow

The HOCHTIEF Group generated a strong cash inflow from operating activities between January and September 2011. **Net cash provided by operating activities** came to EUR 501.8 million, EUR 107.9 million less than the comparative prior-year figure (EUR 609.7 million). A large portion of the decrease was accounted for by the lower profit after taxes in the HOCHTIEF Asia Pacific division. As most of the losses at Leighton resulted from factors that have not yet affected cash flow, the fall in earnings was not fully mirrored in net cash provided by operating activities. Growth in working capital at the HOCHTIEF Americas division also had the effect of reducing net cash provided by operating activities.

The HOCHTIEF Group carried out a very high level of capital expenditure on intangible assets and property, plant and equipment, at EUR 1.18 billion in the first nine months of the current fiscal year. Capital expenditure in the prior-year period was EUR 507.3 million lower, at EUR 675.5 million. By far the largest portion of the capital expenditure—EUR 1.09 billion (Q1-Q3 2010: EUR 617.9 million)—was accounted for by the replacement and modernization of technical capacity in the mining and infrastructure business at Leighton. Capital spending on financial assets was likewise stepped up in the period under review compared with the prior-year period. EUR 249.7 million was spent within the business portfolio, EUR 67 million more than the EUR 182.7 million in the prior-year period. Expenditure at Budapest Airport accounted for the lion's share of this amount in the current year. Capital spending on financial assets in the prior-year period was mainly concentrated on the Leighton business portfolio and the acquisition of the heavy construction company E.E. Cruz in the USA. The outflow of cash for capital expenditure was countered in the first nine months of 2011 by a high EUR 697.9 million in proceeds from disposals of property, plant and equipment and financial assets. This mainly related to the sale of mining projects and sales of business interests by Leighton. Cash inflows from changes in securities holdings and financial receivables added a total of EUR 181.8 million. Within this figure, loans granted were substantially offset by inflows of cash from sales of securities. In the prior-year period, this item featured a EUR 301.6 million cash outflow as a result of additions to our securities portfolio. After including EUR 13.4 million (Q1-Q3 2010: EUR 5 million) for changes in cash and cash equivalents due to consolidation changes, **net cash used in investing activities** in the period under review came to EUR 539.2 million. This was EUR 388.9 million down on the EUR 928.1 million figure a year earlier.

In the first nine months of 2010, financing activities generated a positive cash flow of EUR 234.4 million; in the first nine months of the current year, on the other hand, the corresponding figure was negative, with **net cash used in financing activities** totaling EUR 226.6 million, primarily due to the repayment of borrowings. The debt service figure ran to EUR 1.26 billion (Q1-Q3 2010: EUR 345.7 million). In the opposite direction, new borrowing amounted to EUR 1.02 billion (Q1-Q3 2010: EUR 809.4 million). Part of this was used to fund the capital outlay on the shareholding in Budapest Airport. New borrowing in the prior-year period mostly related to a US dollar bond issue at Leighton and a promissory note loan issue at HOCHTIEF Aktiengesellschaft. Payments of dividends to HOCHTIEF shareholders and minority shareholders made for a cash outflow from the HOCHTIEF Group of EUR 252.4 million (Q1-Q3 2010: EUR 267.6 million). In contrast, the capital raising at Leighton in early 2011 produced a cash inflow accounting for most of the EUR 267.1 million total figure for payments into equity by minority shareholders (Q1-Q3 2010: EUR 37.8 million).

Cash and cash equivalents stood at EUR 2.06 billion at the September 30, 2011 balance sheet date, a reduction of EUR 392.6 million compared with December 31, 2010 (EUR 2.45 billion). Besides net cash outflows in the first nine months, EUR 112.8 million of the decrease was accounted for by the effect of exchange rate changes and EUR 15.8 million by the reclassification of cash and cash equivalents in the HOCHTIEF airport business.

Free cash flow, consisting of net cash provided by operating activities (EUR 501.8 million) less net cash used in investing activities (EUR 539.2 million), was slightly negative at minus EUR 37.4 million in the period January to September 2011 (Q1-Q3 2010: minus EUR 318.4 million).

## Balance sheet

The HOCHTIEF Group's **total assets** came to EUR 15.11 billion at the September 30, 2011 balance sheet date, EUR 122.5 million more than the comparative figure as of December 31, 2010 (EUR 14.99 billion). The increase would have been larger still but for negative exchange rate effects amounting to EUR 606.4 million in the period under review.

In view of ongoing negotiations with bidders, the assets and external liabilities held in the HOCHTIEF airport business were reclassified in accordance with IFRS 5 to a separate assets item and a separate liabilities item in the Consolidated Balance Sheet as of September 30, 2011. This materially affected the reported figures as of September 30, 2011 for financial assets and non-current financial receivables.

**Non-current assets** showed a net reduction of EUR 1.09 billion on their fiscal 2010 year-end level (EUR 5.87 billion) to EUR 4.78 billion. Within the total, the reclassification to assets held for sale made for a decrease of EUR 1.43 billion. The carrying amount of property, plant and equipment in the HOCHTIEF Group increased overall by EUR 270.4 million to EUR 2.08 billion. A major factor here consisted in additions to property, plant and equipment at Leighton as a result of high capital expenditure. In the other direction, HOCHTIEF recorded a substantial reduction in financial assets. After totaling EUR 2.51 billion on the balance sheet as of December 31, 2010, the figure for non-current financial assets was significantly lower at the end of the period under review, at EUR 1.05 billion. A major portion—EUR 1.14 billion—of this decrease related to the reclassification as assets held for sale in the HOCHTIEF airport business. Financial assets were also reduced by the losses from the large-scale Victorian Desalination Plant project, which is being undertaken in a joint venture, and the impairment loss on the investment in the Habtoor Leighton Group. Increases in the carrying amount of equity-accounted investments in the HOCHTIEF Americas division, on the other hand, added to financial assets in the business portfolio. Non-current financial receivables rose by EUR 75.4 million to EUR 582.2 million. This mainly reflected loans granted to a Leighton Group company. The reclassification of financial receivables to the assets held for sale item had a negative impact. The project losses incurred at Leighton substantially affected deferred tax assets in HOCHTIEF's Consolidated Balance Sheet. The recognition of additional deferred tax assets increased this item by EUR 130.7 million to EUR 391.3 million.

**Current assets** increased significantly compared with December 31, 2010 (EUR 9.12 billion) to EUR 10.33 billion as of September 30, 2011. This includes EUR 1.49 billion in assets held for sale. The largest proportion of current assets is accounted for by trade receivables from the operating business. These increased by EUR 422.7 million to EUR 4.41 billion due to the expansion of business in our divisions. Inventories likewise went on increasing to reach EUR 1.59 billion at the close of the period under review, compared with EUR 1.27 billion as of the prior year-end. This mainly reflected the first-time inclusion of real estate developer Devine Ltd. as a fully consolidated Leighton subsidiary. We used available liquidity from the securities portfolio during the period under review to draw down loans. Substantial sales of securities, shares, and fund units were effected for this purpose. Marketable securities consequently amounted to EUR 381.5 million as of September 30, 2011, as against EUR 937.6 million as of December 31, 2010. The high level of capital expenditure and the repayment of loans demanded large amounts of cash in the period under review. Cash and cash equivalents fell as a result by EUR 392.6 million to EUR 2.06 billion.

**Shareholders' equity** in the HOCHTIEF Group decreased compared with the December 31, 2010 balance sheet date by EUR 311 million to EUR 3.95 billion. The main factors here consisted in a EUR 258.5 million reduction due to currency translation differences and changes in the fair value of financial instruments, plus a large, EUR 252.4 million deduction relating to dividend payments. The loss after taxes made for a negative change of EUR 95.8 million, while changes in actuarial gains and losses resulted in a reduction of EUR 24.7 million. Other changes not recognized in the Statement of Earnings, on the other hand, had a EUR 320.3 million positive impact on shareholders' equity.

The equity ratio (shareholders' equity to total assets) remained a healthy 26.2 percent as of the September 30, 2011 balance sheet date (December 31, 2010: 28.5 percent).

**Non-current liabilities** fell by a significant EUR 448.8 million to EUR 2.92 billion at the end of the first nine months of 2011. Major contributing factors here consisted of the repayment of amounts due to banks and substantial reclassifications to current liabilities. This produced a EUR 441.5 million drop in non-current financial liabilities to EUR 2.14 billion. Non-current provisions changed by contrast only marginally from EUR 543.4 million at the prior year-end to EUR 548.9 million at the end of the period under review. Within this total, provisions for pensions and similar obligations increased by EUR 41 million to EUR 157.6 million. Other non-current provisions decreased slightly, to EUR 391.3 million, compared with EUR 426.9 million as of December 31, 2010. Most of this relates to personnel and insurance-related obligations. Other liabilities fell by a small amount due to lower liabilities under interest rate derivatives held by Corporate Headquarters. The total came to

EUR 165.6 million, EUR 20.8 million down on the figure as of December 31, 2010 (EUR 186.4 million).

**Current liabilities** increased in the course of 2011 to date by EUR 882.3 million to EUR 8.23 billion. This largely related to higher financial liabilities. These increased from EUR 645.8 million as of December 31, 2010 to the amount of EUR 1.21 billion as of September 30, 2011. The main factor here was short-term new borrowing in connection with the fine-tuning of our finance structures. The HOCHTIEF Group additionally recorded a further rise in trade payables by EUR 428.6 million to EUR 5.79 billion. Other provisions decreased by EUR 70 million to EUR 889.6 million. Other liabilities, at EUR 322.8 million, were likewise slightly below the level as of December 31, 2010 (EUR 363.3 million).

## Risks and opportunities report

The presentation of the opportunities and risks* of likely future developments given in the combined company and Group management report as of December 31, 2010 continues to apply. The situation of the Group and its general economic operating environment have changed from that presented in our 2010 Annual Report with regard to the general economic environment and to the company-specific risks presented in this report. The overall economic situation poses risks notably due to the heightened debt crisis in the euro area and primarily the developments in Greece, Italy, and Spain, due to the political uncertainties in the North African region, and from exchange rate movements.

We monitor and assess these risks on a continuous basis. From today's perspective, they raise no doubts about the HOCHTIEF Group's ability to continue as a going concern. The situation is subject to continuous assessment as part of our risk management system. Despite extensive control mechanisms and ongoing project reviews, we cannot rule out the future necessity in individual instances to recognize impairment losses on investments within the portfolio.

## Report on forecasts and other statements relating to the company's likely future development

The forecasts and other statements regarding the likely future development of HOCHTIEF** published in the combined company and Group management report as of December 31, 2010 have changed in some regards during the second quarter. The Group published the modified earnings and profit guidance in an ad-hoc announcement on April 11, 2011. On September 30, 2011, the Group also raised its previous guidance for the 2011 fiscal year in light of the sale of parts of the Australian iron ore business by HOCHTIEF subsidiary Leighton. The guidance remains contingent on the size and outcome of the sale of interests at HOCHTIEF Concessions. In line with this report, the guidance for 2011 and 2012 has been revised. The remaining statements made in the Annual Report continue to apply.

****The relevant information is provided under "Looking Ahead: Outlook and Opportunities" starting on page 129 of our 2010 Annual Report and on our website, www.hochtief.com.**

## Post balance-sheet events

There were no material events to report between the close of the third quarter of 2011 and the editorial deadline for this interim report.

***Our risk report is provided starting on page 119 of our 2010 Annual Report and on our website, www.hochtief.com.**

## News from the Boards

On September 14, 2011, HOCHTIEF announced that the Supervisory Board of HOCHTIEF Aktiengesellschaft at its meeting of September 8, 2011 appointed **Peter Sassenfeld** as new member of the Executive Board and Chief Financial Officer of the HOCHTIEF Group. He succeeds **Dr. Burkhard Lohr**, who left the company as announced on October 18, 2011. Mr. Sassenfeld will take up his new post on November 1, 2011.

# Divisions

## HOCHTIEF Americas Division

| (EUR million) | **Q1–Q3 2011** | Q1–Q3 2010 (restated)* | **Percent-age change** | **Q3 2011** | Q3 2010 (restated)* | Full year 2010 (restated)* |
|---|---|---|---|---|---|---|
| New orders | **5,023.1** | 5,144.8 | **–2.4** | **1,897.9** | 1,764.7 | 6,987.6 |
| Work done | **4,790.9** | 4,874.2 | **–1.7** | **1,777.0** | 1,781.7 | 6,793.6 |
| Order backlog | **8,370.2** | 7,942.3 | **5.4** | **8,370.2** | 7,942.3 | 8,136.4 |
| Divisional sales | **4,436.1** | 4,684.5 | **–5.3** | **1,652.7** | 1,753.0 | 6,396.4 |
| External sales | **4,436.1** | 4,684.5 | **–5.3** | **1,652.7** | 1,753.0 | 6,396.4 |
| Operating earnings (EBITA) | **115.0** | 100.6 | **14.3** | **28.2** | 47.4 | 134.3 |
| Profit before taxes | **111.3** | 95.0 | **17.2** | **25.5** | 45.9 | 126.5 |
| Capital expenditure | **47.5** | 79.7 | **–40.4** | **14.4** | 19.4 | 99.6 |
| Net assets | **657.7** | 597.9 | **10.0** | **657.7** | 597.9 | 656.3 |
| Employees | **7,461** (End Q3 2011) | 7,463 (End Q3 2010) | **0.0** | **7,461** (End Q3 2011) | 7,463 (End Q3 2010) | 7,334 (2010 average) |

***For details on the restatement, please see pages 17–19.**

The HOCHTIEF Americas division again performed well during the period under review. However, the weakening of the US dollar compared with the prior year continued to result in tangible negative exchange rate effects. Following a strong third quarter, **new orders** in euros remained below the prior-year figure (down 2.4 percent). Adjusted for exchange rates, this figure was up 5.5 percent. **Work done** exceeded the previous year's figure by an exchange rate-adjusted 6.2 percent. In line with this development, **divisional** and **external sales** also increased by 2.3 percent after adjustment for exchange rates. At EUR 8.37 billion, the **order backlog** continues to hold steady at a very high level. During the period under review, this figure grew by EUR 427.9 million, or an exchange rate-adjusted EUR 407.7 million.

This positive business performance is also reflected in **operating earnings** and **profit before taxes**, which were both well above the prior-year figures. Profit before taxes rose by EUR 16.3 million, and operating earnings increased by EUR 14.4 million (EUR 24.3 million and EUR 21.9 million, respectively, adjusted for exchange rates). The increase in earnings figures is the result of excellent project quality and a reversal of risk provisions no longer needed, made in the first six months of 2011.

Our US subsidiary **Turner** acquired a number of attractive building construction projects again in the third quarter of 2011. In New York, the company is constructing a new 39-story office building located in Midtown Manhattan for real estate investment firm Boston Properties. The more than 90,000-square-meter building will seek LEED certification and is scheduled for completion in the spring of 2014.

Turner is building a research campus in North Carolina for biotech company Syngenta. In the first phase of the comprehensive master plan for developing the parcel, we will build a nearly 3,500-square-meter greenhouse, among other structures.

Turner was also awarded contracts to build educational, cultural, and public facilities. After successfully delivering a LEED-certified 14,000-square-meter science building for Drexel University in Philadelphia, Pennsylvania, the university in September awarded Turner a contract to build the URBN Center. The Westphal College of Media Arts and Design building will provide students with rigorous, studio intensive instruction with the latest technological resources. In addition, the facility will provide space for student exhibitions and theater performances. We have begun working on the renovation of Husky Stadium for the University of Washington. The renovation includes demolition and reconstruction of the lower bowl, lowering the level of the field to optimize sight lines, construction of a club level with premium seating, a press box, and a football operations building housing locker rooms, weight rooms, team meeting rooms, recruiting lounges, player lounges, and coaches' offices. Turner was also awarded a design-build contract for the expansion of the Riverside Convention Center in Riverside, California. At Richmond City Jail in Virginia, we are constructing a new building with 1,500 beds and administrative support facilities under a contract worth over EUR 60 million.

Our civil engineering subsidiary **Flatiron** also performed well, winning several major infrastructure projects during the period under review. In a joint venture with partners including Dragados, an ACS Group company, we will replace Calaveras Dam in Sunol, California, with a 64-meter-high, earth and rock fill dam designed to accommodate earthquakes. Completion of the project with a total value of nearly EUR 182 million is anticipated in late 2015. Likewise in California, Flatiron was awarded two road construction contracts in Santa Barbara and Carmenita, together worth approximately EUR 80 million. In Alberta, Canada, the company is responsible for demolishing and replacing two bridges under contracts totaling more than EUR 72 million.

**E.E. Cruz**, our heavy construction subsidiary in New York, will work with a joint venture partner to replace and widen the Queens approach of the Bronx-Whitestone Bridge in New York City. The total value of this contract is almost EUR 76 million, 50 percent of which will go to E.E. Cruz.

### HOCHTIEF Americas outlook

Against a backdrop of strong performance in recent months, we continue to project a fiscal 2011 profit before taxes for the HOCHTIEF Americas division exceeding the previous year's figure.

# HOCHTIEF Asia Pacific Division

In the third quarter, the HOCHTIEF Asia Pacific division returned to generating a **profit before taxes** from operating activities amounting to EUR 298.2 million. Excluding the extraordinary item from the sale of three major contract mining projects to BHP Billiton, profit before taxes was EUR 136.7 million. Including the extraordinary item, the division posted a loss before taxes of EUR 300 million as of September.

**New orders** totaled EUR 8.7 billion, 23.9 percent below the prior-year figure (29.5 percent adjusted for exchange rates). The decline is due to measurement at the balance sheet date. The division expects to land additional major projects during the remainder of the year that are currently set to be awarded. **Work done** rose by 10.8 percent (2.7 percent adjusted for exchange rates) due to the working off of projects from the record order backlog at the start of the year, while external sales grew by 23.1 percent (14.1 percent adjusted for exchange rates). The **order backlog** decreased slightly compared with the record set at the beginning of the year due to the below-average level of new orders in the third quarter, but was still up 12.1 percent (10.4 percent adjusted for exchange rates) from the prior-year figure.

**Capital expenditure** was up substantially over the previous year as well as the previous quarter, mainly due to new mining equipment procured for the contract mining business and purchases to replace expiring operating leases.

In September 2011, Leighton completed the sale of three iron ore projects undertaken by its subsidiary HWE Mining in the Pilbara region to the client BHP Billiton. It is the raw materials group's publicly stated intention to transition from third-party performance of services to an owner-operator model for iron ore production in the future. The operations transferred from HWE Mining account for about 70 percent of BHP Billiton's iron ore mining in Western Australia. The sale at an attractive price generated an extraordinary income item before taxes for Leighton of approximately EUR 161 million.

In the third quarter of 2011, Leighton was again awarded a number of major contracts, including in the infrastructure sector. For instance, Leighton Contractors will construct a 36-kilometer dedicated freight line in southern Sydney in a project worth EUR 115 million. In New South Wales, Thiess will participate in an alliance to deliver transmission cable projects for Ausgrid, Australia's largest energy network operator, in a contract valued at roughly EUR 37 million per year. Thiess will receive a total of slightly more than EUR 155 million from the contract.

| (EUR million) | **Q1–Q3 2011** | Q1–Q3 2010 (restated)* | **Percentage change** | **Q3 2011** | Q3 2010 (restated)* | Full year 2010 (restated)* |
|---|---|---|---|---|---|---|
| New orders | **8,697.3** | 11,428.0 | **–23.9** | **732.4** | 3,499.2 | 18,938.6 |
| Work done | **10,236.1** | 9,240.9 | **10.8** | **3,380.4** | 3,332.7 | 12,702.8 |
| Order backlog | **30,055.4** | 26,809.3 | **12.1** | **30,055.4** | 26,809.3 | 33,126.9 |
| Divisional sales | **8,845.9** | 7,186.0 | **23.1** | **2,854.2** | 2,123.8 | 10,339.5 |
| External sales | **8,845.7** | 7,185.7 | **23.1** | **2,854.2** | 2,123.7 | 10,339.2 |
| Operating earnings (EBITA) | **(222.3)** | 368.0 | **–** | **324.9** | 48.8 | 653.1 |
| Profit before taxes | **(300.0)** | 288.0 | **–** | **298.2** | 40.6 | 512.7 |
| Capital expenditure | **1,118.6** | 735.4 | **52.1** | **275.0** | 213.2 | 958.3 |
| Net assets | **3,546.0** | 3,207.5 | **10.6** | **3,546.0** | 3,207.5 | 3,343.5 |
| Employees | **52,948** (End Q3 2011) | 46,151 (End Q3 2010) | **14.7** | **52,948** (End Q3 2011) | 46,151 (End Q3 2010) | 46,376 (2010 average) |

***For details on the restatement, please see pages 17–19.**

In addition, Leighton Contractors was awarded a EUR 88 million contract to deliver the Intermodal Logistics Centre (ILC) in Sydney. Leighton has already performed preparatory work on the logistics center to be completed in 2013.

Thiess received a raw materials contract for around EUR 72 million for Phase One development works on a new iron ore mine in Western Australia's Pilbara region. The 18-month contract is for complete initial pioneering and mine establishment works, including haul roads and stockpile pads. In the same region, a joint venture including Leighton Contractors landed an approximately EUR 77 million earthworks contract at the Hope Downs 4 mine. In Indonesia, Thiess will operate two mines in the East Kalimantan region for an additional three years in a project worth around EUR 368 million.

A new contract obtained by the Habtoor Leighton Group for the expansion of a road south of Muscat into a four-lane divided highway underscores the success of the new focus on projects in the Middle East outside of Dubai and infrastructure projects. The contract is worth EUR 220 million with the Habtoor Leighton Group's share amounting to 50 percent.

### HOCHTIEF Asia Pacific outlook

The HOCHTIEF Asia Pacific division anticipates results in the fourth quarter of 2011 to be solid and the positive developments of the third quarter to continue. A negative effect from the Victorian Desalination Plant project near Melbourne is included in this assessment and will be offset by the strong earnings generated by numerous other Group projects. Leighton's outlook for the period ended June 30, 2012 thus remains unchanged. On the whole, the division will close fiscal year 2011 with a loss before taxes. Thanks to the very large order backlog and the still excellent market prospects in the Asia-Pacific region, the division is confident that profit before taxes will return to near 2010 levels as early as 2012.

## HOCHTIEF Concessions Division

| (EUR million) | **Q1–Q3 2011** | Q1–Q3 2010 | **Percent-age change** | **Q3 2011** | Q3 2010 | Full year 2010 |
|---|---|---|---|---|---|---|
| New orders | **31.4** | 152.4 | **–79.4** | **11.4** | 12.0 | 157.7 |
| Work done | **50.0** | 79.6 | **–37.2** | **18.1** | 27.6 | 112.1 |
| Order backlog | **369.3** | 620.6 | **–40.5** | **369.3** | 620.6 | 387.9 |
| Divisional sales | **50.0** | 79.6 | **–37.2** | **18.1** | 27.6 | 112.1 |
| External sales | **47.7** | 78.2 | **–39.0** | **16.6** | 26.8 | 110.1 |
| Operating earnings (EBITA) | **102.9** | 59.8 | **72.1** | **22.3** | 22.8 | 113.2 |
| Profit before taxes | **75.8** | 37.9 | **100.0** | **11.8** | 15.6 | 84.3 |
| Capital expenditure | **203.4** | 12.5 | **–** | **2.9** | – | 1.8 |
| Net assets | **1,672.0** | 1,275.7 | **31.1** | **1,672.0** | 1,275.7 | 1,330.4 |
| Employees | **331** (End Q3 2011) | 311 (End Q3 2010) | **6.4** | **331** (End Q3 2011) | 311 (End Q3 2010) | 317 (2010 average) |

At HOCHTIEF Concessions, **new orders** fell well short of the prior-year figure as a result of the PPP contracts won in 2010 for a high school in Höhenkirchen-Siegertsbrunn and schools in Offenbach. **Work done**, **divisional sales**, and **external sales** were also down on the prior-year levels due to the sale of five projects from the social infrastructure segment at the end of 2010. By contrast, at EUR 102.9 million, **operating earnings** increased year on year by EUR 43.1 million. **Profit before taxes** rose to EUR 75.8 million. Alongside operational improvements, this increase is mainly due to reversals of provisions for investment risk at Budapest and Düsseldorf airports and the reduction in Greek taxation on dividends for our airport in Athens. In addition, HOCHTIEF AirPort Capital received a performance fee from the investment partners for the above-average increase in the value of the airport portfolio in the last five years. The division also earned success fees on securing the A8 expressway contract and the school project in Halton Borough, UK.

As of September 30, 2011, the HOCHTIEF Concessions portfolio comprised six airport holdings, eight roads including two tunnels, 98 schools, 18 police facilities, a community center, a barracks, and two geothermal energy installations.

The number of passengers at the six airport holdings in the **airports segment** grew by three percent year on year. The airports handled a total of more than 71 million passengers. At Athens International Airport, the recessionary economy in Greece continued to take its toll. However, the decline in passenger numbers was much smaller than in the first half of the year. Domestic passenger traffic also fell slightly at Sydney Airport, mainly due to the temporary grounding of the Australian low-cost airline Tiger Airways. Budapest Airport enjoyed its best July since it opened with 950,000 passengers. With a total of 6.8 million passengers in the first nine months of the year, the airport recorded growth of 8.5 percent compared with the same period in 2010. There was also a substantial increase in passenger numbers at Düsseldorf and Hamburg airports, both of which outperformed the industry average.

In the **roads segment**, the economic crisis in Greece and persistent mass toll dodging led to major shortfalls in income development for the toll road projects Maliakos-Kleidi and Elefsina-Patras-Tsakona. Greek government and the private operator consortia negotiations for a long-term viable solution are ongoing. On October 1, 2011, the project company Pansuevia, in which the HOCHTIEF Concessions subsidiary HOCHTIEF PPP Solutions holds a 50 percent stake, took over operation of the A8 expressway between the Ulm-Elchingen interchange and the Augsburg-West junction.

In the **social infrastructure segment**, HOCHTIEF PPP Solutions (UK) Ltd. completed two new schools for more than 2,500 students in the Salford & Wigan BSF project. Both schools will now be operated for 25 years. The company was awarded the contract to design, build, finance, and operate these schools in late 2009. HOCHTIEF Facility Management (UK) Ltd. is responsible for operating and maintaining the buildings.

In the **infrastructure ventures segment**, Süddeutsche Geothermie-Projekte Gesellschaft, in which HOCHTIEF Concessions holds a 50 percent stake, finalized project finance for the geothermal power plant in Kirchstockach, Bavaria. The total project outlay amounts to approximately EUR 62 million. As general contractor, HOCHTIEF Energy Management, a business unit of HOCHTIEF Europe, will build the turnkey geothermal power plant with around 5.5 megawatts of capacity by mid-2012 and then operate it for at least ten years. Construction work on the geothermal power plant in Dürrnhaar, which started in early 2011, is on schedule. The civil engineering and building construction work has been completed and the technical systems are currently being installed.

### HOCHTIEF Concessions outlook

Assuming the airport transaction takes place in 2011, we expect that the division will generate profit before taxes above the prior-year level. A postponement in the proceeds from the sale of the airport activities to 2012, however, would mean the division closing the current year with a slight pretax loss if our review of the assessment of the road projects in Greece and Chile reveals potential risks.

PPP business, with its segments roads, social infrastructure, and infrastructure ventures, will be integrated into the HOCHTIEF Europe division in the first quarter of 2012.

# HOCHTIEF Europe Division

HOCHTIEF Europe division **new orders** in the period under review were EUR 302.2 million (11.5 percent) down on the figure for the prior-year period due to delays on a number of major contracts. **Work done**, in contrast, grew by EUR 78.7 million (3.2 percent) year on year. **Divisional sales** rose by 6.9 percent and **external sales** by 7.7 percent compared with the prior-year period. The successful handover of real estate developments to buyers meant that sales increased by a larger percentage than work done. The **order backlog** is equivalent to a forward order book of over 20 months.

**Operating earnings** went up compared with the same period a year earlier by EUR 50.6 million (102.2 percent) to EUR 100.1 million. The focus on margins instead of volume shows a marked positive effect on project earnings. After taking into account net investment and interest income together with negative non-operating earnings relating to organizational development measures in the Classic Solutions business line, **profit before taxes** increased compared with the prior-year period by EUR 27.4 million (98.6 percent) to EUR 55.2 million. The income from selling on our interests in the BELUGA HOCHTIEF Offshore joint venture, already reported in the first half year, is included in this total.

The rise in **capital expenditure** in comparison with the prior-year period mostly relates to project-related expenditure on property, plant and equipment and additional purchases of construction logistics equipment.

HOCHTIEF Europe closed a number of large sales in the third quarter of 2011. The **HTP** and **formart** business units sold real estate totaling some EUR 675 million. This included an office building designed to sustainable principles with 14,900 square meters of gross floor space above ground in the Le Quartier Central urban district development in Düsseldorf. The German Sustainable Building Council has just awarded the overall project the first certificate for sustainable urban district developments. In Hamburg, Ärzteversorgung Niedersachsen purchased the Katharinenquartier development with about 130 rental apartments and a good 7,700 square meters of office and retail space before construction began. A total of 203 further residential units in various development projects went to individual investors. HTP also entered into tenancy agreements for a total of 116,000 square meters of gross floor space—including with AOK Rheinland/Hamburg for an office building in Essen, comprising the largest single tenancy in the city since 2009.

| (EUR million) | **Q1–Q3 2011** | Q1–Q3 2010 (restated)* | **Percentage change** | **Q3 2011** | Q3 2010 (restated)* | Full year 2010 (restated)* |
|---|---|---|---|---|---|---|
| New orders | **2,325.9** | 2,628.1 | **–11.5** | **422.5** | 1,162.4 | 3,559.6 |
| Work done | **2,532.7** | 2,454.0 | **3.2** | **850.5** | 890.6 | 3,612.7 |
| Order backlog | **5,794.2** | 6,007.1 | **–3.5** | **5,794.2** | 6,007.1 | 5,994.5 |
| Divisional sales | **2,377.6** | 2,224.2 | **6.9** | **839.8** | 763.3 | 3,280.1 |
| External sales | **2,362.3** | 2,192.9 | **7.7** | **835.0** | 750.2 | 3,229.4 |
| Operating earnings (EBITA) | **100.1** | 49.5 | **102.2** | **27.9** | 18.6 | 113.2 |
| Profit before taxes | **55.2** | 27.8 | **98.6** | **13.9** | 11.2 | 82.5 |
| Capital expenditure | **47.7** | 29.3 | **62.8** | **20.3** | 14.3 | 66.3 |
| Net assets | **1,788.8** | 1,678.5 | **6.6** | **1,788.8** | 1,678.5 | 1,737.7 |
| Employees | **15,472** (End Q3 2011) | 16,028 (End Q3 2010) | **–3.5** | **15,472** (End Q3 2011) | 16,028 (End Q3 2010) | 16,035 (2010 average) |

***For details on the restatement, please see pages 17–19.**

**aurelis Real Estate** sold properties with an overall value of some EUR 104 million up to the end of the third quarter 2011. More sustainable urban district developments are in the design phase. In the rental business, aurelis generated approximately EUR 62 million in revenue in the first nine months of the year. New tenancies and contract renewals totaled a net annual rent amount of EUR 8.9 million as of September 2011. Following an increase from 53 to 60 months in 2010, aurelis increased the average length of tenancies for properties in its portfolio to 66 months.

In the **Service Solutions** business line, HOCHTIEF Europe once again presented compelling results with energy performance solutions. We have been commissioned to reduce energy costs for drugs producer Nordmark by a large six-digit figure each year for the next ten years. In a contract covering the same period in Schöpstal, Saxony, the company is to generate biogas in top natural gas quality and feed it to the European gas grid. HOCHTIEF Europe also secured valuable new contracts in facility management, including a substantial expansion of its services for Mercedes-Benz.

### HOCHTIEF Europe outlook

HOCHTIEF Europe will continue to focus on profitable markets and press ahead with further organizational improvements. In connection with our guidance given for the remainder of the year, we are reviewing the implications of the macroeconomic situation for the ongoing road building contracts in Greece. This may possibly mean the division only reporting profit before taxes in 2011 on a par with the prior year.

# Interim Financial Statements (Condensed)

## Consolidated Statement of Earnings

| (EUR thousand) | **Q1–Q3 2011** | Q1–Q3 2010 | **Percentage change** | **Q3 2011** | Q3 2010 | Full year 2010 |
|---|---|---|---|---|---|---|
| Sales | 15,756,879 | 14,201,893 | 10.9 | 5,381,902 | 4,676,345 | 20,159,286 |
| Changes in inventories | (31,958) | 100,198 | – | (33,340) | 50,274 | 154,350 |
| Other operating income | 396,055 | 143,319 | 176.3 | 174,751 | 45,901 | 478,756 |
| Materials | (10,802,440) | (9,605,624) | 12.5 | (3,621,155) | (3,259,748) | (13,763,981) |
| Personnel costs | (3,233,581) | (2,957,086) | 9.4 | (1,039,701) | (1,006,958) | (4,080,859) |
| Depreciation and amortization | (515,256) | (489,970) | 5.2 | (181,489) | (91,733) | (678,543) |
| Other operating expenses | (1,131,648) | (990,707) | 14.2 | (354,529) | (334,587) | (1,553,665) |
| **Profit from operating activities** | **438,051** | **402,023** | **9.0** | **326,439** | **79,494** | **715,344** |
| Share of profits and losses of equity-method associates and jointly controlled entities | (469,942) | 109,505 | – | 41,823 | 56,476 | 189,820 |
| Net income from other participating interests | 45,904 | 22,186 | 106.9 | 1,798 | 9,911 | 32,885 |
| Investment and interest income | 65,858 | 52,027 | 26.6 | 11,900 | 17,494 | 81,564 |
| Investment and interest expenses | (181,505) | (155,540) | 16.7 | (49,010) | (34,760) | (263,041) |
| **Profit before taxes** | **(101,634)** | **430,201** | **–** | **332,950** | **128,615** | **756,572** |
| Income taxes | 5,801 | (136,518) | – | (102,258) | (35,061) | (210,294) |
| **Profit after taxes** | **(95,833)** | **293,683** | **–** | **230,692** | **93,554** | **546,278** |
| Of which: Consolidated net profit/(loss) | [(56,977)] | [142,703] | – | [98,655] | [54,577] | [288,030] |
| Of which: Minority interest | [(38,856)] | [150,980] | – | [132,037] | [38,977] | [258,248] |
| | | | | | | |
| **Earnings per share (EUR)** | | | | | | |
| Diluted and undiluted earnings per share (EUR) | (0.77) | 2.14 | – | 1.34 | 0.82 | 4.31 |

## Consolidated Balance Sheet

| (EUR thousand) | **Sep. 30, 2011** | Dec. 31, 2010 |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Intangible assets | 564,446 | 582,879 |
| Property, plant and equipment | 2,077,898 | 1,807,472 |
| Investment properties | 24,643 | 24,010 |
| Equity-method investments | 988,595 | 2,005,642 |
| Other financial assets | 59,938 | 505,088 |
| Financial receivables | 582,183 | 506,757 |
| Other receivables and other assets | 93,681 | 176,072 |
| Deferred tax assets | 391,286 | 260,555 |
| | **4,782,670** | **5,868,475** |
| **Current assets** | | |
| Inventories | 1,586,959 | 1,268,333 |
| Financial receivables | 135,439 | 144,339 |
| Trade receivables | 4,407,474 | 3,984,763 |
| Other receivables and other assets | 185,445 | 232,420 |
| Current income tax assets | 80,913 | 99,058 |
| Marketable securities | 381,464 | 937,640 |
| Cash and cash equivalents | 2,058,461 | 2,451,057 |
| Assets held for sale | 1,489,756 | – |
| | **10,325,911** | **9,117,610** |
| | **15,108,581** | **14,986,085** |

| (EUR thousand) | **Sep. 30, 2011** | Dec. 31, 2010 |
|---|---|---|
| **Liabilities and Shareholders' Equity** | | |
| **Shareholders' equity** | | |
| Attributable to the Group | 2,566,939 | 2,965,493 |
| Minority interest | 1,386,228 | 1,298,679 |
| | **3,953,167** | **4,264,172** |
| **Non-current liabilities** | | |
| Provisions for pensions and similar obligations | 157,595 | 116,566 |
| Other provisions | 391,343 | 426,850 |
| Financial liabilities | 2,135,500 | 2,576,954 |
| Other liabilities | 165,557 | 186,359 |
| Deferred tax liabilities | 73,906 | 66,005 |
| | **2,923,901** | **3,372,734** |
| **Current liabilities** | | |
| Other provisions | 889,586 | 959,553 |
| Financial liabilities | 1,210,764 | 645,766 |
| Trade payables | 5,792,338 | 5,363,733 |
| Other liabilities | 322,762 | 363,263 |
| Current income tax liabilities | 5,633 | 16,864 |
| Liabilities associated with assets held for sale | 10,430 | – |
| | **8,231,513** | **7,349,179** |
| | **15,108,581** | **14,986,085** |

# Consolidated Statement of Cash Flows

| (EUR thousand) | **Q1–Q3 2011** | Q1–Q3 2010 |
|---|---|---|
| Profit after taxes | (95,833) | 293,683 |
| Depreciation, amortization, impairments and impairment reversals | 663,117 | 502,511 |
| Changes in provisions | (67,602) | (47,439) |
| Changes in deferred taxes | (169,234) | (47,667) |
| Gains/(losses) from disposals of non-current assets and marketable securities | (36,722) | (13,948) |
| Other non-cash income and expenses (primarily equity accounting) and deconsolidations | 266,418 | (20,095) |
| Changes in working capital (net current assets) | (64,504) | (60,138) |
| Changes in other balance sheet items | 6,160 | 2,777 |
| **Net cash provided by operating activities** | **501,800** | **609,684** |
| | | |
| Intangible assets, property, plant and equipment, and investment properties | | |
| Purchases | (1,182,735) | (675,471) |
| Proceeds from asset disposals | 59,269 | 118,079 |
| Acquisitions and participating interests | | |
| Purchases | (249,663) | (182,669) |
| Proceeds from asset disposals/divestments | 638,624 | 108,574 |
| Changes in cash and cash equivalents due to consolidation changes | 13,428 | 5,033 |
| Changes in securities holdings and financial receivables | 181,845 | (301,625) |
| **Net cash used in financing activities** | **(539,232)** | **(928,079)** |
| | | |
| Payments received from sale of treasury stock | 380 | 501 |
| Payments into equity by minority shareholders | 267,145 | 37,753 |
| Dividends to HOCHTIEF's and minority shareholders | (252,355) | (267,616) |
| Proceeds from new borrowing | 1,016,638 | 809,433 |
| Service of debt | (1,258,386) | (345,652) |
| **Net cash (used in)/provided by investing activities** | **(226,578)** | **234,419** |
| | | |
| **Net cash decrease in cash and cash equivalents** | **(264,010)** | **(83,976)** |
| Effect of exchange rate changes | (112,821) | 148,534 |
| **Overall change in cash and cash equivalents** | **(376,831)** | **64,558** |
| | | |
| Cash and cash equivalents at the start of the year | 2,451,057 | 1,769,644 |
| **Cash and cash equivalents at end of reporting period** | **2,074,226** | **1,834,202** |
| Of which: Included in assets held for sale | [15,765] | [–] |
| Of which: Cash and cash equivalents as per Consolidated Balance Sheet | [2,058,461] | [1,834,202] |

# Statement of Changes in Equity

| (EUR thousand) | Subscribed capital of HOCHTIEF Aktiengesellschaft | Capital reserve of HOCHTIEF Aktiengesellschaft | Revenue reserves* including unappropriated net income | Accumulated other comprehensive income | | | Attributable to the Group | Attributable to minority interest | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Currency translation differences | Changes in fair value of financial instruments | Actuarial gains and losses | | | |
| Balance as of Jan. 1, 2010 | **179,200** | **400,806** | **1,795,892** | **(74,195)** | **(66,902)** | **(70,748)** | **2,164,053** | **1,100,076** | **3,264,129** |
| Dividends paid | – | – | (99,816) | – | – | – | (99,816) | (167,800) | (267,616) |
| Profit after taxes | – | – | 142,703 | – | – | – | 142,703 | 150,980 | 293,683 |
| Currency translation differences and changes in fair value of financial instruments | – | – | – | 174,008 | (10,288) | – | 163,720 | 96,439 | 260,159 |
| Changes in actuarial gains and losses | – | – | – | – | – | (70,599) | (70,599) | – | (70,599) |
| Other changes not recognized in the Statement of Earnings | – | – | 14,388 | – | – | – | 14,388 | 24,472 | 38,860 |
| Balance as of Sep. 30, 2010 | **179,200** | **400,806** | **1,853,167** | **99,813** | **(77,190)** | **(141,347)** | **2,314,449** | **1,204,167** | **3,518,616** |
| **Balance as of Jan. 1, 2011** | **197,120** | **783,142** | **2,008,824** | **160,781** | **(71,589)** | **(112,785)** | **2,965,493** | **1,298,679** | **4,264,172** |
| Dividends paid | – | – | (147,130) | – | – | – | (147,130) | (105,225) | (252,355) |
| Profit after taxes | – | – | (56,977) | – | – | – | (56,977) | (38,856) | (95,833) |
| Currency translation differences and changes in fair value of financial instruments | – | – | – | (143,986) | (22,117) | – | (166,103) | (92,355) | (258,458) |
| Changes in actuarial gains and losses | – | – | – | – | – | (24,690) | (24,690) | 22 | (24,668) |
| Other changes not recognized in the Statement of Earnings | – | 409 | (4,063) | – | – | – | (3,654) | 323,963** | 320,309 |
| **Balance as of Sep. 30, 2011** | **197,120** | **783,551** | **1,800,654** | **16,795** | **(93,706)** | **(137,475)** | **2,566,939** | **1,386,228** | **3,953,167** |

*** As of September 30, 2011, own stock with an acquisition cost of EUR 90,060,000 is accounted for as a deduction from revenue reserves (September 30, 2010: EUR 90,410,000).**
**** Includes EUR 255,947,000 for the minority interest in the capital raising at Leighton Holdings.**

# Consolidated Statement of Comprehensive Income

| (EUR thousand) | **Q1–Q3 2011** | Q1–Q3 2010 | Change | Full year 2010 |
|---|---|---|---|---|
| **Profit after taxes** | **(95,833)** | **293,683** | **(389,516)** | **546,278** |
| Currency translation differences | (237,393) | 278,263 | (515,656) | 358,534 |
| Changes in fair value of financial instruments | | | | |
| – Primary | 11,741 | (2,394) | 14,135 | 1,279 |
| – Derivative | 20,643 | (9,238) | 29,881 | (5,268) |
| – Share of profits and losses of equity-method associates and jointly controlled entities recognized directly in equity | (53,449) | (6,472) | (46,977) | (14,550) |
| Actuarial gains and losses | (24,668) | (70,599) | 45,931 | (42,040) |
| **Other comprehensive income (after taxes)** | **(283,126)** | **189,560** | **(472,686)** | **297,955** |
| **Total comprehensive income** | **(378,959)** | **483,243** | **(862,202)** | **844,233** |
| Of which: HOCHTIEF Group | (247,770) | 235,824 | (483,594) | 476,282 |
| Of which: Minority interest | (131,189) | 247,419 | (378,608) | 367,951 |

# Notes to the Consolidated Financial Statements

### Accounting policies

The Interim Consolidated Financial Statements as of September 30, 2011, which were released for publication on November 13, 2011, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Interim Financial Statements and the Interim Management Report have been neither audited nor reviewed. 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 ending December 31, 2010. It has been prepared using the same accounting policies as the 2010 Consolidated Financial Statements. Information on those accounting policies is given in the 2010 Annual Report.

### Consolidation changes

The Consolidated Financial Statements for the first nine months of fiscal 2011 include seven domestic and 22 foreign companies for the first time. Two domestic and 40 foreign companies were removed from the consolidated group.

The number of foreign companies accounted for using the equity method increased by one domestically and decreased by eight internationally.

The Consolidated Financial Statements as of September 30, 2011 include HOCHTIEF Aktiengesellschaft and a total of 66 domestic and 378 foreign consolidated companies plus 18 domestic and 203 foreign companies accounted for using the equity method.

As an independent listed group, HOCHTIEF Aktiengesellschaft 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.

### Non-current assets held for sale (disposal group)

HOCHTIEF Aktiengesellschaft operates its interests in Düsseldorf, Hamburg, Athens, Budapest, Tirana and Sydney airports within HOCHTIEF AirPort GmbH, which is part of the HOCHTIEF Concessions division. In light of advanced negotiations with bidders, the airports segment is reported as of September 30, 2011 in accordance with IFRS 5 as non-current assets held for sale (as a disposal group).

Under IFRS 5, disposal groups are carried at the lower of carrying amount and fair value less costs to sell.

The assets and liabilities classified as held for sale are presented separately in the balance sheet. The table below shows the major classes of such assets and liabilities. A cumulative amount of EUR 54,448,000 is additionally recognized in equity.

| (EUR thousand) | **Sep. 30, 2011** |
|---|---|
| Intangible assets and property, plant and equipment | 6,153 |
| Financial assets | 1,135,310 |
| Other assets | 348,293 |
| **Total assets** | **1,489,756** |
| **Liabilities** | **10,430** |

There are additionally EUR 944,836,000 in internal liabilities to HOCHTIEF Group companies.

## Own shares

As of September 30, 2011, HOCHTIEF Aktiengesellschaft held a total of 3,421,735 shares of treasury stock. These shares were purchased over the course of fiscal 2008 for the purposes provided for in the resolution of the General Shareholders' Meeting of May 8, 2008. These shares represent EUR 8,759,642 (4.44 percent) of the Company's capital stock.

In July 2011, 13,340 shares of treasury stock were sold to employees of HOCHTIEF or its affiliates at a price of EUR 28.50 each. The shares represent EUR 34,150 (0.02 percent) of the Company's capital stock.

## Dividend payment

A resolution was adopted at the General Shareholders' Meeting of HOCHTIEF Aktiengesellschaft on May 12, 2011 to pay a dividend of EUR 2.00 per eligible no-par-value share.

## Contingent liabilities

The contingent liabilities relate to liabilities under guarantees and comfort letters; they have decreased since December 31, 2010 by EUR 54,322,000 to EUR 4,076,000.

## Segment reporting

Segment reporting in the HOCHTIEF Group is based on the Group's divisional operations. Following the change in the Group's structure as of January 1, 2011, the HOCHTIEF Europe division includes the activities of the former HOCHTIEF Europe, HOCHTIEF Real Estate, and HOCHTIEF Services divisions. The prior-year figures represent the aggregate of these former divisions, with the sole exception that allowing for that portion of external sales of the three former divisions which—due to the restructuring—now constitutes internal sales of the HOCHTIEF Europe division results in a EUR 22,824,000 lower comparative figure for divisional sales in the first nine months of the prior fiscal year and a EUR 47,049,000 lower comparative figure for divisional sales in the prior year as a whole. The breakdown by divisions and regions mirrors the Group's internal reporting systems. Detailed information on the various divisions making up the HOCHTIEF Group is provided herein in the Interim Management Report.

## Related party disclosures

The number of companies and individuals comprising related parties of HOCHTIEF Aktiengesellschaft and HOCHTIEF Group companies has increased due to the mandatory application of IAS 24 (revised 2009) as of January 1, 2011 with the revised definition of "related party."*

***For further information, please see page 159 of the 2010 Annual Report.**

No material transactions were entered into during the period under review between HOCHTIEF Aktiengesellschaft or any HOCHTIEF Group company and any related party or parties having material influence over the results of operations or financial condition of the Company or the Group.

### Reconciliation of profit from operating activities to operating earnings (EBITA)

| (EUR thousand) | **Q1–Q3 2011** | Q1–Q3 2010 (restated)* | **Q3 2011** | Q3 2010 (restated)* |
|---|---|---|---|---|
| **Profit from operating activities** | **438,051** | **402,023** | **326,439** | **79,494** |
| + Net income from participating interests | (424,038) | 131,691 | 43,621 | 66,387 |
| – Non-operating earnings | (+) 8,027 | (+) 4,507 | (+) 2,272 | (+) 1,182 |
| **Operating earnings (EBITA)** | **22,040** | **538,221** | **372,332** | **147,063** |

***In connection with the change in the Group's structure, interest credited on the average financing balance—a purely statistical item—is no longer included as a separate item in the reconciliation as it has ceased to be material and as such its separate disclosure is no longer required. Operating earnings (EBITA) for the first nine months of the prior year is reduced as a result by EUR 7,399,000 to EUR 538,221,000 and for the third quarter of 2010 by EUR 2,320,000 to EUR 147,063,000. For the prior year, 2010, as a whole, operating earnings is reduced by EUR 16,808,000 to EUR 947,527,000.**

### Undiluted and diluted earnings per share

| | **01–09 2011** | 01–09 2010 | **Q3 2011** | Q3 2010 |
|---|---|---|---|---|
| **Consolidated net profit (EUR thousand)** | **(56,977)** | **142,703** | **98,655** | **54,577** |
| Number of shares in circulation (weighted average) | 73,569,371 | 66,551,193 | 73,578,264 | 66,564,950 |
| **Earnings per share (EUR)** | **(0.77)** | **2.14** | **1.34** | **0.82** |

**Earnings per share 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 undiluted earnings per share are identical.**

# Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Essen, November 13, 2011

The Executive Board

Dr. Stieler Dr. Rohr

# Corporate Structure of HOCHTIEF Aktiengesellschaft

**Corporate Headquarters (management holding company)**

**HOCHTIEF Americas**

- Turner (USA)
- Flatiron (Canada, USA)
- E.E. Cruz (USA)

**HOCHTIEF Asia Pacific**

- Leighton Holdings (Australia)
- Leighton Contractors (Australia, New Zealand)
- Thiess (Australia, India, Indonesia)
- John Holland Group (Australia)
- Leighton International (India, Qatar, United Arab Emirates)
- Leighton Properties (Australia)
- Leighton Asia (Brunei, Cambodia, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Mongolia, Philippines, Singapore, Taiwan, Thailand, Vietnam)
- Al Habtoor Engineering (Qatar, United Arab Emirates)

**HOCHTIEF Concessions**

- HOCHTIEF Concessions (Germany)
- HOCHTIEF AirPort (Germany)
- HOCHTIEF AirPort Capital (Germany)
- Airport Partners (Germany)
- Sydney Airport Intervest (Germany)
- FHK Flughafen Hamburg Konsortial- und Service-Gesellschaft (Germany)
- HAP Hamburg Airport Partners (Germany)
- HAP Hamburg Airport Partners Holding Verwaltungsgesellschaft (Germany)
- HOCHTIEF AirPort Retail (Albania)
- HOCHTIEF PPP Solutions (Canada, Chile, Germany, Greece, Ireland, UK, USA)
- HOCHTIEF PPP Schools Capital (UK)

**HOCHTIEF Europe**

- HOCHTIEF Solutions (Abu Dhabi, Austria, Bahrain, Bulgaria, Chile, Czech Republic, Denmark, Germany, Greece, Hungary, India, Ireland, Luxembourg, Peru, Poland, Qatar, Romania, Russia, South Africa, Sweden, Switzerland, UK, Ukraine)
- HOCHTIEF Global Trade (Germany)
- HOCHTIEF Procurement Asia (Hong Kong)
- HOCHTIEF ViCon (Germany, Qatar)
- Durst-Bau (Austria)
- Streif Baulogistik (Austria, Bulgaria, Denmark, Germany, Poland, Qatar, Russia, Ukraine)
- HOCHTIEF Property Management (Germany)
- aurelis Real Estate (Germany)
- HOCHTIEF Energy Management (Germany)

**The companies listed exemplify the international reach of HOCHTIEF. For further details, please visit our website at www.hochtief.com.**

# Financial Calendar

**February 29, 2012**
Business Results Press Conference
Analysts' and Investors' Conference

**May 3, 2012**
General Shareholders' Meeting
10.30 a.m., Grugahalle, Norbertstrasse 2, Essen

**May 8, 2012**
Quarterly Report at March 31, 2012
Conference Call with Analysts and Investors

The editorial deadline for this interim report was November 13, 2011; the report was published on November 14, 2011.

For further information on HOCHTIEF and our addresses, branches, subsidiaries and associates, please visit our website at www.hochtief.com.

**This interim report is a translation of the original German version, which remains definitive. It is also available from the HOCHTIEF website.**

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