

IN TOP GEAR

- All divisions driving strong growth in profit before taxes
- International contracts boost new orders
- New structure in German building construction business
- Group structure moves forward



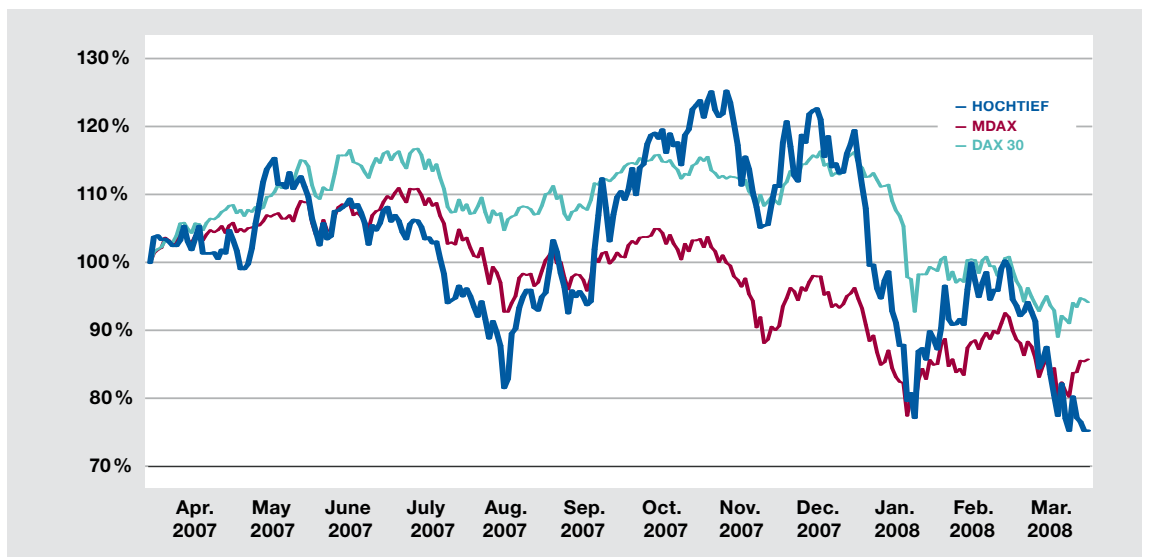
Quarterly Report
January to March 2008

The HOCHTIEF Group

| (EUR million) | Q1 2008 | Q1 2007 | Percentage change | Full year 2007 |
|-----------------------------|---|--|----------------------|---|
| New orders | 5,266.3 | 3,941.0 | 33.6 | 23,508.8 |
| Work done | 4,929.3 | 4,122.8 | 19.6 | 18,772.9 |
| Order backlog | 29,146.2 | 24,828.6 | 17.4 | 29,894.0 |
| Divisional sales | 3,841.4 | 3,731.2 | 3.0 | 16,688.8 |
| External sales* | 3,801.1 | 3,684.6 | 3.2 | 16,451.8 |
| Operating earnings (EBITA)* | 131.9 | 71.9 | 83.4 | 539.5 |
| Profit before taxes* | 103.3 | 65.9 | 56.8 | 501.3 |
| Consolidated net profit* | 32.1 | 9.6 | 235.1 | 140.7 |
| Earnings per share (EUR) | 0.46 | 0.15 | 206.7 | 2.07 |
| Capital expenditure* | 332.5 | 231.8 | 43.5 | 1,774.2 |
| Net assets | 5,402.4 | 3,445.6 | 56.8 | 4,909.3 |
| Employees | 57,725 <small>(End Q1 2008)</small> | 48,748 <small>(End Q1 2007)</small> | 18.4 | 52,449 <small>(2007 average)</small> |

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

HOCHTIEF stock



Dear Shareholders and Friends of HOCHTIEF,



**Dr.-Ing. Herbert
Lütkestratkötter,
Chairman of the
Executive Board**

In the Asia-Pacific region, Leighton and its large infrastructure projects continue to return excellent figures. Our acquisition of a stake in construction company Al Habtoor Engineering in fiscal 2007 is also bearing fruit: It has enabled Leighton to extend its dynamic performance to the Gulf, where it now has several attractive projects.

Our construction activities in Europe also performed well. In particular, new contracts in Sweden, Bulgaria and the UK further bolstered our strong infrastructure and civil engineering business in the first quarter. In Germany, we completed the organizational restructuring of our building construction activities. In addition, we significantly tightened the criteria regarding the margins on new contracts and, in particular, the fair distribution of risks among the parties to those contracts. I am confident that, on this basis, we will put our building construction business in Germany back on track for sustained profitability. With this aim in mind, we will also follow through on plans to reduce the volume of business we undertake as a general contractor.

In our **services module**, we continue to pursue our growth strategy at HOCHTIEF Facility Management. We are established in the market as a fair outsourcing partner for large clients and, on the back of this, secured the contract for facility management at the German site of pharmaceutical group Abbott in the period under review. The first quarter also saw us enter the Swiss market with a project in Basel.

We have extended our facility management offering and at the start of the year established HOCHTIEF Energy Management. HOCHTIEF's experts ensure that energy systems are fully optimized, refurbished, financed and, where necessary, also operated. By improving the efficiency of these installations, we actively help reduce operating costs and CO2 emissions.

In the **concessions and operation module**, we have continued to strengthen our position. We are particularly pleased to have received the German federal government's first public-private partnership project in the public buildings segment, involving the Fürst Wrede barracks. Once again, we will benefit from the links within our Group, as HOCHTIEF PPP Solutions will be supported on this project by HOCHTIEF Facility Management and HOCHTIEF Construction. Back in 2007, HOCHTIEF won a national ideas competition, proving that by providing economically viable solutions in this segment and injecting private capital and

2008 got off to a successful start for HOCHTIEF. At the end of the first quarter, we are able to report a strong set of results.

HOCHTIEF's performance in the first three months shows once again that our chosen path is the right one. With great success, the HOCHTIEF Group has developed and expanded precisely those business segments that enable us to cover the entire life cycle of infrastructure projects, real estate and facilities through our four modules—thereby giving HOCHTIEF an ever greater competitive advantage.

In our **development module**, our position has been significantly bolstered by last year's acquisition of a 50 percent stake in aurelis Real Estate. Just a short time after the acquisition, our expertise is already allowing us to substantially enhance the real estate portfolio. On the project development front, we are currently working hard to tap the promising market segment for nursing care facilities, where HOCHTIEF Projektentwicklung chalked up several project wins in the first quarter.

We also bring good news from our **construction module**: In the USA, we remain on a growth path. Large projects in our areas of expertise, including healthcare and sports facilities, are an illustration of Turner's success. Our business continues to be unaffected by the subprime crisis. Turner is a market leader in segments less sensitive to economic conditions, and residential construction plays no role at all for the company.

Flatiron, the civil engineering company acquired by HOCHTIEF in 2007, is also operating very successfully. It was awarded some attractive contracts in the first quarter, including one for a road construction project in San Diego.

know-how, we can help unravel the backlog of investment and maintenance accumulating in the German armed forces. We hope that the German federal government will also decide to put out to tender further projects in other departments.

The six airports in our concessions portfolio also show robust performance. All report impressive traffic growth and strong earnings. This is the result of both ongoing improvements in the range of flights on offer and the systematic expansion of non-aviation business.

In the Asia-Pacific region, we again acquired some valuable contract mining orders. March 2008 saw us enter the Indian mining market, where we were awarded a contract worth around EUR 580 million for the Chitarpur mine in north eastern India.

As you can see, we continue to evolve. The Group is alive and pulsating. We have also brought this to bear at an organizational level by adapting our corporate structure effective January 1, 2008. We report in line with this new structure for the first time in this quarterly report.*

At EUR 5.27 billion, **new orders** as of March 31, 2008 were 33.6 percent higher year on year. The increase was due primarily to large contracts in the Asia-Pacific region, where we were awarded new projects worth more than EUR 1.5 billion in March alone. At EUR 0.84 billion, new orders in Germany were on a par with the previous year.

Due to growth across all divisions, **work done** increased by 19.6 percent in the first quarter to EUR 4.93 billion. HOCHTIEF Asia Pacific accounted for more than 45 percent of this growth and HOCHTIEF Americas for 36 percent. The 22.9 percent increase in Germany was driven mainly by our HOCHTIEF Concessions, HOCHTIEF Real Estate and HOCHTIEF Services divisions.

The Group's **order backlog** increased by 17.4 percent to EUR 29.15 billion. Compared with the prior-year quarter, unfavorable exchange rate effects reduced order backlog as of March 31 by EUR 2.19 billion. Adjusted for these effects, order backlog increased by 26.2 percent over the first quarter of 2007 to EUR 31.34 billion. The Group has a forward order book of almost one and a half years.

Our Group's growth is also reflected in a further rise in **external sales**, which at EUR 3.8 billion were 3.2 percent up on the prior-year figure (EUR 3.68 billion).

Our key earnings data illustrate the good start to 2008. **Operating earnings** skyrocketed 83.4 percent from EUR 71.9 million to EUR 131.9 million, while **profit before taxes** rose by 56.8 percent from EUR 65.9 million to EUR 103.3 million. HOCHTIEF's **consolidated net profit** grew at an even faster pace, more than tripling year on year from EUR 9.6 million to EUR 32.1 million.

Measured against the previous year, **capital expenditure** increased by just over EUR 100 million in the period under review to reach EUR 332.5 million (previous year: EUR 231.8 million). Purchases of intangible assets and property, plant and equipment rose by EUR 62.1 million, from EUR 102.6 million to EUR 164.7 million, due primarily to investments in our HOCHTIEF Asia Pacific division's still rapidly-expanding and capital-intensive mining business. Financial investments also continued to increase, rising from EUR 129.2 million to EUR 167.8 million, almost all of which was attributable to the expansion of Leighton's business portfolio.

Group forecast

Provided that 2008 does not bring a crisis-scale economic downturn, international financial and commodities markets are not affected long-term by turmoil such as that caused by the US subprime crisis and the situation in areas of political tension does not worsen, we expect:

- **new orders** and the **order backlog** to remain at a high level but fall short of the prior-year figures;
- **Group sales** to top the record level achieved in 2007;
- **pretax profit** to reach the high level achieved in 2007, and
- **consolidated net profit** to be above the prior-year figure.

Dear shareholders, we are taking our Group forward in a responsible and purposeful manner. In fiscal 2008, HOCHTIEF is set to continue its track record of success. We are pleased to have your confidence and trust, and are committed to making daily improvements on your behalf.

*Sincerely yours,
Herbert Lütkestratkötter*

Dr.-Ing. Herbert Lütkestratkötter

*For detailed information on this, please see in the Spotlight on page 14.

Interim Management Report

Financial Review

Earnings

HOCHTIEF generated **sales** of EUR 3.8 billion in the first quarter of 2008, up 3.2 percent on the same period in 2007 (EUR 3.68 billion). Redoubled efforts to open up new growth areas in the previous year and the target-driven expansion of our capabilities are thus beginning to show results. At the HOCHTIEF Americas division, entry into the US transport infrastructure market in late 2007 supplemented the increase in sales due to organic growth at Turner. HOCHTIEF boosted sales on the important US market by a substantial 18.3 percent compared with the prior-year quarter, from EUR 1.46 billion to EUR 1.73 billion. The fall in the US dollar means that this increase is artificially reduced on translation into euros, the Group currency. In local currency, Turner raised sales by some 25 percent to USD 2.35 billion (from USD 1.88 billion in the first quarter of 2007). The HOCHTIEF Asia Pacific division, on the other hand, reported a decrease in sales compared with the prior-year period, from EUR 1.49 billion to EUR 1.24 billion. It should be borne in mind in this context that Leighton benefited especially in early 2007 from the market trend in infrastructure projects as well as from strong demand for natural resources in contract mining services. Also, a larger proportion of business in the period under review was conducted in joint ventures. Sales in the remaining divisions continued to grow. The HOCHTIEF Europe division benefited from the healthy trend in its Eastern European business with first-quarter sales up from EUR 456.3 million to EUR 494.1 million, while sales at HOCHTIEF Services climbed due to the expanded range of capabilities to no less than EUR 160.6 million (up from EUR 119.3 million).

All operating divisions improved earnings in the first quarter of 2008. **Operating earnings (EBITA)** grew by 83.4 percent to EUR 131.9 million (up from EUR 71.9 million). Our international business continued its outstanding growth trend. The HOCHTIEF Asia Pacific division generated operating earnings in the three-digit millions in the first three months of 2008 alone (EUR 104.2 million, compared with EUR 73.2 million in the same quarter of 2007). Earnings at the HOCHTIEF Europe division have improved substantially from the situation a year earlier. The strategic realignment of the German building construction business has begun to show results, with the operating loss more than halved from EUR 27.5 million to EUR 13.5 million.

Net income from participating interests grew exceptionally strongly to EUR 96.1 million, an increase of EUR 60.1 million on the comparable prior-year period (EUR 36 million). Leighton secured particularly striking performance from its business portfolio. The HOCHTIEF Asia Pacific division increased net income from participating interests from EUR 12.6 million in the prior-year period to EUR 62.8 million in the first quarter of 2008. A main factor here was higher earnings from joint ventures used to carry out major contracts. The airports business continued to contribute substantially to earnings, boosting net income from participating interests by some EUR 23 million despite the special dividend from Sydney Airport in 2007. This was made possible by larger earnings contributions from Athens, Hamburg and Düsseldorf airports. The stake in aurelis Real Estate acquired in the previous year likewise impacted positively on net income from participating interests in the period under review.

Net investment and interest income deteriorated from minus EUR 0.1 million in the prior-year period to minus EUR 17.8 million in the first quarter of 2008. Borrowing taken out by HOCHTIEF to finance the Group's ongoing expansion resulted in higher finance costs.

Profit before taxes improved from the prior-year period (EUR 65.9 million) by 56.8 percent to EUR 103.3 million.

In line with the higher earnings, **income taxes** rose to EUR 34.3 million (compared with EUR 23.8 million in the prior-year period). Within this figure, deferred taxes remained on a par with the prior-year quarter, and most of the increase was in current income tax, chiefly at Leighton and Turner.

The effective tax rate remained low, at 33.2 percent. There was a further 2.9 percentage point decrease from the first-quarter 2007 level of 36.1 percent.

Profit after taxes showed a marked increase carried by the positive trend in our operating divisions, climbing by 63.9 percent from EUR 42.1 million in the prior-year period to EUR 69 million in the first quarter of 2008.

Consolidated net profit rose even more strongly to EUR 32.1 million, more than three times the EUR 9.6 million figure for the prior-year period. The minority interest grew by

Figures in table form are provided in the interim financial statements starting on page 15.

a substantially lesser increment of 13.6 percent, from EUR 32.5 million in the first quarter of 2007 to EUR 36.9 million in the period under review. The strong growth in consolidated net profit reflected the fact that most of the improvement in earnings compared with the prior-year period was achieved at Group companies where the minority interest is smaller or there are no minority shareholders.

Cash flow

Operating activities generated a net negative cash flow of EUR 190 million in the first three months of 2008. This represents a EUR 184.6 million improvement on the prior-year quarter, when the net cash outflow came to EUR 374.6 million. The main factor was a significantly smaller seasonal increase in working capital compared with the first quarter of 2007. Substantially reducing trade payables at Turner and the Europe division resulted in an increased need for cash and cash equivalents in the first quarter of the prior year.

Capital expenditure totaled EUR 332.5 million, EUR 100.7 million higher than in the comparable prior-year period (EUR 231.8 million). This represents an increase of 43.5 percent. The total includes EUR 164.7 million in funds for purchases of intangible assets and property, plant and equipment (compared with EUR 102.6 million in the prior-year period). By far the largest share of this amount—EUR 143.3 million, up from EUR 91.4 million in the first quarter of 2007—was expended in the HOCHTIEF Asia Pacific division as a result of ongoing expansion of the capital-intensive contract mining business. HOCHTIEF also further increased capital expenditure on financial assets, spending EUR 167.8 million on additions to the business portfolio compared with EUR 129.2 million in the prior-year quarter. This investment spending focused on selective reinforcement of the Leighton business portfolio. The lion's share—a good EUR 150 million (AUD 260 million)—was accounted for by the purchase of shares in the ConnectEast Group infrastructure company. Changes in holdings of marketable securities and financial receivables produced a further EUR 67.5 million outflow of liquidity from the Group. Adding this to total capital expenditure and deducting the cash inflow for proceeds from asset disposals (EUR 46.8 million) gives a net cash outflow from **investing activities** of EUR 353.3 million, compared with EUR 162.5 million in the first quarter of 2007.

The substantial capital expenditure and the expansion of our operating business require a corresponding level of

funding. HOCHTIEF has therefore taken out additional borrowing in the amount of EUR 697.1 million, compared with EUR 133.8 million in the prior-year period. Nearly 60 percent of the new borrowing was accounted for by the HOCHTIEF Asia Pacific division. In the other direction, debt repayments were substantially higher than in the prior-year quarter (up from EUR 12.4 million to EUR 103.9 million). Dividend payments to minority shareholders in the Leighton Group were likewise higher, rising from EUR 34.3 million to EUR 44.5 million. In total, **financing activities** generated a net cash inflow for the HOCHTIEF Group of EUR 545.2 million, compared with EUR 87.1 million in the prior-year period.

Cash and cash equivalents came to EUR 1.34 billion as of March 31, 2008, down EUR 64 million on the end of fiscal 2007 (EUR 1.4 billion). The decrease is mostly accounted for by the effect of exchange rate changes, which impacted negatively on cash and cash equivalents to the tune of EUR 65.9 million in the period under review.

Free cash flow for the period January to March 2008 came to minus EUR 543.3 million (compared with minus EUR 537.1 million in the prior-year quarter). Free cash flow comprises net cash used in operating activities (EUR 190 million) and net cash used in investment activities (EUR 353.3 million).

Balance sheet

Total assets further rose from EUR 10.66 billion at the end of fiscal 2007 to EUR 10.79 billion at the March 31, 2008 balance sheet date—an increase of EUR 131.1 million or 1.2 percent. A major factor was the ongoing expansion of the Group's business portfolio.

Non-current assets consequently increased by 4.9 percent to EUR 4.47 billion. While intangible assets, at EUR 483.7 million, were 4.2 percent down due to exchange rate effects relating to the US dollar, property, plant and equipment remained practically unchanged at EUR 1.04 billion. Financial assets grew substantially, reaching a new record level of EUR 2.22 billion. Most of the approximately EUR 200 million increase resulted from expansion of the business portfolio in the infrastructure segment at Leighton. Other receivables and other assets were up EUR 16.6 million to EUR 147.6 million. This was driven by an increase in pension fund balances on the assets side of the balance sheet due to a rise in the discounting rate used to compute pension obligations. Deferred taxes decreased only slightly to EUR 166.2 million (from EUR 169.4 million at December 31, 2007).

Current assets decreased by 1.2 percent to EUR 6.32 billion. Trade receivables constitute the largest single line item, at EUR 3.72 billion. There was only a minor net change in this figure—an 0.7 percent increase—because growth from the operating business was largely canceled out by negative exchange rate effects. Other receivables and other assets fell significantly, by EUR 64.6 million to EUR 247 million. The decrease relates to a scaling back of derivatives holdings in the HOCHTIEF Asia Pacific division. Holdings of marketable securities remain at a high level, having swelled slightly to EUR 774.5 million. The securities portfolio mostly consists of fixed-interest securities and notes receivable. Cash and cash equivalents dropped by EUR 64 million and came to EUR 1.34 billion at the March 31, 2008 balance sheet date. This decrease is mostly a result of exchange rate effects, particularly relating to the US dollar.

Shareholders' equity diminished by 1.8 percent in the first quarter of 2008 to EUR 2.95 billion. Profit after taxes (EUR 69 million) and changes in actuarial gains and losses recognized directly in equity (EUR 9.2 million) had a positive impact on shareholders' equity. This was more than matched by the negative impact of changes due to currency translation differences and marking of financial instruments to fair value (EUR 88.8 million) as well as dividends paid to minority shareholders (EUR 44.5 million).

HOCHTIEF's equity ratio (shareholders' equity to total assets) of 27.3 percent as of March 31, 2008 continues to reflect a solid balance sheet. The equity ratio is nonetheless slightly down on the preceding balance sheet date (28.2 percent) due to the ongoing expansion of our business activities.

Non-current liabilities increased by 5.3 percent from EUR 1.83 billion at the end of 2007 to EUR 1.93 billion. Within this total, provisions showed no significant change, amounting to EUR 341 million compared with EUR 345.4 million at December 31, 2007. This figure mostly consists of personnel-related provisions and provisions for insurance claims. Financial liabilities grew more strongly, amounting to EUR 1.42 billion at the end of the first quarter of 2008, an increase of EUR 97.6 million. The increment mainly consists of new long-term borrowing from banks to fund the Group's business activities.

Current liabilities rose by EUR 90.3 million or 1.6 percent to EUR 5.91 billion. The largest component was trade receivables, which fell by EUR 382.5 million to EUR 3.76

billion. Alongside exchange rate effects, this was substantially due to a marked reduction in supplier credit at Leighton. In the other direction, current financial liabilities increased sharply by EUR 447.2 million to EUR 1.09 billion. Most of this new borrowing was accounted for by Leighton and was used to fund the operating business and the company's ongoing high level of capital spending on property, plant and equipment as well as financial assets.

Risks and opportunities report

The description of the opportunities and risks of likely future developments given in the combined company and Group management report as of December 31, 2007 continues to apply.

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

There is at present no indication of any significant change in the forecasts and other statements regarding the likely future development of the HOCHTIEF Group published in the combined company and Group management report as of December 31, 2007. Those forecasts and statements therefore continue to apply.

Post balance-sheet events

Commerzbank Aktiengesellschaft, Frankfurt am Main, notified us in accordance with the German Securities Trading Act (WpHG) that its share of voting rights in HOCHTIEF Aktiengesellschaft was 12.03 percent on April 15, 2008. There were no other material events to report between the close of the first quarter of 2008 and the editorial deadline for this quarterly report.

News from the Boards

On the HOCHTIEF Executive Board, **Dr. Peter Noé** takes over responsibility for the new HOCHTIEF Concessions division in addition to HOCHTIEF Asia Pacific. With effect from June 1, 2008, Noé will pass on responsibility for Corporate Finance, Financial Services and Investor Relations—and therefore the position of Chief Financial Officer—to **Dr. Burkhard Lohr**, who is already in charge of Controlling, Accounting and Tax.

Divisions

HOCHTIEF Americas Division

| (EUR million) | Q1 2008 | Q1 2007 | Percent- age change | Full year 2007 |
|----------------------------|--------------------------------|------------------------|---------------------------|-------------------------|
| New orders | 1,805.8 | 2,071.2 | -12.8 | 7,715.7 |
| Work done | 1,812.1 | 1,518.6 | 19.3 | 7,270.4 |
| Order backlog | 7,813.5 | 8,427.5 | -7.3 | 8,379.9 |
| Divisional sales | 1,729.4 | 1,461.5 | 18.3 | 6,953.3 |
| External sales | 1,729.4 | 1,461.5 | 18.3 | 6,953.2 |
| Operating earnings (EBITA) | 20.7 | 12.0 | 72.5 | 77.0 |
| Profit before taxes | 16.2 | 13.0 | 24.6 | 76.0 |
| Capital expenditure | 8.9 | 4.4 | 102.3 | 215.3 |
| Net assets | 461.4 | 246.8 | 87.0 | 482.7 |
| Employees | 11,645 (End Q1 2008) | 8,719 (End Q1 2007) | 33.6 | 9,778 (2007 average) |

In the reporting period, the HOCHTIEF Americas division continued the positive earnings trend from the previous year and still sees no adverse effects from the subprime crisis since the US housing construction market is outside our sphere of focus.

Year-on-year comparisons of order figures are distorted by the currently very weak US dollar. Adjusting for exchange rate changes, **new orders** were up EUR 15.6 million on the strong prior year. The exchange rate effect was thus a negative EUR 281.0 million. A strong increase was achieved in **work done**, which climbed EUR 572.7 million on an exchange rate adjusted basis. The effect of currency translation on the **order backlog** was minus EUR 1.44 billion. Adjusting for this effect, there was a year-on-year increase of EUR 823.4 million in the order backlog.

Both **operating earnings** and **profit before taxes** are above the prior-year figures. Here, the benefits of our long-term approach of pursuing primarily high-margin, technically complex projects are becoming ever more apparent. However, negative factors impacting on earnings were reported from Brazil where, among other things, persistent heavy rainfall resulted in substantial disruptions to construction work on hydroelectric power stations. In addition, the exchange rate negatively affected pretax profit by around EUR 4.1 million.

Firstly as a result of the acquisition of Flatiron, the number of **employees** has risen by just under 2,200. Secondly, the workforce grew over the prior year due to several major construction sites in Brazil.

Integration of the civil engineering company Flatiron Construction Corp. acquired in November 2007 is proceeding according to plan. The company is developing in line with our expectations in terms of operating performance.

In the period under review, our US subsidiary Turner was once again awarded a number of major contracts: Turner was commissioned by Westinghouse Electric Company in Pittsburgh, Pennsylvania, to construct a headquarters campus for the company's nuclear power arm. The project, scheduled for completion in 2010 and worth a total of EUR 142 million, includes the construction of three office buildings with an area of more than 78,000 square meters. All three properties are to receive LEED (Leadership in Energy and Environmental Design) certification, the US distinction for environmentally friendly construction projects.

Turner is also program manager for construction of the Orlando Events Center in Florida. The 18,500-seat multi-purpose arena will be home to the National Basketball Association's Orlando Magic team as of late 2010. In addition, the seven-story center is to host concerts and other events.

Turner is responsible as general contractor for the construction of student housing on the campus of the University of California in San Diego. The project worth EUR 62.5 million covers an area of around 30,000 square meters. Among other things, the facilities include community, meeting and dining rooms.

Flatiron similarly reported new contracts, including two additional construction jobs worth EUR 52.3 million as part of infrastructure projects in California. The extension of an approximately three-kilometer section of Interstate 15 near San Diego is already the fifth contract Flatiron has been awarded by the California Department of Transportation for this project. In connection with the modernization and expansion of the light rail system in Los Angeles, we will be conducting a seismic retrofit of overcrossings and retaining walls facing the adjoining freeway.

HOCHTIEF Americas outlook

Despite the unfavorable exchange rate trend between the US dollar and the euro coupled with projected ramp-up costs for new business sectors, the division anticipates profit before taxes to remain at the high level of the previous year thanks to strong operating performance, also in euros.

HOCHTIEF Asia Pacific Division

The HOCHTIEF Asia Pacific division enjoyed another solid first quarter, continuing on from the excellent performance of the previous year.

New orders shot up by over 200 percent compared with the prior-year quarter to a total of EUR 2 billion. **Work done** was up by 20.7 percent, reaching EUR 2.15 billion with increases recorded in Australia, Asia and the Gulf regions. **External sales** were down by 16.5 percent to EUR 1.24 billion.

The **order backlog** at the end of the first quarter came to EUR 14.28 billion—29.6 percent higher than the comparable prior-year figure—with the award of some large infrastructure and resources related projects.

Operating earnings (EUR 104.2 million) and **profit before taxes** (EUR 83 million) were substantially stronger than the first quarter of 2007 on the back of good contributions from Australian construction and mining, and solid performances from Asia and the Gulf.

Capital expenditure rose by 109.1 percent year on year. Besides procurement of new mining equipment, it includes an equity investment of EUR 150 million to the toll road concession company Connect East which fell due on completion of the Eastlink project.

In the contract mining sector, we expanded both our iron ore and our coal mining activities. Thiess won a EUR 580 million contract to develop and operate a coal mine in India. Thiess will extract over 115 million metric tons of coal from the Chitarpur mine in northeastern India over the twenty year contract term. The contract marks our entry into the Indian mining market. Leighton Asia also secured two resources related projects in the Philippines.

Infrastructure construction has continued to be a major source of activity in Australia. Work on the North South Bypass Tunnel and Gateway Duplication Project in Queensland advanced to plan. Leighton Contractors was appointed to deliver the EUR 430 million Ipswich Motorway Upgrade in Brisbane.

The Eastlink toll road project in Melbourne will be handed over to the client in the second quarter. During the first

| (EUR million) | Q1 2008 | Q1 2007 | Percent- age change | Full year 2007 |
|----------------------------|---------------|---------------|---------------------------|-------------------|
| New orders | 2,000.0 | 626.5 | 219.2 | 10,415.7 |
| Work done | 2,152.8 | 1,783.0 | 20.7 | 7,409.2 |
| Order backlog | 14,284.2 | 11,021.1 | 29.6 | 14,928.9 |
| Divisional sales | 1,242.1 | 1,487.3 | -16.5 | 5,989.8 |
| External sales | 1,242.0 | 1,487.2 | -16.5 | 5,989.4 |
| Operating earnings (EBITA) | 104.2 | 73.2 | 42.3 | 441.3 |
| Profit before taxes | 83.0 | 67.5 | 23.0 | 404.5 |
| Capital expenditure | 305.3 | 146.0 | 109.1 | 1,364.9 |
| Net assets | 2,095.1 | 1,097.5 | 90.9 | 1,759.8 |
| Employees | 29,962 | 26,117 | 14.7 | 27,940 |
| | (End Q1 2008) | (End Q1 2007) | | (2007 average) |

quarter, Leighton made a provision of some EUR 49 million against its investment in the concession company operating Sydney Lane Cove Tunnel as vehicle numbers are currently short of the projections.

In India, our subsidiary was awarded a contract worth over EUR 465 million to engineer and install a 200-kilometer offshore pipeline to carry oil and gas. The client is Oil and Natural Gas Corporation Limited, Asia's largest natural gas and petroleum company. Leighton Asia secured the construction of a new EUR 51 million aircraft hangar at Hong Kong International Airport.

Through its 45 percent-owned associate Al Habtoor Engineering, Leighton has been awarded several contracts in the Gulf region: The company is to construct a major office and commercial development worth EUR 238 million in Abu Dhabi.

HOCHTIEF Asia Pacific outlook

The outlook for the Asia Pacific division remains very positive. Demand in Australian infrastructure construction and in the resources market continue to shape the business. The booming Asian markets are also driving divisional business growth. The Gulf operations likewise continue to perform strongly with prospects in the region being converted to contracts. The division's record order backlog provides an excellent base for an increase in profit before taxes for the 2008 fiscal year.

HOCHTIEF Concessions Division

| (EUR million) | Q1 2008 | Q1 2007 | Percent- age change | Full year 2007 |
|-----------------------------------|----------------|---------------|---------------------------|-------------------|
| New orders | 11.5 | 2.0 | 475.0 | 415.3 |
| Of which HOCHTIEF AirPort | 2.2 | 0.2 | - | 28.0 |
| Of which HOCHTIEF PPP Solutions | 9.3 | 1.8 | 416.7 | 387.3 |
| Work done | 39.0 | 37.9 | 2.9 | 196.0 |
| Of which HOCHTIEF AirPort | 2.2 | 0.2 | - | 28.0 |
| Of which HOCHTIEF PPP Solutions | 36.8 | 37.7 | -2.4 | 168.0 |
| Order backlog | 665.1 | 437.9 | 51.9 | 692.7 |
| Of which HOCHTIEF AirPort | 0.0 | 0.0 | - | 0.0 |
| Of which HOCHTIEF PPP Solutions | 665.1 | 437.9 | 51.9 | 692.7 |
| Divisional sales | 38.5 | 38.0 | 1.3 | 198.6 |
| Of which HOCHTIEF AirPort | 2.1 | 0.2 | 950.0 | 28.0 |
| Of which HOCHTIEF PPP Solutions | 36.4 | 37.8 | -3.7 | 170.6 |
| External sales | 38.2 | 37.8 | 1.1 | 197.9 |
| Of which HOCHTIEF AirPort | 1.8 | 0.0 | - | 27.4 |
| Of which HOCHTIEF PPP Solutions | 36.4 | 37.8 | -3.7 | 170.5 |
| Operating earnings (EBITA) | 33.9 | 18.7 | 81.3 | 185.3 |
| Of which HOCHTIEF AirPort | 27.4 | 19.3 | 42.0 | 168.3 |
| Of which HOCHTIEF PPP Solutions | 6.5 | (0.6) | - | 17.0 |
| Profit before taxes | 27.5 | 12.4 | 121.8 | 155.3 |
| Of which HOCHTIEF AirPort | 23.1 | 14.8 | 56.1 | 142.4 |
| Of which HOCHTIEF PPP Solutions | 4.4 | (2.4) | - | 12.9 |
| Capital expenditure | 3.7 | 74.1 | -95.0 | 131.3 |
| Of which HOCHTIEF AirPort | 0.0 | 73.6 | -100.0 | 123.8 |
| Of which HOCHTIEF PPP Solutions | 3.7 | 0.5 | 640.0 | 7.5 |
| Net assets | 1,297.1 | 926.1 | 40.1 | 1,242.9 |
| Of which HOCHTIEF AirPort | 1,047.2 | 772.6 | 35.5 | 1,013.5 |
| Of which HOCHTIEF PPP Solutions | 249.9 | 153.5 | 62.8 | 229.4 |
| Employees | 202 | 170 | 18.8 | 186 |
| Of which HOCHTIEF AirPort | 77 | 61 | 26.2 | 66 |
| Of which HOCHTIEF PPP Solutions | 125 | 109 | 14.7 | 120 |
| | (End Q1 2008) | (End Q1 2007) | | (2007 average) |

HOCHTIEF Concessions is a new division encompassing the companies HOCHTIEF AirPort and HOCHTIEF PPP Solutions.

In the first quarter of 2008, it posted **profit before taxes** of EUR 27.5 million, which represents a year-on-year increase of EUR 15.1 million. Compared with the previous year, **operating earnings** rose by more than 80 percent to EUR 33.9 million. The upturn is largely attributable to the favorable development of the airport portfolio. Refunded initial costs and commission payable on the financial close of the Maliakos-Kleidi toll road project also made a major contribution to the positive earnings.

HOCHTIEF AirPort

The six airport holdings grew very satisfactorily in the first three months of the year. Tirana International Airport reported above-average passenger growth of well over 20 percent. Budapest Airport (seven percent), Hamburg Airport (6.2 percent) and Düsseldorf International (4.6 percent) also made further progress. The continuing expansion of the route network at all of the airports played a major role in achieving these gains.

Developing the infrastructure in line with growing traffic figures ensures an airport's long-term success. For this reason, each of the six airports are investing in enlargement. Expanding the infrastructure will involve spending more than EUR 300 million at Düsseldorf International and in excess of EUR 350 million at Sydney Airport. Budapest Airport launched an investment program codenamed BUD Future, with a volume of EUR 261 million. The second expansion phase gets underway at Tirana Airport in mid-2008.

HOCHTIEF PPP Solutions

HOCHTIEF PPP Solutions has won the first German PPP building construction project in the defense sector. We are to design, finance, build and operate the Fürst Wrede barracks in Munich. The concession agreement was signed in April 2008. We are therefore posting the project, which is worth around EUR 164 million, in our accounts in the second quarter. On the UK building construction market, the company was named a preferred bidder at the beginning of 2008 for designing, financing, building and operating a community and leisure center in Wigan. The financial close is expected before the end of 2008.

The financing agreements for the Maliakos-Kleidi toll road project in Greece have already been concluded. In concert with its partners, HOCHTIEF PPP Solutions took over operation and started collecting tolls on the 230-kilometer section of road in March 2008. In the German toll road sector, construction work started on schedule at the beginning of the year on the A4 "A-model" project in Thuringia. Together with partners, HOCHTIEF PPP Solutions is one of two final bidders for the A5 "A-model" project in Baden-Württemberg.

HOCHTIEF Concessions outlook

The Concessions division will develop favorably and expects its operating earnings to grow further. Earnings at the end of 2007 were boosted by non-recurring contributions to operating and non-operating earnings by HOCHTIEF AirPort which by the nature of non-recurring items will not be repeated this year.

HOCHTIEF AirPort aims to pursue the systematic expansion of its airport portfolio and has stated its interest in Chicago Midway Airport, which is about to be privatized. HOCHTIEF PPP Solutions is reinforcing its auspicious business development by way of further diversification into the health-care and renewable energy segments. Relevant projects are already being followed up, for instance, in the geothermal energy sector.

HOCHTIEF Europe Division

Measured against the first quarter of 2007, HOCHTIEF Europe significantly pushed up its **new orders**, by 41.5 percent. The bulk of the EUR 353.7 million increase was achieved with foreign orders. **Work done** increased by EUR 77.8 million, or 13.7 percent, compared with the prior-year figure. Here again, the growth was driven largely by foreign business. The **order backlog** also increased, so that generally good capacity utilization is assured. **Divisional** and **external sales** climbed year on year by 6.9 and 8.3 percent respectively. The increase was fueled in particular by higher revenues from international infrastructure projects.

Overheads on current loss-making projects prevented the division from returning to positive figures for **operating earnings** and **profit before taxes**.

The rise in **net assets**, measured against the first three months of 2007, stems chiefly from project companies being included in the consolidated financial statements for the first time.

Driven in particular by an increase in the number of projects in Eastern Europe, the number of **employees** rose by 4.7 percent.

In view of the previous year's losses in German building construction, we have adopted a new structure for this segment. Core and shell work, residential construction and our real estate development business became independent units with leaner structures at the start of the year. The organizational restructuring was concluded in the first quarter of 2008.

In conjunction with another Group company, namely HOCHTIEF PPP Solutions, HOCHTIEF Construction is playing a major role in two substantial public-private partnership projects. First, it is engaged in building the 230-kilometer Maliakos-Kleidi toll freeway in Greece. Its share of the contract totals around EUR 315 million. Second, HOCHTIEF Construction is responsible for the renovation and construction works at the Fürst Wrede barracks in Munich. This contract is valued at about EUR 45 million.

In the Düsseldorf Media Harbor area, we are general contractor for the building pit, core and shell as well as special civil engineering works of the Hafenspitze hotel and office project. Besides a 19-story luxury hotel, the project encom-

| (EUR million) | Q1 2008 | Q1 2007 | Percent- age change | Full year 2007 |
|----------------------------|----------------|---------------|---------------------------|-------------------|
| New orders | 1,206.7 | 853.0 | 41.5 | 3,176.1 |
| Work done | 646.4 | 568.6 | 13.7 | 2,868.5 |
| Order backlog | 4,142.3 | 3,503.0 | 18.3 | 3,545.6 |
| Divisional sales | 519.4 | 486.0 | 6.9 | 2,321.3 |
| External sales | 494.1 | 456.3 | 8.3 | 2,169.5 |
| Operating earnings (EBITA) | (13.5) | (27.5) | 50.9 | (131.7) |
| Profit before taxes | (9.4) | (25.2) | 62.7 | (149.4) |
| Capital expenditure | 5.8 | 5.3 | 9.4 | 29.5 |
| Net assets | 593.0 | 476.8 | 24.4 | 575.0 |
| Employees | 9,004 | 8,598 | 4.7 | 8,807 |
| | (End Q1 2008) | (End Q1 2007) | | (2007 average) |

passes a 17-story office building as well as further offices in an additional section of the complex. The contract value is in excess of EUR 36 million.

The other focus of activities in Germany was infrastructure projects. In Cuxhaven, HOCHTIEF Construction is part of a joint venture building a quay facility scheduled for completion at the end of 2009. This project, which was awarded by the state of Lower Saxony, is worth around EUR 10 million. In Berlin, we are working on a road building project—the Ostkreuz redevelopment—worth about EUR 20 million.

Infrastructure works were also prominent in the international business segment in the first quarter. In Sweden, HOCHTIEF Construction is building two sections of the north Stockholm bypass together with a partner. A pair of two-lane tunnels and a section of road are to be completed by 2012. The HOCHTIEF share of the contract volume is around EUR 65 million. In a joint venture with our company in the United Kingdom and an external consortium partner, we are building an energy recovery facility in Newhaven in the UK. HOCHTIEF has secured a share of nearly EUR 80 million. In Bulgaria, HOCHTIEF Construction is the general contractor for a sewage plant construction project. It has a value of almost EUR 23 million.

HOCHTIEF Europe outlook

The division expects to post a small operating profit in 2008. Further potential capacity adjustments can, however, still exert a negative influence on the profit before taxes for the current fiscal year. In addition, earnings will be reduced by overheads on final closure of loss-making contracts started in previous years.

HOCHTIEF Real Estate Division

| (EUR million) | Q1 2008 | Q1 2007 | Percent- age change | Full year 2007 |
|----------------------------|---------------|---------------|---------------------------|-------------------|
| New orders | 153.5 | 274.4 | -44.1 | 965.0 |
| Work done | 124.4 | 99.7 | 24.8 | 521.0 |
| Order backlog | 1,033.7 | 719.1 | 43.7 | 1,042.0 |
| Divisional sales | 111.3 | 99.4 | 12.0 | 493.5 |
| External sales | 108.8 | 96.6 | 12.6 | 480.4 |
| Operating earnings (EBITA) | 8.6 | 4.2 | 104.8 | 63.0 |
| Profit before taxes | 3.5 | 2.9 | 20.7 | 58.6 |
| Capital expenditure | 2.7 | 0.2 | - | 12.6 |
| Net assets | 787.0 | 432.1 | 82.1 | 735.8 |
| Employees | 814 | 289 | 181.7 | 455 |
| | (End Q1 2008) | (End Q1 2007) | | (2007 average) |

The new HOCHTIEF Real Estate division embraces four companies, namely HOCHTIEF Projektentwicklung, aurelis Real Estate, HOCHTIEF Property Management and Deutsche Bau- und Siedlungsgesellschaft.

New orders in the first quarter were lower than the prior year's exceptional posting, but the **order backlog** was very high. It advanced by more than 40 percent because of the previous year's very healthy order intake by HOCHTIEF Projektentwicklung and the inclusion in the figures of HOCHTIEF Property Management, founded in mid-2007.

Work done and **external sales** increased year on year by 24.8 and 12.6 percent respectively. The key factors here were the progress made on development projects at home and abroad.

Operating earnings were significantly higher than the year before. The rise is chiefly attributable to the disposal of several small projects.

Unlike in the previous year, **profit before taxes** includes the interest paid to finance the acquisition of aurelis Real Estate.

The appreciable rise in **net assets** reflects the growth strategy of HOCHTIEF Projektentwicklung and the acquisition of aurelis Real Estate.

In the first quarter, HOCHTIEF Projektentwicklung successfully sustained its international expansion strategy. The first project being undertaken by HOCHTIEF Development Schweiz, the company founded in Switzerland in 2007, is the Portikon office and business property in Zurich. Thirty-

eight percent of the seven-story atrium building, which has a gross floor area of more than 19,500 square meters, has already been let to Baxter Healthcare SA. HOCHTIEF Projektentwicklung is now also represented in Russia. At the turn of the year, it founded its eighth foreign branch with a new office in St. Petersburg.

We are systematically extending our commitment to the emerging care property market segment. In the first quarter, we celebrated the topping-out of two care facilities in Dortmund and Kelkheim. In Schöllkrippen near Aschaffenburg, we are building a home for senior citizens and care patients. With this project, HOCHTIEF Projektentwicklung is launching a long-term collaboration with BeneVit, an experienced operator of care facilities driven by an innovative residential and support concept. Our second joint project entails the development of a care property in Erlensee near Frankfurt, where construction work is scheduled to start in May 2008. Further projects in Germany are to follow.

In the first quarter of 2008, we handed over the Office S285/287 building in Osnabrück, with a gross floor area of around 4,200 square meters, to Hamborner AG. The Hasporter Damm convenience shopping center in Delmenhorst offering around 2,800 square meters of retail space was completed for a Danish client, Kristensen Properties A/S.

As of March 31, 2008, HOCHTIEF Projektentwicklung was engaged in current construction projects worth more than EUR 1.3 billion.

aurelis Real Estate, in which HOCHTIEF holds a 50 percent stake, is performing very favorably. Among other projects in the first quarter, it disposed of a large, attractive former railroad company plot in Heidelberg.

Effective January 1, 2008, HOCHTIEF Property Management assumed responsibility for managing a part of the aurelis portfolio comprising 115 properties with rentable space of around one million square meters.

HOCHTIEF Real Estate outlook

The division anticipates another healthy pretax profit for fiscal 2008, albeit below the exceptional prior-year figure.

HOCHTIEF Services Division

This newly formed division consists of two companies: HOCHTIEF Facility Management and HOCHTIEF Energy Management.

Measured against the first three months of 2007, its **new orders** climbed by 8.5 percent to EUR 137.2 million. The rise is attributable to activities both abroad and at home, where the division acquired several appealing projects, including the orders for the Abbott pharmaceutical group and the Fürst Wrede barracks. By way of a school project in Bremen, the Energy Management unit also contributed to the increase in new orders.

Both **work done** and **external sales** were considerably higher than the previous year's figures. The surge originates from the acquisition of additional work in connection with existing projects in Germany and from the new orders won in 2007. The school projects in the United Kingdom that got underway in 2007 and our sports facility projects in Greece also contributed to the rise in work done. The year-on-year increase in work done by the Energy Management unit is largely attributable to the acquisition of Vattenfall Europe Contracting in 2007. The **order backlog** advanced as well, by 50.4 percent, because of the long-term major projects acquired in 2007.

Operating earnings reached EUR 4.2 million, an increase of nearly 24 percent on the figure for the first three months of 2007. **Profit before taxes** was up 6.3 percent on the same period in 2007, at EUR 3.4 million. The cost of finance for the Vattenfall acquisition is reflected in this figure.

This acquisition also made a strong impact on **net assets**, which rose year on year by 111.2 percent.

Acquisitions, including Vattenfall in particular, raised the number of **employees** to 5,542.

HOCHTIEF Facility Management remains on course for further growth both in Germany and—to an increasing extent—in the international arena, also through the company's expansion into new markets. For the next five years, HOCHTIEF Facility Management Swiss will be responsible for managing the technical and infrastructure facilities of the Biopark Rosental research site in Basel. This R&D fa-

| (EUR million) | Q1 2008 | Q1 2007 | Percent- age change | Full year 2007 |
|----------------------------|------------------------|------------------------|---------------------------|-------------------------|
| New orders | 137.2 | 126.5 | 8.5 | 892.6 |
| Work done | 162.0 | 123.7 | 31.0 | 582.3 |
| Order backlog | 1,528.6 | 1,016.5 | 50.4 | 1,602.2 |
| Divisional sales | 161.7 | 122.2 | 32.3 | 582.1 |
| External sales | 160.6 | 119.3 | 34.6 | 555.9 |
| Operating earnings (EBITA) | 4.2 | 3.4 | 23.5 | 22.0 |
| Profit before taxes | 3.4 | 3.2 | 6.3 | 20.4 |
| Capital expenditure | 1.0 | 0.8 | 25.0 | 16.5 |
| Net assets | 207.0 | 98.0 | 111.2 | 179.0 |
| Employees | 5,542 (End Q1 2008) | 4,362 (End Q1 2007) | 27.1 | 4,771 (2007 average) |

cility serves companies in the chemical, pharmaceutical and biotechnical industries.

In addition, HOCHTIEF Facility Management is to take charge of managing the Ludwigshafen facility of Abbott, the international pharmaceutical manufacturer, within the framework of an outsourcing project. Abbott produces active ingredients and medication on this site.

Following the acquisition of Vattenfall Europe Contracting in 2007, we founded HOCHTIEF Energy Management GmbH in January 2008. Our existing energy management business was brought into the new company, which ranks among the leading German providers in the energy contracting and energy management sectors.

The new orders won by HOCHTIEF Energy Management in the first quarter of 2008 included an energy-saving contracting assignment for seven schools in Bremen. In the next ten years, we are to reduce the educational establishments' energy costs by an annual total of EUR 319,000. HOCHTIEF is guaranteeing the client a cost saving of 35 percent a year for the entire term of the project.

HOCHTIEF Services outlook

HOCHTIEF Services will continue to grow its business. It will be concentrating on expanding into new markets abroad and on acquisitions in Germany, including by way of outsourcing projects. The costs associated with this strategy will diminish the division's earnings. The HOCHTIEF Services division expects to close the year with profit before taxes below the previous year's level.

In the Spotlight

A new corporate structure to reflect the Group's strategic development

Effective January 1, 2008, HOCHTIEF changed its corporate structure. It now operates under the following six divisions: HOCHTIEF Americas, HOCHTIEF Asia Pacific, HOCHTIEF Concessions, HOCHTIEF Europe, HOCHTIEF Real Estate and HOCHTIEF Services.*

This restructuring serves to reflect our strategic development. Over the last ten years, HOCHTIEF has continued to evolve in defining ways. At the beginning of the 1990s, it was still a traditional German-style construction company. Then it started to undergo a rigorous realignment. HOCHTIEF's focus shifted—firstly, to building an international construction business. Its expansion and acquisitions in foreign markets led to the creation of the HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF Europe divisions. For these three units, the new structure involve no changes whatsoever.

Secondly, we have systematically tapped new business segments beyond construction, for example, by moving into property development as well as the management and operation of properties, facilities and infrastructure projects, and by building a first-rate portfolio of infrastructure concessions.

HOCHTIEF can no longer be likened to a traditional construction company. Rather, the HOCHTIEF Group's strategy is based on covering the entire life cycle of infrastructure projects, real estate and facilities. Our four modules, namely development, construction, services, and concessions and operation, are the embodiment of this approach. By introducing a new structure to mirror the Group's development, we are providing even greater transparency and thus enabling all our business activities to be clearly evaluated.

HOCHTIEF AirPort and HOCHTIEF PPP Solutions have been brought together under the **HOCHTIEF Concessions division**. Both companies have considerable international experience in designing, financing, building and operating complex projects. We currently hold stakes in six airports, seven toll roads and 15 projects in the public buildings segment. Across these different asset types, our companies operate using similar business models, such as in project financing and structuring. The greater market clout

gained from bundling activities in one division will enable us to become an even stronger, more agile market player. We are also underlining the importance of a segment that will only continue to grow in significance for the Group going forward.

HOCHTIEF Projektentwicklung, aurelis Real Estate, HOCHTIEF Property Management and Deutsche Bau- und Siedlungsgesellschaft (asset management) are now part of the new **HOCHTIEF Real Estate division**, which combines our real estate and real estate portfolio activities. At the heart of this division is HOCHTIEF Projektentwicklung, which was established in 1991. Over the last five years alone, we have developed 58 projects representing a total investment of more than EUR 2.63 billion. While the German market is still the focal point, we are also increasingly active in Central and Eastern Europe. In 2007, we significantly bolstered our position in this segment by acquiring a 50 percent stake in aurelis Real Estate and also boosted our real estate expertise by expanding our property management activities. We currently manage more than seven million square meters of real estate in a fiduciary capacity on behalf of investors.

The new **HOCHTIEF Services division** comprises our facility and energy management activities. Established in 1996, HOCHTIEF Facility Management supports clients by providing a range of integrated solutions for the operation of properties and facilities. We focus on technical and industrial facility management and have established ourselves as a reliable outsourcing partner. HOCHTIEF currently manages more than 26 million square meters of building space. Additionally, in 2007 we strengthened our energy contracting services and, in January 2008, set up HOCHTIEF Energy Management. Through these activities, we are focusing firmly on an area that is key to sustainability and positioning ourselves in a growing market.

HOCHTIEF continues to evolve. Our global setup coupled with our stronger positioning in the concessions and operation and services modules are central elements of our strategy. Our new structure reflects this focus.

*The new structure is illustrated on the back page of this report.



Interim Financial Statements

Consolidated Statement of Earnings

| (EUR thousand) | Q1 2008 | Q1 2007 | Percentage change | Full year 2007 |
|---|----------------|---------------|-------------------|----------------|
| Sales | 3,801,052 | 3,684,630* | 3.2 | 16,451,752 |
| Changes in inventories | 420 | 730 | -42.5 | (176) |
| Other operating income | 37,675 | 21,637 | 74.1 | 230,795 |
| Materials | (2,788,076) | (2,728,028) | 2.2 | (12,326,831) |
| Personnel costs | (686,948) | (660,481) | 4.0 | (2,806,801) |
| Depreciation and amortization | (81,584) | (79,552) | 2.6 | (312,490) |
| Other operating expenses | (257,489) | (209,024) | 23.2 | (1,113,357) |
| Profit from operating activities | 25,050 | 29,912 | -16.3 | 122,892 |
| Share of profits and losses of equity-method associated and jointly controlled entities | 85,868 | 24,675* | 248.0 | 265,883 |
| Net income from other participating interests | 10,210 | 11,327 | -9.9 | 88,420 |
| Investment and interest income | 24,581 | 17,423 | 41.1 | 130,608 |
| Investment and interest expenses | (42,419) | (17,484) | 142.6 | (106,482) |
| Profit before taxes | 103,290 | 65,853 | 56.8 | 501,321 |
| Income taxes | (34,279) | (23,758) | 44.3 | (160,301) |
| Profit after taxes | 69,011 | 42,095 | 63.9 | 341,020 |
| Of which: Consolidated net profit | 32,058 | 9,567 | 235.1 | 140,696 |
| Of which: Minority interest | 36,953 | 32,528 | 13.6 | 200,324 |

*Due to a change in presentation, the Group's share of profits and losses of jointly controlled entities in the first quarter of 2007—an amount of EUR 10,002,000—is included in the share of profits and losses of equity-method associates and jointly controlled entities instead of in sales as in the previous year.

Consolidated Balance Sheet

| (EUR thousand) | Mar. 31, 2008 | Dec. 31, 2007 | (EUR thousand) | Mar. 31, 2008 | Dec. 31, 2007 |
|------------------------------------|-------------------|-------------------|---|-------------------|-------------------|
| Assets | | | Liabilities and Shareholders' Equity | | |
| Non-current assets | | | Shareholders' equity | | |
| Intangible assets | 483,688 | 505,145 | Attributable to the Group | 2,268,432 | 2,297,720 |
| Property, plant and equipment | 1,039,082 | 1,027,641 | Minority interest | 676,903 | 703,100 |
| Investment properties | 41,124 | 41,199 | | 2,945,335 | 3,000,820 |
| Equity-method investments | 1,479,621 | 1,462,459 | Non-current liabilities | | |
| Other financial assets | 738,362 | 555,655 | Provisions for pensions and similar obligations | 28,630 | 29,010 |
| Financial receivables | 369,041 | 365,175 | Other provisions | 312,396 | 316,382 |
| Other receivables and other assets | 147,606 | 130,958 | Financial liabilities | 1,421,608 | 1,324,028 |
| Deferred tax assets | 166,191 | 169,419 | Other liabilities | 81,492 | 79,434 |
| | 4,464,715 | 4,257,651 | Deferred tax liabilities | 83,093 | 82,103 |
| Current assets | | | | 1,927,219 | 1,830,957 |
| Inventories | 120,946 | 120,088 | Current liabilities | | |
| Financial receivables | 101,923 | 81,294 | Other provisions | 757,828 | 755,158 |
| Trade receivables | 3,718,667 | 3,691,166 | Financial liabilities | 1,089,923 | 642,719 |
| Other receivables and other assets | 247,049 | 311,683 | Trade payables | 3,760,865 | 4,143,392 |
| Current income tax assets | 21,674 | 26,144 | Other liabilities | 292,817 | 273,902 |
| Marketable securities | 774,467 | 766,384 | Current income tax liabilities | 14,024 | 9,989 |
| Cash and cash equivalents | 1,338,570 | 1,402,527 | | 5,915,457 | 5,825,160 |
| | 6,323,296 | 6,399,286 | | 10,788,011 | 10,656,937 |
| | 10,788,011 | 10,656,937 | | | |

Consolidated Statement of Cash Flows

| (EUR thousand) | Q1 2008 | Q1 2007 |
|--|------------------|------------------|
| Profit after taxes | 69,011 | 42,095 |
| Depreciation/write-ups | 81,548 | 79,425 |
| Changes in provisions | 7,784 | (21,599) |
| Changes in deferred taxes | 6,385 | 5,343 |
| Net gain from disposals of fixed assets and marketable securities | (6,371) | (3,106) |
| Other non-cash income and expenses (primarily equity valuation) and deconsolidations | (32,141) | (12,369) |
| Changes in working capital (net current assets) | (315,247) | (464,696) |
| Changes in other balance sheet items | (995) | 290 |
| Net cash used in operating activities | (190,026) | (374,617) |
| Intangible assets, property, plant and equipment, and investment properties | | |
| Purchases | (164,695) | (102,628) |
| Proceeds from asset disposals | 46,750 | 18,229 |
| Acquisitions and participating interests | | |
| Purchases | (167,824) | (129,172) |
| Proceeds from asset disposals/divestments | – | – |
| Changes in cash and cash equivalents due to consolidation changes | – | – |
| Changes in securities holdings and liquid investments | (67,487) | 51,089 |
| Net cash used in investing activities | (353,256) | (162,482) |
| Payments for repurchase of treasury stock | (3,488) | – |
| Dividends to minority shareholders | (44,476) | (34,291) |
| Proceeds from new borrowing | 697,063 | 133,818 |
| Service of debt | (103,897) | (12,436) |
| Net cash provided by financing activities | 545,202 | 87,091 |
| Net cash decrease in cash and cash equivalents | 1,920 | (450,008) |
| Effect of exchange rate changes | (65,877) | (2,064) |
| Overall change in cash and cash equivalents | (63,957) | (452,072) |
| Cash and cash equivalents at the start of the year | 1,402,527 | 1,397,012 |
| Cash and cash equivalents as of March 31, 2008 | 1,338,570 | 944,940 |

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 | Currency translation differences | Marking of financial instruments to fair value | Actuarial gains and losses | Attributable to the Group | Attributable to minority interest | Total |
|---|---|--|---|--|----------------------------------|--|----------------------------|---------------------------|-----------------------------------|------------------|
| Balance as of Jan. 1, 2007 | 179,200 | 400,806 | 1,387,593 | (77,050) | 15,238 | (98,112) | | 1,807,675 | 538,028 | 2,345,703 |
| Dividends paid | - | - | - | - | - | - | - | - | (34,291) | (34,291) |
| Profit after taxes | - | - | 9,567 | - | - | - | - | 9,567 | 32,528 | 42,095 |
| Currency translation differences and marking of financial instruments to fair value | - | - | - | (3,818) | 5,311 | - | - | 1,493 | 1,202 | 2,695 |
| Changes in actuarial gains and losses | - | - | - | - | - | - | 4,865 | 4,865 | - | 4,865 |
| Other changes not recognized in the Statement of Earnings | - | - | (5,892) | - | - | - | - | (5,892) | 492 | (5,400) |
| Balance as of March 31, 2007 | 179,200 | 400,806 | 1,391,268 | (80,868) | 20,549 | (93,247) | | 1,817,708 | 537,959 | 2,355,667 |
| Balance as of Jan. 1, 2008 | 179,200 | 400,806 | 1,784,855 | (131,901) | 118,822 | (54,062) | | 2,297,720 | 703,100 | 3,000,820 |
| Dividends paid | - | - | - | - | - | - | - | - | (44,476) | (44,476) |
| Profit after taxes | - | - | 32,058 | - | - | - | - | 32,058 | 36,953 | 69,011 |
| Currency translation differences and marking of financial instruments to fair value | - | - | - | (39,437) | (28,891) | - | - | (68,328) | (20,456) | (88,784) |
| Changes in actuarial gains and losses | - | - | - | - | - | - | 9,239 | 9,239 | - | 9,239 |
| Other changes not recognized in the Statement of Earnings | - | - | (2,257) | - | - | - | - | (2,257) | 1,782 | (475) |
| Balance as of March 31, 2008 | 179,200 | 400,806 | 1,814,656 | (171,338) | 89,931 | (44,823) | | 2,268,432 | 676,903 | 2,945,335 |

*As of March 31, 2008, own stock with an acquisition cost of EUR 3,488,000 is accounted for as a deduction from revenue reserves (March 31, 2007: 135,021,000)

Statement of Recognized Income and Expense

| (EUR thousand) | Q1 2008 | Q1 2007 | Change | 01-12 2007 |
|---|-----------------|---------------|-----------------|----------------|
| Profit after taxes | 69,011 | 42,095 | 26,916 | 341,020 |
| Currency translation differences | (51,360) | (2,810) | (48,550) | (69,510) |
| Changes in fair value of financial instruments | | | | |
| - Primary | 2,905 | 1,010 | 1,895 | 152,834 |
| - Derivative | (40,329) | 4,495 | (44,824) | 38,774 |
| Actuarial gains and losses* | 9,239 | 4,865 | 4,374 | 44,026 |
| Income and expense recognized directly in equity | (79,545) | 7,560 | (87,105) | 166,124 |
| Total income and expense recognized in the fiscal year | (10,534) | 49,655 | (60,189) | 507,144 |
| Of which: HOCHTIEF Group | (27,031) | 15,925 | (42,956) | 233,479 |
| Of which: Minority interest | 16,497 | 33,730 | (17,233) | 273,665 |

*Including amount charged directly to equity due to asset limit under IAS 19.58

Notes to the Consolidated Financial Statements

Accounting policies

The Consolidated Financial Statements as of March 31, 2008 are 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.

This interim report is based on the Consolidated Financial Statements as of and for the year ending December 31, 2007. With effect from March 31, 2008, the discount factor for valuing domestic pension obligations was increased to 6 percent to reflect increased capital market interest rates (December 31, 2007: 5.5 percent). The change in Group structure has resulted in an adjustment relating to interest credited when determining operating earnings. Unlike in the previous year's published reports, an interest credit is only recognized for the divisions within the Construction module, i.e. Americas, Asia Pacific and Europe. In all other respects, this report has been prepared using the same accounting policies as the 2007 Consolidated Financial Statements. Information on those accounting policies is given in the 2007 Annual Report.

Consolidation changes

One domestic company was added to the consolidated group in the first three months of fiscal 2008.

One domestic and one foreign company were included on an equity accounting basis for the first time.

After these changes, the Consolidated Financial Statements include HOCHTIEF Aktiengesellschaft and a total of 51 domestic and 317 foreign consolidated companies plus 14 domestic and 101 foreign companies accounted for using the equity method.

Own shares

The Company held a total of 53,000 of its own shares as of March 31, 2008. These shares were acquired in January 2008 for a total of EUR 3,488,163 (average price per share EUR 65.81) in order to offer them for purchase by persons in the Company's employment or in the employment of an affiliate. The shares represent EUR 135,680 (0.08 percent) of the Company's capital stock.

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees and letters of comfort; they have increased since December 31, 2007 by EUR 5,799,000 to EUR 23,670,000.

Segment reporting

Segmental reporting in the HOCHTIEF Group is based on the Group's divisional operations. The breakdown by divisions and regions mirrors the Group's internal reporting systems. Detailed information on the various segments making up the HOCHTIEF Group is provided herein in the Interim Management Report. HOCHTIEF changed its Group structure with effect from January 1, 2008.

Related party disclosures

There has been no change in the companies and individuals comprising related parties of HOCHTIEF Aktiengesellschaft and HOCHTIEF Group companies. The information provided in this regard in the notes to the most recent Consolidated Financial Statements therefore continues to apply.

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 2008 | Q1 2007 |
|---|----------------|---------------|
| Profit from operating activities | 25,050 | 29,912 |
| + Net income from participating interests | 96,078 | 36,002 |
| - Non-operating earnings | (+) 768 | (+) 114 |
| + Interest credited* | 9,992 | 5,900 |
| Operating earnings (EBITA) | 131,888 | 71,928 |

*The change in Group structure has resulted in an adjustment relating to the interest credit. Unlike in the previous year's published reports, an interest credit is only recognized for the divisions within the Construction module, i.e. Americas, Asia Pacific and Europe.

Undiluted and diluted earnings per share

| | Q1 2008 | Q2 2007 |
|--|---------------|--------------|
| Consolidated net profit (EUR thousand) | 32,058 | 9,567 |
| Number of shares in circulation (weighted average) | 69,947,000 | 65,687,941 |
| Earnings per share (EUR) | 0.46 | 0.15 |

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 principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Essen, April 30, 2008

The Executive Board

Dr. Lütkestratkötter Ehlers Dr. Lohr

Dr. Noé Dr. Rohr

Financial Calendar

Publication Details and Credits

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August 14, 2008

Half-Year Report at June 30, 2008
Analysts' and Investors' Conference

November 14, 2008

Interim Report at September 30, 2008
Fall Press Conference
Conference Call with Analysts and Investors

March 25, 2009

2008 Annual Report
Business Results Press Conference
Analysts' and Investors' Conference

The editorial deadline for this quarterly report was April 30, 2008; the report was published on May 15, 2008.

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

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

Corporate Headquarters (management holding company)

| HOCHTIEF Americas division | HOCHTIEF Asia Pacific division | HOCHTIEF Concessions division | HOCHTIEF Europe division | HOCHTIEF Real Estate division | HOCHTIEF Services division |
|----------------------------------|--|---|--|--|--|
| The Turner Corporation, USA | Leighton Holdings Limited, Australia | HOCHTIEF PPP Solutions GmbH, in: Chile, Germany, Ireland, UK, USA | HOCHTIEF Construction AG, in: Austria, Bulgaria, Chile, Czech Republic, Germany, Hungary, India, Luxembourg, Poland, Qatar, Romania, Russia, Sweden, UK, Ukraine | HOCHTIEF Projektentwicklung GmbH, in: Austria, Czech Republic, Germany, Hungary, Poland, Romania, Russia, Switzerland, | HOCHTIEF Facility Management GmbH, in: Bahrain, Germany, Greece, Hungary, Ireland, Luxembourg, Poland, Switzerland, UK |
| Turner Construction Company, USA | Leighton Contractors Pty Limited, in: Australia, New Zealand | HOCHTIEF AirPort GmbH, Germany | Durst-Bau GmbH, Austria | aurelis Real Estate GmbH & Co. KG, Germany | HOCHTIEF Energy Management GmbH, Germany |
| Flatiron Construction Corp., USA | Leighton Asia Limited, in: Cambodia, China, Hong Kong, Laos, Macau, Mongolia, Philippines, Thailand, Vietnam | HOCHTIEF AirPort Capital Verwaltungs-GmbH & Co. KG, Germany | Streif Baulogistik GmbH, in: Austria, Bulgaria, Denmark, Germany, Poland, Ukraine | HOCHTIEF Property Management GmbH, Germany | |
| HOCHTIEF do Brasil S.A., Brazil | Leighton International Limited, in: India, Indonesia, Malaysia, Singapore, Sri Lanka | HOCHTIEF AirPort Retail SHPK, Albania | HOCHTIEF Global Trade GmbH, Germany | Deutsche Bau- und Siedlungs-Gesellschaft mbH, Germany | |
| | Leighton Properties Pty Limited, Australia | Athens International Airport S.A., Greece | HOCHTIEF Procurement Asia Ltd., Hong Kong | | |
| | Devine Ltd., Australia | Budapest Airport Zrt., Hungary | | | |
| | Thiess Pty Ltd., in: Australia, India, Indonesia | Flughafen Düsseldorf GmbH, Germany | | | |
| | John Holland Group Pty Ltd., Australia | Flughafen Hamburg GmbH, Germany | | | |
| | Al Habtoor Engineering LLC, in: Abu Dhabi, Dubai, Qatar | Sydney Airport Corporation Ltd., Australia | | | |
| | | Tirana Airport Partner SHPK, Albania | | | |
| | | Transport & Logistics Consultancy Ltd., UK | | | |

Cover photo:

With the four modules of our service portfolio—development, construction, services as well as concessions and operation—we cover the entire life cycle of infrastructure projects, real estate and facilities. We have adapted our Group structure accordingly and now have the six divisions HOCHTIEF Americas, HOCHTIEF Asia Pacific, HOCHTIEF Concessions, HOCHTIEF Europe, HOCHTIEF Real Estate and HOCHTIEF Services.