

QUALIFIED

- Consolidated profit before taxes up 61 percent
- Strong positioning generates 35 percent growth in new orders
- Divisions jointly riding the crest of success
- 2008 Group forecast raised
- HOCHTIEF promotes certification for sustainability in construction



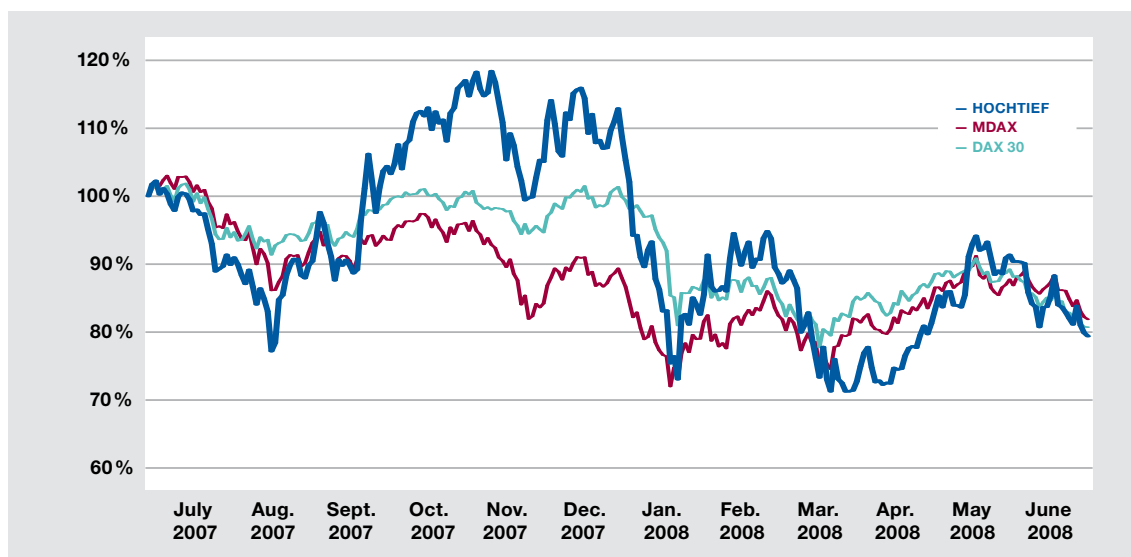
Half-Year Report January to June 2008

The HOCHTIEF Group

(EUR million)	H1 2008	H1 2007	Percentage change	Q2 2008	Q2 2007	Full year 2007
New orders	12,329.2	9,143.8	34.8	7,062.9	5,202.8	23,508.8
Work done	10,215.1	8,897.8	14.8	5,285.8	4,775.0	18,772.9
Order backlog	31,905.8	25,631.1	24.5	31,905.8	25,631.1	29,894.0
Divisional sales	9,162.9	7,998.5	14.6	5,321.5	4,267.3	16,688.8
External sales*	9,061.9	7,899.2	14.7	5,260.9	4,214.5	16,451.8
Operating earnings (EBITA)*	356.2	175.8	102.6	224.3	103.9	539.5
Profit before taxes*	292.2	181.8	60.7	188.9	115.9	501.3
Consolidated net profit*	79.0	13.8	473.7	47.0	4.2	140.7
Earnings per share (EUR)	1.13	0.21	438.1	0.67	0.06	2.07
Capital expenditure*	681.3	630.5	8.1	348.8	398.7	1,774.2
Net assets	5,332.9	3,648.9	46.2	5,332.9	3,648.9	4,909.3
Employees	64,316 (End H1 2008)	51,480 (End H1 2007)	24.9	64,316 (End Q2 2008)	51,480 (End Q2 2007)	52,449 (2007 average)

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

HOCHTIEF stock



Portfolio value of HOCHTIEF concessions projects

Status:	Total capital required	Capital provided by June 30, 2008	NPV of expected cash flows at June 30, 2008	NPV of expected cash flows at Dec. 31, 2007	Difference due to portfolio growth	Difference due to value growth
Financial close						
Airports	747.8	747.8	1,392.8	1,337.8	-	55.0
PPP projects	197.2	98.8	226.5	205.9	12.9	7.7
Total	945.0	846.6	1,619.3	1,543.7	12.9	62.7

Dear Shareholders and Friends of HOCHTIEF,



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

HOCHTIEF is still staying very true to course in fiscal 2008. In the second quarter, the figures again clearly demonstrate that the Group is forging ahead at a dynamic pace. For example, in the first half of this year, we have increased consolidated profit before taxes to EUR 292.2 million—equivalent to almost 61 percent up on the prior-year figure. As a result of this trend, we are raising our forecast for the year.

All corporate divisions are riding the crest of success. Our strategy of covering the entire life cycle of infrastructure projects, real estate and facilities and shaping our activities by way of selective portfolio management is paying dividends. With our four modules of development, construction, services, and concessions and operation, we have positioned ourselves perfectly to meet the growing demand for services from a single source. At the same time, sustained, integrated solutions and long-term success continue to gain significantly in importance—also evidenced by the introduction of the German sustainable building certificate to which we are firmly committed.*

In our **development module**, we have again made good headway. The second quarter saw the start of several projects, including an office building in Düsseldorf. With the Lipowy Office Park in Warsaw, we have once again succeeded in fully letting a project before its completion. Here, Poland's biggest single lease agreement was signed—proof positive not only of the office complex's appeal but also our skill in devising sought-after projects.

Our **construction module** is also on a positive track. We won a number of new orders internationally. For instance, Turner is building new, large-scale healthcare and educational facilities in the USA, while Flatiron was awarded new transportation infrastructure contracts, including the construction of a steel girder bridge in Canada.

Our two high-performance US companies work closely together wherever building construction and civil engi-

neering services are to be performed in a project. For example, Turner and Flatiron are joining forces to modernize Sacramento International Airport.

In the Asia-Pacific region, Leighton's compelling performance continues with a number of major projects. The high-volume contracts won in the second quarter include an expressway in New South Wales, Australia. A consortium including Leighton subsidiaries Thiess and John Holland has become the preferred bidder for Australia's largest road infrastructure project in Brisbane worth over EUR 2.9 billion, comprising Airport Link, the Northern Busway as well as an airport fly-over. Financial close was reached in July.

Leighton's activities in the Arabian Gulf are also enjoying major success. In Abu Dhabi, our subsidiary is building six tourism projects as part of a joint venture. The Al Habtoor Leighton Group was awarded the contract to build the Trump Tower complex in Dubai for almost EUR 510 million, similarly as part of a joint venture. These and other large-scale projects reflect the huge potential this market has—a market in which we established a vantage position for ourselves early on.

In Europe, we are pursuing the path we have embarked on: Following the organizational restructuring and sharper focusing of our German building construction business, we have made great strides in our operational performance. Having significantly reduced general contractor business, we are now focusing on business where we can stand out in ways other than just the price. We have also introduced new criteria for a fair distribution of risks. In this context, we are once again adjusting resources as part of a final restructuring step in our German building construction business. Overall, however, HOCHTIEF will continue to grow this year, too. We are countering the worldwide shortage of skilled personnel with selective human resources management measures and are offering our staff a diverse range of in-house further development options. The aim is to deploy people in areas where we are able to generate profitable business—such as in project development, services and concessions, or in non-German construction business that allows higher margins to be achieved.

In the **services module**, we are operating in a growth market. By supporting clients with our expertise and allowing them to focus on their core business, we are making a valuable economic contribution. Take, for instance, the Mercedes-Benz plant in Bremen where HOCHTIEF Facility Management won the contract to take charge of technical facility management.

* For detailed information on the German sustainable building certificate, please see in the Spotlight on page 14.

In our **concessions and operation module**, too, we are on the move. A glance at our concessions portfolio shows that we raised its value in the first half of 2008 by EUR 75.6 million to a net present value of approximately EUR 1.62 billion. The valuation includes for the first time the Fürst Wrede barracks and Maliakos-Kleidi toll road projects.

In May, HOCHTIEF PPP Solutions successfully took over operation of an existing section of the A4 freeway in Thuringia; we are currently building another section. We were delighted to hear that the federal government is presently undertaking further steps to adapt transport infrastructure in Germany to meet demand on the basis of public-private partnership agreements. We anticipate that this initiative will soon generate new tenders.

The airports in our concessions portfolio are showing favorable development, drawing lasting benefits from HOCHTIEF's well-informed and effective management approach. Our expertise is also in demand among external airport operators. For instance, HOCHTIEF AirPort this year successfully helped Warsaw Airport get its Terminal 2 operations off the ground on time. In the contract mining sector, we again secured large-scale contracts, including operation of the Samboja coal mine in Indonesia.

The trend in orders and work done is impressive testimony to the Group's growth. New orders and work done have both set new records compared with past years, and the order backlog is at an all-time high.

As of June 30, 2008, **new orders** were up 34.8 percent on their prior-year total, at EUR 12.33 billion. The increase resulted from our international activities with major contracts in the Asia-Pacific region, the positive business performance at HOCHTIEF Europe and—despite an unfavourable exchange rate trend—growth in new orders from HOCHTIEF Americas. New orders in Germany, at EUR 1.5 billion, are on a par with the prior-year period.

Work done amounted to EUR 10.22 billion at the end of the second quarter, an increase of 14.8 percent on the same period of the previous year. Internationally, work done rose by 13.8 percent due to strong growth at HOCHTIEF Asia Pacific and HOCHTIEF Americas. The 22.8 percent rise in Germany was achieved by HOCHTIEF Real Estate, HOCHTIEF Services, HOCHTIEF Concessions and HOCHTIEF Europe.

The Group's **order backlog** has consequently grown to EUR 31.9 billion (up 24.5 percent on the prior-year period). Adjusted for the unfavorable exchange rate effect (a negative impact of EUR 1.79 billion) as of the June 30 reporting date, the order backlog came to EUR 33.7 billion (up 31.5 percent). This is the equivalent of one-and-a-half year's work.

The upward trend in **external sales** established at the beginning of the fiscal year was sustained through the reporting period. Comparing first-half figures, HOCHTIEF achieved a 14.7 percent increase from EUR 7.9 billion in the prior-year period to EUR 9.06 billion in the period under review.

First-half earnings likewise show a strong rising trend. **Operating earnings** more than doubled, increasing by EUR 180.4 million from EUR 175.8 million in the first half of 2007 to EUR 356.2 million in the first half of 2008. We also achieved strong double-digit growth in **profit before taxes**, which was up 60.7 percent to EUR 292.2 million, compared with EUR 181.8 million in the prior-year period. **Consolidated net profit** improved substantially from EUR 13.8 million a year earlier to EUR 79 million in the period under review.

HOCHTIEF carried out a substantial EUR 681.3 million in **capital expenditure** in the first half of 2008, representing further growth of 8.1 percent on the prior-year period (first half of 2007: EUR 630.5 million). Capital expenditure on intangible assets and property, plant and equipment amounted to EUR 294.8 million, down 12.2 percent on the EUR 335.9 million recorded in the first half of 2007. As before, the main focus of this spending was on the capital-intensive contract mining business in the Asia Pacific division. In contrast, investment spending on financial assets increased by 31.2 percent to EUR 386.5 million, compared with EUR 294.6 million in the prior-year period. This largely reflected the ongoing expansion of Leighton's business portfolio.

Group forecast

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

- **new orders** and the **order backlog** no longer below but on a par with the high prior-year figures;
- **Group sales** to top the record level achieved in 2007;
- **pretax profit** no longer on a par with but above the high level achieved in 2007, and
- **consolidated net profit** above the prior-year figure.

Turning vision into value—that is our motto. We are delighted and proud of the fact that you, our shareholders, endorse our strategy and strengthen the success of HOCHTIEF with your support. Thank you for your continued commitment!

*Sincerely yours,
Herbert Lütkestratkötter*

Dr.-Ing. Herbert Lütkestratkötter

Interim Management Report

Financial Review

Earnings

HOCHTIEF further boosted **sales** in the first half of 2008. Sales of EUR 9.06 billion exceeded the EUR 7.9 billion achieved in the prior-year period by EUR 1.16 billion or 14.7 percent. This successful outcome was driven by resilient ongoing demand on international markets and in the segments targeted by HOCHTIEF for systematic expansion. The Group's strongly performing international activities were not the only success factor, however: Sales in HOCHTIEF's domestic market of Germany likewise showed a renewed gain at EUR 1.02 billion (up from EUR 919.7 million in the first half of 2007).

The HOCHTIEF Americas division sustained the positive sales trend established from the start of the fiscal year. With sales of EUR 3.69 billion, HOCHTIEF secured double-digit growth of 11.4 percent on the American continent compared with the EUR 3.31 billion generated in the same part of 2007. A major factor was HOCHTIEF's successful entry—via the activities of the Flatiron Group—into the growth market for transportation infrastructure in the USA. Turner's sales also showed a slight rise, to EUR 3.28 billion compared with EUR 3.23 billion in the comparable prior-year period. Due to the persistent weakness of the dollar, sales growth expressed in the Group currency, the euro, does not adequately mirror performance in local currency. Looking at the dollar figures, Turner increased sales by USD 759 million—a gain of nearly 18 percent—to USD 5.07 billion. The HOCHTIEF Asia Pacific division generated sales of EUR 3.57 billion, adding roughly another half billion euros to the already high figure of EUR 3.08 billion for the first six months of 2007. Leighton profited here in the contract mining segment from sustained strong demand for coal and iron ore resources and from the execution of demanding infrastructure projects in Australia. The HOCHTIEF Europe division showed very satisfactory sales growth in the first half of 2008, with sales passing back over the one billion threshold to reach EUR 1.08 billion (up from EUR 906.4 million in the first half of 2007). This was largely driven by strong performance in the Eastern European business. The HOCHTIEF Real Estate and HOCHTIEF Services divisions each contributed over EUR 70 million to sales growth. While HOCHTIEF Real Estate mainly profited from good trading in real estate development and the new property management business, HOCHTIEF Services reaped benefits from the previous year's acquisition in energy management.

HOCHTIEF achieved a sharp increase in earnings in the first half of 2008 compared with the same period of the

previous year. **Operating earnings** improved by 102.6 percent to EUR 356.2 million (first half of 2007: EUR 175.8 million). The HOCHTIEF Asia Pacific and HOCHTIEF Europe divisions contributed particularly strongly to this outcome. Leighton delivered compelling performance with its strategy of expansion in profitable growth markets and the resulting sustained earnings growth. HOCHTIEF Asia Pacific's operating earnings consequently grew by EUR 98.3 million compared with the first half of 2007, from EUR 218 million to EUR 316.3 million. The HOCHTIEF Europe division maintained the positive earnings trend started with the refocusing of the German building construction business, with a substantial reduction in the operating loss from EUR 130.2 million a year earlier to EUR 34 million in the first half of 2008. HOCHTIEF Europe is thus on target.

HOCHTIEF's **net income from participating interests** was already well into the three-digit millions at the end of the first half of 2008, amounting to EUR 173.2 million compared with EUR 98.5 million in the same period of 2007. HOCHTIEF Asia Pacific benefited here with outstanding contributions to earnings from large-scale contracts carried out in joint ventures. EUR 114.6 million in impairment charges on investments in individual project companies prevented the division from turning in an even stronger performance on this front. The division's net income from participating interests increased from EUR 44.9 million in the prior-year period to EUR 113.1 million in the year under review. The HOCHTIEF Americas and HOCHTIEF Real Estate divisions also recorded strong growth in this regard. HOCHTIEF Americas took in larger earnings contributions from Turner and Flatiron, while HOCHTIEF Real Estate generated a notable share of income from its interest in aurelis acquired last year. Our airport holdings continued to grow very strongly in operating terms through the first half of 2008. Excluding the special dividend paid out in 2007 on the refinancing of Sydney Airport, our airport business improved its earnings contribution compared with the prior-year period.

The growth of the HOCHTIEF Group through acquisitions in nearly all divisions in 2007 required a corresponding amount of borrowing. The consequent interest expense resulted in net investment and interest income of minus EUR 38.9 million, substantially down from the EUR 22.7 million positive figure for the first half of 2007.

Profit before taxes improved significantly compared with the prior-year period, rising by 60.7 percent from EUR 181.8 million to EUR 292.2 million.

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

This sharp increase in earnings affected **income taxes**, which rose from EUR 76.4 million in the first half of 2007 to EUR 103.1 million in the period under review. The effective tax rate decreased by 6.7 percentage points from the prior-year period, from 42 percent to 35.3 percent.

HOCHTIEF substantially increased **profit after taxes** to EUR 189.1 million, representing growth of no less than 79.4 percent compared with the first-half 2007 figure of EUR 105.4 million.

The Group secured an exceptionally strong improvement in **consolidated net profit**, which climbed by EUR 65.2 million to EUR 79 million (first half of 2007: EUR 13.8 million). The key factor in this strong performance was a major turn for the better in earnings at HOCHTIEF Construction AG. The minority interest rose by a significantly lesser amount, increasing by 20.1 percent to EUR 110.1 million (first half of 2007: EUR 91.6 million).

Cash flow

Net cash provided by operating activities swelled substantially in the first half of 2008 to EUR 418.4 million, compared with EUR 113.5 million in the prior-year period. Alongside increased income in the HOCHTIEF Asia Pacific and HOCHTIEF Americas divisions, this also reflected the significantly improved operating performance in the HOCHTIEF Europe division during the reporting period.

Despite major expansion in new segments and markets during the previous year, capital expenditure further increased from EUR 630.5 million in the first six months of 2007 to EUR 681.3 million in the first half of 2008. Within this figure, however, purchases of intangible assets and property, plant and equipment were 12.2 percent down on the figure for the prior-year period, dropping from EUR 335.8 million to EUR 294.8 million. The lion's share of this spending—EUR 245.9 million, compared with EUR 314.4 million in the prior-year period—was accounted for as before by the HOCHTIEF Asia Pacific division, where it was used to procure plant and equipment needed for the capital-intensive contract mining business. Capital expenditure on financial assets came to EUR 386.5 million, up from EUR 294.6 million in the prior-year period, among other things with Leighton systematically expanding its business portfolio by acquiring interests in the ConnectEast Group infrastructure company and in Al Habtoor Engineering. In total, HOCHTIEF Asia Pacific's investment spending on participating interests increased by 202.1 million, from EUR 164.7 million in the prior-year period to EUR 366.8 million in the period under review. As expected, capital expenditure on financial assets in the HOCHTIEF Concessions division

was significantly down, at EUR 3.9 million. The figure for the prior-year period had included EUR 73.1 million for an increase in the Group's stake in Sydney Airport and EUR 49.7 million for a purchase of shares in Budapest Airport. Taking the total capital expenditure figure, adding a further cash outflow of EUR 87.5 million for changes in holdings of marketable securities and financial receivables and of EUR 20.7 million for changes in cash and cash equivalents due to consolidation changes, and deducting a EUR 215.2 million cash inflow for proceeds from asset disposals gives a net cash outflow from **investing activities** for the first half year of 2008 of EUR 574.3 million (first half of 2007: EUR 449.8 million).

HOCHTIEF has secured the necessary financial means to finance the substantial capital expenditure package and its companies' operating activities. For this purpose, the Group took out EUR 987.1 million in additional borrowing, compared with EUR 245.4 million in the same period of 2007. The largest portion of this—EUR 524.1 million—was accounted for by the HOCHTIEF Asia Pacific division. In the opposite direction, debt was repaid to the amount of EUR 525.7 million (first half of 2007: EUR 115.6 million). To this was added EUR 146.4 million in dividend payments to HOCHTIEF shareholders and minority shareholders, up from EUR 112.8 million in the prior-year period. In total, **financing activities** produced a net cash inflow of EUR 311.5 million. The EUR 133.1 million figure for the prior-year period additionally included EUR 116.2 million in payments received from the sale of treasury stock.

Cash and cash equivalents amounted to EUR 1.51 billion as of June 30, 2008, an increase of EUR 103.9 million on the figure of EUR 1.4 billion as of December 31, 2007. The total includes a negative amount of EUR 51.8 million for the effect of exchange rate changes.

Free cash flow in the first half of 2008 came to minus EUR 155.9 million (first half of 2007: minus 336.3 million). Free cash flow consists of net cash provided by operating activities (EUR 418.4 million) minus net cash used in investing activities (EUR 574.3 million).

Balance sheet

The growth of our Group is also mirrored in a further rise in **total assets**. This figure increased by 6.3 percent compared with the EUR 10.66 billion recorded at the close of fiscal 2007, reaching EUR 11.33 billion as of the June 30, 2008 reporting date. Major factors comprised the large amount of capital investment in the business portfolio and the increased volume of business in our divisions.

Non-current assets grew by a strong EUR 349.1 million, from EUR 4.26 billion as of December 31, 2007 to EUR 4.61 billion as of June 30, 2008. The ongoing expansion of Leighton's business portfolio accounted for a notable share of this increase. Holdings of financial assets consequently rose by EUR 242.4 million to a new record of EUR 2.26 billion. Property, plant and equipment totaled EUR 1.12 billion—likewise a significant, 9.2 percent increase. Intangible assets (mostly goodwill from acquisitions of business interests plus concessions and licenses) decreased just slightly by 1.8 percent to EUR 495.5 million. Financial receivables likewise stayed nearly on par with their December 31, 2007 level, at EUR 363.2 million compared with EUR 365.2 million. This figure notably includes loans granted in the previous year in connection with the acquisition of the Group's stakes in Budapest Airport and the aurelis real estate company. The EUR 33.5 million rise in other receivables and other assets to EUR 164.5 million reflects 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 tax assets amounted to EUR 161 million, down five percent on the EUR 169.4 million reported as of December 31, 2007.

Current assets increased during the reporting period by EUR 322.2 million to EUR 6.72 billion. By far the largest item in this category was trade receivables. The EUR 324.5 million rise in this item to EUR 4.02 billion reflects growth in the HOCHTIEF Group's operating business. Other receivables and other assets dropped substantially by EUR 136.8 million to EUR 174.9 million. This was due to derivatives reaching maturity and to the settlement of receivables from project sales effected in the prior year. Holdings of marketable securities showed a slight, EUR 16.1 million increase to EUR 782.4 million, mainly due to purchases of fixed-interest securities. Cash and cash equivalents came to EUR 1.51 billion as of June 30, 2008, up EUR 103.9 million on the figure at the end of fiscal 2007. This was due to the large cash inflow from the operating business and from additional borrowing, which together more than made up for cash used by investing activities.

Shareholders' equity decreased by EUR 75.1 million to EUR 2.93 billion as of June 30, 2008. Profit after taxes (EUR 189.1 million) and changes in actuarial gains and losses recognized directly in equity (EUR 16.4 million) both impacted positively on shareholders' equity. In the other direction, shareholders' equity was decreased by dividend payments (EUR 146.4 million), changes recognized directly in equity due to currency translation differences and the marking of financial instruments to fair value (EUR 129.2 million)

and other changes not recognized in the Statement of Earnings (EUR 5 million).

The equity ratio (shareholders' equity to total assets) was 25.8 percent as of June 30, 2008. The reduction compared with the 2007 year-end figure of 28.2 percent is a result of the Group's continued expansion.

Non-current liabilities decreased by EUR 68.7 million to EUR 1.76 billion as of the balance sheet date. This included EUR 365.5 million in provisions, which increased by 5.8 percent and mostly relate to personnel-related provisions and provisions for insurance claims. Financial liabilities fell by EUR 106.2 million from EUR 1.32 billion at the end of fiscal 2007 to EUR 1.22 billion as of June 30, 2008, with impending settlement dates causing borrowed funds previously reported under non-current liabilities to be reclassified and shown under current financial liabilities.

Current liabilities rose by a substantial EUR 815 million to EUR 6.64 billion. Major factors here were reclassifications of borrowed funds previously reported under non-current assets and additional borrowing, notably at HOCHTIEF Asia Pacific. Trade payables also grew by EUR 169.3 million to EUR 4.31 billion. This largely reflected an increase in trade credit at Leighton.

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.

*Our risk report is provided on page 109 of our 2007 Annual Report and on our website, www.hochtief.com

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

With the exception of the upward revision to the Group outlook* at the end of the second quarter, 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.

*Turn to page 4 for the current Group outlook.

Post balance-sheet events

There were no material events to report between the close of the second quarter of 2008 and the editorial deadline for this half-year report.

Divisions

HOCHTIEF Americas Division

(EUR million)	H1 2008	H1 2007	Percent- age change	Q2 2008	Q2 2007	Full year 2007
New orders	3,887.3	3,704.9	4.9	2,081.5	1,633.7	7,715.7
Work done	3,754.7	3,421.6	9.7	1,942.6	1,903.0	7,270.4
Order backlog	8,010.5	8,065.7	-0.7	8,010.5	8,065.7	8,379.9
Divisional sales	3,688.1	3,311.4	11.4	1,958.7	1,849.9	6,953.3
External sales	3,688.1	3,311.4	11.4	1,958.7	1,849.9	6,953.2
Operating earnings (EBITA)	45.7	47.9	-4.6	25.0	35.9	77.0
Profit before taxes	37.8	49.4	-23.5	21.6	36.4	76.0
Capital expenditure	22.9	8.9	157.3	14.0	4.5	215.3
Net assets	443.0	265.6	66.8	443.0	265.6	482.7
Employees	10,884 (End H1 2008)	9,580 (End H1 2007)	13.6	10,884 (End Q2 2008)	9,580 (End Q2 2007)	9,778 (2007 average)

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

The Americas division was again successful in the reporting period. While the value of the dollar has weakened, **new orders** for the division, adjusted for exchange rate effects, achieved an increase of EUR 766 million (20.7 percent) above last year's very high level. The division achieved this in the face of an uncertain economy. In particular, Turner's strong reputation as a construction manager in the USA resulted in a robust amount of new orders. We expect that Turner's healthcare and education markets will remain strong this year. Flatiron also showed a very strong quarter, securing a series of new contracts.

Work done climbed sharply by EUR 333.1 million (EUR 903 million or 26.4 percent when adjusted for exchange rate effects). The effect of currency translation on the **order backlog** was EUR 1.3 billion. Adjusted for this effect, the order backlog grew by EUR 1.24 million (15.4 percent) year-on-year.

Adjusted for the nonrecurring effect on operating performance in 2007 resulting from the release of a guarantee assumed for a project by our former associate Aecon, both **operating earnings** and **profit before taxes** were above the previous year's level. Neither Turner's new orders nor its earnings were adversely affected by the subprime crisis or the rising cost of materials and energy. Profit before taxes was reduced by EUR 11.6 million, however, due to the currency translation effect of the weak US dollar. In Brazil, we were unable to make up for delays that occurred in the first quarter during the construction of several small hydropower plants. Due to first-time consolidation of Flatiron in the year under review, profits on Flatiron's contracting work are largely canceled out by profit shares in the order backlog at the time of acquisition.

The year-on-year increase in the number of **employees** by 1,304 was largely due to the acquisition of Flatiron at the end of 2007.

In the period under review, Turner was awarded contracts totaling EUR 150 million by the Los Angeles Unified School District. Our US subsidiary is to construct several buildings to house classrooms, administration space as well as multi-use and sports facilities for three schools. Nationwide Children's Hospital in Columbus, Ohio, selected Turner to manage the construction of its replacement hospital. Upon completion in spring 2012, the hospital will accommodate 460 beds. Turner has had a business relationship with the hospital for 15 years. Another repeat client is Yale University in New Haven, Connecticut. Turner was selected to provide construction management services for the University's new EUR 62 million Health Services Center there. Yale is seeking a LEED* silver certification for the building. We were also awarded a contract to construct a first-class office building situated in the harbor area of Boston, Massachusetts: Turner will erect the ONE Marina Park Drive building. The contract for the structure is valued at approximately EUR 81 million.

Turner and Flatiron were jointly awarded a EUR 182 million contract for modernization of Sacramento International Airport in California. The project includes both building construction and civil engineering work. The scope of work comprises the construction of a 19-gate passenger concourse with an arrivals facility as well as a new taxiway and parts of the apron by 2012.

Flatiron's almost EUR 182 million in new contracts includes a bridge over the Athabasca River in Alberta, Canada, valued at about EUR 81 million, as well as a new bypass around Lincoln, California, as part of a joint venture. Three highway reconstruction projects at the Interstate 15 near San Diego are nearing completion. The I-35W bridge project in Minneapolis is making good progress, with overall work currently tracking ahead of schedule.

HOCHTIEF Americas outlook

We anticipate the increases in our operating performance to offset the effects of the unfavorable exchange rate trend between the US dollar and the euro and the planned investments for new business sectors. The division therefore expects profit before taxes to remain at the high level generated in the previous year.

HOCHTIEF Asia Pacific Division

The HOCHTIEF Asia Pacific division delivered an impressive performance in the first half of 2008.

New orders were strong at EUR 5.79 billion, 80.1 percent up on the prior-year figure. **Work done** increased by 16.9 percent to EUR 4.35 billion, the **order backlog** rose by 38 percent to a record EUR 16.75 billion and **external sales** grew by 15.9 percent to EUR 3.57 billion.

On the back of our excellent position and in tandem with the advances in our operating performance, **operating earnings** and **profit before taxes** climbed to EUR 316.3 million and EUR 262.8 million respectively.

Procurement of special construction equipment for the contract mining business and investments in transport infrastructure projects drove **capital expenditure** to a substantial EUR 612.7 million in total.

The Leighton Group was awarded a number of construction projects during the second quarter. A particular highlight was the selection of a consortium comprising Thiess and John Holland as preferred bidder for the development, design, construction and operation of the 6.7-kilometer Airport Link in Brisbane. Financial close of the public-private partnership project, Australia's largest ever at EUR 2.9 billion, was achieved on July 30, 2008.

The contract mining business also continued to operate successfully. Leighton subsidiary HWE Mining, for example, secured a EUR 202 million contract to provide mine development services at an iron ore mine in Western Australia's Pilbara region. In Indonesia, Leighton was awarded a EUR 226 million contract to expand mining services at the MSJ coal mine, while Thiess Indonesia secured a contract worth EUR 118 million at the Samboja coal mine.

In Australia, Leighton Contractors is to build the Ballina Bypass in a joint venture where Leighton's share of the project is worth EUR 303 million. The company was also awarded further contracts in Queensland. Hydro construction remains a key business for Leighton: John Holland was awarded two major projects in this segment.

(EUR million)	H1 2008	H1 2007	Percentage change	Q2 2008	Q2 2007	Full year 2007
New orders	5,792.4	3,216.4	80.1	3,792.4	2,589.9	10,415.7
Work done	4,345.8	3,717.8	16.9	2,193.0	1,934.8	7,409.2
Order backlog	16,745.4	12,132.0	38.0	16,745.4	12,132.0	14,928.9
Divisional sales	3,574.6	3,084.6	15.9	2,332.5	1,597.3	5,989.8
External sales	3,574.5	3,084.3	15.9	2,332.5	1,597.1	5,989.4
Operating earnings (EBITA)	316.3	218.0	45.1	212.1	144.8	441.3
Profit before taxes	262.8	208.1	26.3	179.8	140.6	404.5
Capital expenditure	612.7	479.1	27.9	307.4	333.1	1,364.9
Net assets	1,944.6	1,234.5	57.5	1,944.6	1,234.5	1,759.8
Employees	36,889 (End H1 2008)	27,839 (End H1 2007)	32.5	36,889 (End Q2 2008)	27,839 (End Q2 2007)	27,940 (2007 average)

Second-quarter new orders also included several building construction projects. Leighton Contractors, for example, is to build a 44-story office tower in Brisbane under a major contract worth EUR 196 million, John Holland is taking on further work at Melbourne Airport and Thiess has been contracted to build a 21-story building in North Sydney.

In the Gulf region, Leighton's 45 percent owned associate Al Habtoor Engineering remained successful in acquiring new projects, including the construction of residential buildings in Dubai. In a joint venture, Al Habtoor Engineering was also awarded the construction of the Trump International Hotel and Tower in Dubai, a major project worth EUR 510 million. In Abu Dhabi, the company is taking on two construction projects worth around EUR 1.3 billion, the new Paris Sorbonne University campus as well as a number of projects for Abu Dhabi's Tourism Development and Investment Company.

HOCHTIEF Asia Pacific outlook

The outlook for the Asia Pacific division remains very positive due to sound conditions across the Leighton Group's market segments: Infrastructure spending in Australia remains strong and sustained demand for resources continues to fuel contract mining activity. Growth in Asia, particularly in the Gulf region, is a further factor contributing to the favorable outlook. These excellent conditions combined with the strong order backlog provide the basis for a year-on-year increase in profit before taxes.

HOCHTIEF Concessions Division

(EUR million)	H1 2008	H1 2007	Percentage change	Q2 2008	Q2 2007	Full year 2007
New orders	178.4	25.5	599.6	166.9	23.5	415.3
Of which HOCHTIEF AirPort	6.3	23.4	-73.1	4.1	23.2	28.0
Of which HOCHTIEF PPP Solutions	172.1	2.1	-	162.8	0.3	387.3
Work done	79.4	104.3	-23.9	40.4	66.4	196.0
Of which HOCHTIEF AirPort	6.3	23.3	-73.0	4.1	23.1	28.0
Of which HOCHTIEF PPP Solutions	73.1	81.0	-9.8	36.3	43.3	168.0
Order backlog	818.3	394.4	107.5	818.3	394.4	692.7
Of which HOCHTIEF AirPort	0.0	0.0	-	0.0	0.0	0.0
Of which HOCHTIEF PPP Solutions	818.3	394.4	107.5	818.3	394.4	692.7
Divisional sales	80.2	108.5	-26.1	41.7	70.5	198.6
Of which HOCHTIEF AirPort	6.3	23.4	-73.1	4.2	23.2	28.0
Of which HOCHTIEF PPP Solutions	73.9	85.1	-13.2	37.5	47.3	170.6
External sales	79.2	108.0	-26.7	41.0	70.2	197.9
Of which HOCHTIEF AirPort	5.3	22.9	-76.9	3.5	22.9	27.4
Of which HOCHTIEF PPP Solutions	73.9	85.1	-13.2	37.5	47.3	170.5
Operating earnings (EBITA)	56.2	64.4	-12.7	22.3	45.7	185.3
Of which HOCHTIEF AirPort	58.4	69.2	-15.6	31.0	49.9	168.3
Of which HOCHTIEF PPP Solutions	(2.2)	(4.8)	54.2	(8.7)	(4.2)	17.0
Profit before taxes	37.8	51.5	-26.6	10.3	39.1	155.3
Of which HOCHTIEF AirPort	44.7	58.8	-24.0	21.6	44.0	142.4
Of which HOCHTIEF PPP Solutions	(6.9)	(7.3)	5.5	(11.3)	(4.9)	12.9
Capital expenditure	4.0	124.4	-96.8	0.3	50.3	131.3
Of which HOCHTIEF AirPort	0.0	123.8	-100.0	0.0	50.2	123.8
Of which HOCHTIEF PPP Solutions	4.0	0.6	566.7	0.3	0.1	7.5
Net assets	1,234.6	1,134.2	8.9	1,234.6	1,134.2	1,242.9
Of which HOCHTIEF AirPort	1,034.0	977.6	5.8	1,034.0	977.6	1,013.5
Of which HOCHTIEF PPP Solutions	200.6	156.6	28.1	200.6	156.6	229.4
Employees	211	191	10.5	211	191	186
Of which HOCHTIEF AirPort	80	68	17.6	80	68	66
Of which HOCHTIEF PPP Solutions	131	123	6.5	131	123	120
	(End H1 2008)	(End H1 2007)		(End Q2 2008)	(End Q2 2007)	(2007 average)

The HOCHTIEF Concessions division lifted **new orders** significantly compared with the prior-year period as a result of winning the PPP project at the Fürst Wrede barracks. The decline in **divisional** and **external sales** relates primarily to last year's acquisition of Budapest Airport and the success fee associated with that acquisition. At EUR 37.8 million, **profit before taxes** was at a high level. The figure was positively impacted, among other things, by HOCHTIEF AirPort Capital's payment of the contingent purchase price for Düsseldorf Airport's follow-up permit. The prior-year figure was influenced by items such as the special dividend from Sydney Airport—an operational success that will not be repeated every year.

HOCHTIEF AirPort

All six airport holdings—Athens, Budapest, Düsseldorf, Hamburg, Sydney and Tirana—performed well and increased traffic volumes compared with the prior-year period. Passenger growth averaged 4.7 percent. At Tirana Airport, passenger numbers rose by as much as 13.4 percent.

By exchanging technical, scientific and legal expertise between the airport holdings, HOCHTIEF leverages unique potential and creates a strong network of excellence. In April, for example, HOCHTIEF AirPort worked together with experts from Athens, Düsseldorf, Tirana and Budapest airports in preparing to bring Warsaw Airport's Terminal 2 on stream. In doing so, it also received valuable assistance from HOCHTIEF Polska. In a further example of knowledge exchange, Athens Airport drew on the experience of its counterpart in Sydney during the 2004 Olympic Games. It has now marketed its expertise externally at Beijing Airport.

HOCHTIEF PPP Solutions

On May 1, 2008, Via Solutions Thüringen GmbH, a company led by HOCHTIEF PPP Solutions and in which the latter holds a 50 percent stake, started to operate a roughly 45-kilometer stretch of the A4 expressway in Germany. The concession company is to design, finance, build and operate the road, where the foundation stone for the new section to be built was laid in April 2008. The city of St. Petersburg has launched negotiations with Nevskij Meridian, a consortium in which HOCHTIEF PPP Solutions holds an interest, for the Western High-Speed Diameter, a 45-kilometer toll road.

In the public buildings segment, we reached financial close on the Fürst Wrede barracks project in Munich. In June 2008, HOCHTIEF PPP Solutions also celebrated two important milestones: the laying of the foundation stone for the new comprehensive school in Cologne-Rodenkirchen and the opening of the refurbished vocational training center in Leverkusen. In the United Kingdom, the company is one of two remaining bidders for a school project in Salford.

On Germany's first privately financed geothermal project in Dürnrhaar, Bavaria, a project in which HOCHTIEF PPP Solutions holds an interest, drilling work at the second borehole will soon draw to a successful close.

HOCHTIEF Concessions outlook

We expect the division to continue performing well in the second half of the year. Profit before taxes will be above the prior-year figure adjusted for operating and non-operating non-recurring items. HOCHTIEF PPP Solutions plans to strengthen its presence in the US market. In addition, preparations are being made for further geothermal energy projects. HOCHTIEF AirPort is involved in several privatizations, including that of Pulkovo Airport in St. Petersburg, Russia.

HOCHTIEF Europe Division

The second quarter saw a continuation of the positive trend in order figures in the HOCHTIEF Europe division. At EUR 359 million, **new orders** in the first half of 2008 were up 24.6 percent on the same period of the previous year, a performance underpinned by our successful project activities internationally and above all in Poland. **Work done** in the first half of 2008 was EUR 193.9 million, or 15.8 percent higher year on year. The **order backlog** also increased, ensuring good capacity utilization across the board and outside Germany in particular. The rise in **divisional** and **external sales**, which in the first half of 2008 were up 17.8 percent and 18.7 percent respectively on the prior-year figures, stemmed mainly from our international activities.

Due to overheads on ongoing loss-making projects started in previous years and the costs associated with capacity adjustments, the division was not able to post positive figures for **operating earnings** and **profit before taxes** in the first half of 2008. Under the IFRS rules, we were unable to recognize any provisions in the annual financial statements for the foreseeable failure to cover these overheads. In our German building construction business, the new structure puts us on a firm footing: Our new contract model is already yielding a significant improvement in the margins on new contracts and the distribution of risk among the parties to those contracts.

Capital expenditure increased year on year, mainly as a result of purchases of property, plant and equipment for a major project in Chile.

The year-on-year increase in **net assets** in the second quarter stems mainly from new companies being included in the consolidated financial statements.

Driven in particular by business growth in Eastern Europe and new infrastructure projects, the number of **employees** rose by 6.4 percent.

The division continued its successful international activities in the second quarter. In Qatar, for example, a letter of award was signed in June for the construction of the 8.6-kilometer Barwa Commercial Avenue in Doha. HOCHTIEF had supported the client from an early stage on the basis of the PreFair business model and already won part contracts worth EUR 42 million. With EUR 226 million in new orders, HOCHTIEF Polska was the division's most successful inter-

(EUR million)	H1 2008	H1 2007	Percent- age change	Q2 2008	Q2 2007	Full year 2007
New orders	1,819.1	1,460.1	24.6	612.4	607.1	3,176.1
Work done	1,418.7	1,224.8	15.8	772.3	656.2	2,868.5
Order backlog	3,991.1	3,448.6	15.7	3,991.1	3,448.6	3,545.6
Divisional sales	1,143.2	970.8	17.8	623.8	484.8	2,321.3
External sales	1,075.9	906.4	18.7	581.8	450.1	2,169.5
Operating earnings (EBITA)	(34.0)	(130.2)	73.9	(20.5)	(102.7)	(131.7)
Profit before taxes	(25.7)	(129.9)	80.2	(16.3)	(104.7)	(149.4)
Capital expenditure	16.6	9.5	74.7	10.8	4.2	29.5
Net assets	587.5	371.4	58.2	587.5	371.4	575.0
Employees	9,211 (End H1 2008)	8,661 (End H1 2007)	6.4	9,211 (End Q2 2008)	8,661 (End Q2 2007)	8,807 (2007 average)

national company in the second quarter. It was awarded several new contracts for office, industrial and infrastructure projects in Poland, including four new office complexes and an electronics company's production facility. Worth EUR 56.7 million, the construction of a production facility for glass manufacturer Euroglas Polska in southwestern Poland was the largest individual contract in the second quarter.

HOCHTIEF Europe outlook

The division expects a significant improvement in operating earnings in fiscal 2008. Earnings will be reduced by the overheads incurred in completing the loss-making projects started in previous years. As a final step in restructuring our German building construction business, we have also decided to cut capacity. We will then focus to an even greater extent on those projects where we have a strong competitive advantage—by virtue of our leadership in technology and project management and as a result of working together with other divisions in line with our life cycle strategy. Earnings will be reduced by the overheads incurred in completing old loss-making projects as well as by capacity adjustments, but positively impacted by new contracts.

For the year as a whole, we expect to post a pretax loss of no more than EUR 60 million. This will mark the end of the restructuring and realignment. For 2009, we expect return on sales of around one percent based on profit before taxes; for 2010, we are targeting a margin of three percent. Due to the positive trend in the margins on new contracts, we are confident of meeting these targets.

HOCHTIEF Real Estate Division

(EUR million)	H1 2008	H1 2007	Percent- age change	Q2 2008	Q2 2007	Full year 2007
New orders	254.1	519.0	-51.0	100.6	244.6	965.0
Work done	316.0	199.4	58.5	191.6	99.7	521.0
Order backlog	950.3	879.4	8.1	950.3	879.4	1,042.0
Divisional sales	271.1	198.0	36.9	159.8	98.6	493.5
External sales	263.9	192.8	36.9	155.1	96.2	480.4
Operating earnings (EBITA)	22.6	13.8	63.8	14.0	9.6	63.0
Profit before taxes	11.2	11.1	0.9	7.7	8.2	58.6
Capital expenditure	13.7	4.6	197.8	11.0	4.4	12.6
Net assets	841.2	411.7	104.3	841.2	411.7	735.8
Employees	863 (End H1 2008)	296 (End H1 2007)	191.6	863 (End Q2 2008)	296 (End Q2 2007)	455 (2007 average)

The HOCHTIEF Real Estate division continued to show strong business performance during the first half of 2008. **New orders** generated in the period to June 30, 2008 amounted to EUR 254 million. This is down on the very healthy prior-year figures because, based on the substantial **order backlog**, our focus when accepting new work is on systematically selecting high-margin projects. At EUR 316 million, **work done** was sharply higher year on year, due primarily to several project developments being launched in Germany. This also impacted positively on **external sales**, which increased by 36.9 percent.

Operating earnings reached EUR 22.6 million, far outstripping the prior-year figure. At EUR 11.2 million, **profit before taxes** was slightly up on the prior-year posting.

Capital expenditure in the first half of 2008 amounted to EUR 13.7 million, with stakes in project companies the primary acquisitions.

The increase in **net assets** stems from the acquisition of aurelis Real Estate and the growth of HOCHTIEF Projektentwicklung.

The number of **employees** was significantly higher due to the growth of HOCHTIEF Projektentwicklung's national and international branches and in particular the founding of HOCHTIEF Property Management, which was not included in the figures as of June 30, 2007.

In the second quarter, HOCHTIEF Projektentwicklung disposed of one of its urban development projects: The new

city center planned for Kelkheim was sold to Danish investor Victoria Properties A/S for a purchase price of around EUR 47 million.

In our international business, we entered into the largest ever single lease agreement in Polish history: Pekao S.A., the country's largest private bank and part of the UniCredit Group, leased 39,000 square meters of office space in the Lipowy Office Park in Warsaw, where it is to set up its new corporate headquarters.

In Offenbach, construction work began on the KOMM shopping center, where the pre-lease rate has reached almost 50 percent, as well as on the second phase of the MainOffice, the M²O office building where 64 percent of space had been leased to Siemens' Energy Sector even before construction work got under way. In Berlin, construction work started on the Adina Apartment Hotel.

As of June 30, 2008, HOCHTIEF Projektentwicklung had construction-phase projects representing a total investment of more than EUR 1.35 billion and total rentable space of 482,000 square meters, 85 percent of which has already been marketed.

Integration of the employees absorbed by HOCHTIEF Property Management continues according to plan. We plan to further expand this business segment.

aurelis Real Estate continues to operate successfully. In the period under review, properties were sold in Munich, Heidelberg, Augsburg and Karlsruhe. Since shareholders HOCHTIEF Projektentwicklung and Redwood Grove International signed the purchase agreement with Deutsche Bahn AG in September 2007, revenue of EUR 276 million has been generated from property sales. Just over 45 percent of the roughly 24.3 million square meters of total space now on aurelis's books has been allocated to the company's rental portfolio. The company has over 4,500 lease agreements with a well-balanced tenant structure—meaning a broad spread of risk.

HOCHTIEF Real Estate outlook

For fiscal 2008, the HOCHTIEF Real Estate division no longer expects to post a pretax profit below but on a par with the exceptionally healthy prior-year figure.

HOCHTIEF Services Division

The HOCHTIEF Services division continued to perform well in the second quarter.

At EUR 412.1 million, **new orders** were a substantial 79.2 percent up on the comparable prior-year figure. An increase was recorded both by HOCHTIEF Facility Management in its activities in Germany, due among other things to the extension of the contract for the Elbe Philharmonic Hall project, as well as by HOCHTIEF Energy Management. The positive trend in new orders was driven largely by international business in the form of major contracts for Kraft Foods in Switzerland and the PPP schools project in Bangor and Nendrum, Ireland.

Both **work done** and **external sales** were significantly higher year on year. In Germany, this was due mainly to the growing volume of additional work flowing from existing business and to the division's success with new projects. Internationally, the positive trend was carried by the new contracts acquired last year, particularly the schools projects in the United Kingdom and sports facility projects in Greece. At HOCHTIEF Energy Management, the year-on-year increase in work done is primarily attributable to the acquisition in the energy management sector. This and the major, long-term projects acquired in the second half of 2007 pushed the **order backlog** 69.4 percent above the prior-year figure.

Operating earnings rose to EUR 10.2 million, an increase of 22.2 percent on the prior-year figure. Despite further expansion activities, **profit before taxes** was slightly up on the previous year. This positive trend was largely attributable to international business and energy management activities.

Last year's acquisition in the energy management sector was the main reason for the rise in **net assets**, which increased by 67.2 percent year on year.

The number of **employees** rose by 29 percent due to growth outside Germany and acquisitions.

In the second quarter, HOCHTIEF Facility Management continued to expand its activities in sectors such as the automotive industry: The company was awarded the contract for technical facility management at the Mercedes-Benz production plant in Bremen. For the next five years, we will assume responsibility for operating the sophisticated

(EUR million)	H1 2008	H1 2007	Percentage change	Q2 2008	Q2 2007	Full year 2007
New orders	412.1	230.0	79.2	274.9	103.5	892.6
Work done	329.4	256.0	28.7	167.4	132.3	582.3
Order backlog	1,674.2	988.5	69.4	1,674.2	988.5	1,602.2
Divisional sales	329.8	254.9	29.4	168.1	132.7	582.1
External sales	326.1	248.8	31.1	165.5	129.5	555.9
Operating earnings (EBITA)	10.2	8.4	21.4	6.0	5.0	22.0
Profit before taxes	8.1	7.8	3.8	4.7	4.6	20.4
Capital expenditure	3.1	2.9	6.9	2.1	2.1	16.5
Net assets	206.4	123.5	67.1	206.4	123.5	179.0
Employees	5,684 (End H1 2008)	4,405 (End H1 2007)	29.0	5,684 (End Q2 2008)	4,405 (End Q2 2007)	4,771 (2007 average)

technical building systems at the plant measuring almost 1.4 million square meters in size as well as for other tasks such as supplying the site with energy. HOCHTIEF Facility Management already operates parts of the Mercedes-Benz production facilities in Mettingen and Untertürkheim. We also made an impression with our experience in automotive theme parks: In June 2008, our contract to operate BMW Welt (BMW World) in Munich was extended until the end of 2011 and now also includes the company's newly opened museum.

HOCHTIEF Energy Management also continued to expand its business. Over the next five years, the company is to cut the energy consumption of several buildings in Bergisch Gladbach by 35 percent relative to their original annual consumption as part of an energy-saving contracting assignment covering seven municipal properties including the town hall, several school buildings and a library. Not only is HOCHTIEF relieving an enormous strain on the budget; it is also cutting the buildings' CO₂ emissions by 800 metric tons a year.

HOCHTIEF Services outlook

The division will continue to grow its business, focusing both on expanding into new international markets and on augmenting its activities in Germany. The costs associated with this strategy will diminish the division's earnings. We therefore expect profit before taxes to be below the prior-year figure.

In the Spotlight

Green building market grows and grows: German quality label for sustainability in construction

* Leadership in Energy and Environmental Design, BRE Environmental Assessment Method, Haute Qualité Environnementale

With energy prices climbing and climate change now a major policy focus, sustainability is increasingly a key issue for the construction industry. The shift in emphasis is at its strongest in the building sector. Buildings account for some 50 percent of total primary resource use. There is massive scope here for saving energy and cutting carbon emissions.

Sustainable construction has long been a key focus at HOCHTIEF. We set standards both in our German home market and internationally with innovative, sustainable buildings. Our capability portfolio spanning the entire project life cycle is tailor made for projects built to sustainable principles. From design and finance to construction and long-term operation, we provide our customers with services that also improve the environmental performance of their projects. Our subsidiaries operate in a tightly integrated network, working jointly to craft the optimum solution—right through to highly efficient energy performance contracting and resource-saving management.

In the USA especially, we had a major hand in the evolution of “green” building over recent years. We have acquired a wealth of positive experience with the US Green Building Council’s nationwide LEED rating standard. No fewer than 74 buildings by Turner have been awarded LEED certification to date, including the Hearst Tower in New York City whose construction design, for instance, eliminated the need for a large quantity of steel, and the RAND Corporation headquarters in Santa Monica which features sustainable elements such as natural ventilation.

For some time, we have called for the establishment of a binding standard to provide a similarly reliable and objective rating system based on sustainability criteria for building projects in Germany. Unique among its peers in the German construction industry, HOCHTIEF is a founder-member of the German Sustainable Building Council (DGNB). HOCHTIEF also fills the post of Vice President of DGNB and is represented on DGNB specialist committees. Our joint commitment with the German Federal Ministry of Transport, Building and Urban Affairs, architects, engineers, scientists, realtors and investors has now led to the introduction of a German sustainable building certificate—Germany’s first national eco-standard for buildings. It is due to be awarded for the first time in January 2009.

Unlike certificates in use so far such as LEED, BREEAM and HQE*, this more flexible, second generation certification system also takes into account buildings’ value retention and life cycle costs. This makes it the first such system to include economic alongside environmental factors. The certificate therefore rates the overall quality of a project over its entire life cycle.

Certification covers various criteria, with ratings for environmental, economic, sociocultural and social factors, technology, processes and building location. All told, the sustainability certificate takes in some 60 criteria and will be available for civil engineering projects as well as buildings. HOCHTIEF is now involved in work to make the certificate market-ready, with twelve certification criteria currently on practical trial within our Group. These twelve criteria are being applied on a trial basis to a number of sustainably constructed buildings including the Commerzbank tower in Frankfurt am Main built by HOCHTIEF in the 1990s and the WestendDuo complex, likewise in Frankfurt and completed in 2006, which is fitted among other things with a geothermal energy system.

Customers and investors already show strong interest in the new ranking. The certification is awarded in three categories—bronze, silver and gold—and is regarded as reliable, transparent testimony to exceptionally high quality and low operating costs: From experience, energy costs alone can be cut by 20 to 45 percent. Compliance with sustainable building principles boosts the rental appeal, price, resale value and returns on real estate—all factors that are determined to a significant degree by environmental criteria.

Another key reason for HOCHTIEF to promote these objective standards is our rigorous focus on project quality. The standards take us further away from sole emphasis on the initial construction price—after all, good environmental performance can only be achieved if a project benefits from expert, long-term, comprehensive planning. This also maximizes the commercial viability of a building over its entire life cycle.

Green building is a big market: On expert estimates, refurbishing just one fourth of Germany’s existing building stock to the standards of the German sustainable building certificate would generate contracts worth EUR 30 billion a year.



Further information on the German sustainable building certificate is available (in German) from www.dgnb.de and www.bmvbs.de

Information on sustainable construction at HOCHTIEF is available at www.hochtief.com/sustainability

Interim Financial Statements

Consolidated Statement of Earnings

(EUR thousand)	H1 2008	H1 2007	Percentage change	Q2 2008	Q2 2007	Full year 2007
Sales	9,061,946	7,899,158*	14.7	5,260,894	4,214,528	16,451,752
Changes in inventories	1,243	1,981	-37.3	823	1,251	(176)
Other operating income	188,517	52,182	261.3	150,842	30,545	230,795
Materials	(6,816,533)	(5,912,682)	15.3	(4,028,457)	(3,184,654)	(12,326,831)
Personnel costs	(1,557,491)	(1,345,640)	15.7	(870,543)	(685,159)	(2,806,801)
Depreciation and amortization	(166,912)	(141,935)	17.6	(85,328)	(62,383)	(312,490)
Other operating expenses	(552,792)	(492,422)	12.3	(295,303)	(283,398)	(1,113,357)
Profit from operating activities	157,978	60,642	160.5	132,928	30,730	122,892
Share of profits and losses of equity-method associates and jointly controlled entities	190,763	65,340*	192.0	104,895	40,665	265,883
Net income from other participating interests	(17,573)	33,162	-	(27,783)	21,835	88,420
Investment and interest income	59,164	62,386	-5.2	34,583	44,963	130,608
Investment and interest expenses	(98,099)	(39,732)	146.9	(55,680)	(22,248)	(106,482)
Profit before taxes	292,233	181,798	60.7	188,943	115,945	501,321
Income taxes	(103,126)	(76,382)	35.0	(68,847)	(52,624)	(160,301)
Profit after taxes	189,107	105,416	79.4	120,096	63,321	341,020
Of which: Consolidated net profit	79,033	13,776	473.7	46,975	4,209	140,696
Of which: Minority interest	110,074	91,640	20.1	73,121	59,112	200,324

*Due to a change in presentation, the Group's share of profits and losses of jointly controlled entities in the first half of 2007—an amount of EUR 34,575,000—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)	June 30, 2008	Dec. 31, 2007	(EUR thousand)	June 30, 2008	Dec. 31, 2007
Assets			Liabilities and Shareholders' Equity		
Non-current assets			Shareholders' equity		
Intangible assets	495,887	505,145	Attributable to the Group	2,200,896	2,297,720
Property, plant and equipment	1,122,351	1,027,641	Minority interest	724,847	703,100
Investment properties	39,366	41,199		2,925,743	3,000,820
Equity-method investments	1,633,391	1,462,459	Non-current liabilities		
Other financial assets	627,133	555,655	Provisions for pensions and similar obligations	29,668	29,010
Financial receivables	363,164	365,175	Other provisions	335,828	316,382
Other receivables and other assets	164,503	130,958	Financial liabilities	1,217,795	1,324,028
Deferred tax assets	160,988	169,419	Other liabilities	93,806	79,434
	4,606,783	4,257,651	Deferred tax liabilities	85,204	82,103
Current assets				1,762,301	1,830,957
Inventories	137,331	120,088	Current liabilities		
Financial receivables	88,397	81,294	Other provisions	767,005	755,158
Trade receivables	4,015,656	3,691,166	Financial liabilities	1,235,458	642,719
Other receivables and other assets	174,924	311,683	Trade payables	4,312,706	4,143,392
Current income tax assets	16,325	26,144	Other liabilities	308,027	273,902
Marketable securities	782,434	766,384	Current income tax liabilities	16,991	9,989
Cash and cash equivalents	1,506,381	1,402,527		6,640,187	5,825,160
	6,721,448	6,399,286		11,328,231	10,656,937
	11,328,231	10,656,937			

Consolidated Statement of Cash Flows

(EUR thousand)	H1 2008	H1 2007
Profit after taxes	189,107	105,416
Depreciation/write-ups	281,416	141,813
Changes in provisions	26,502	(36,853)
Changes in deferred taxes	40,001	1,034
Net loss from disposals of fixed assets and marketable securities	(32,897)	(35,640)
Other non-cash income and expenses (primarily equity valuation) and deconsolidations	(141,616)	(8,253)
Changes in working capital (net current assets)	50,570	(55,030)
Changes in other balance sheet items	5,301	1,028
Net cash provided by operating activities	418,384	113,515
Intangible assets, property, plant and equipment, and investment properties		
Purchases	(294,791)	(335,841)
Proceeds from asset disposals	86,595	100,261
Acquisitions and participating interests		
Purchases	(386,467)	(294,614)
Proceeds from asset disposals/divestments	128,596	51,202
Changes in cash and cash equivalents due to consolidation changes	(20,744)	–
Changes in securities holdings and liquid investments	(87,505)	29,194
Net cash used in investing activities	(574,316)	(449,798)
Payments for repurchase of treasury stock	(3,488)	–
Payments received from sale of treasury stock	–	116,182
Dividends to minority shareholders	(146,368)	(112,763)
Proceeds from new borrowing	987,067	245,357
Service of debt	(525,666)	(115,632)
Net cash provided by financing activities	311,545	133,144
Net cash increase/(decrease) in cash and cash equivalents	155,613	(203,139)
Effect of exchange rate changes	(51,759)	4,861
Overall change in cash and cash equivalents	103,854	(198,278)
Cash and cash equivalents at the start of the year	1,402,527	1,397,012
Cash and cash equivalents as of June 30	1,506,381	1,198,734

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	-	-	(72,446)	-	-	-	(72,446)	(40,317)	(112,763)	
Profit after taxes	-	-	13,776	-	-	-	13,776	91,640	105,416	
Currency translation differences and marking of financial instruments to fair value	-	-	-	9,065	13,659	-	22,724	19,910	42,634	
Changes in actuarial gains and losses	-	-	-	-	-	32,011	32,011	-	32,011	
Other changes not recognized in the Statement of Earnings	-	-	107,853	-	-	-	107,853	862	108,715	
Balance as of June 30, 2007	179,200	400,806	1,436,776	(67,985)	28,897	(66,101)	1,911,593	610,123	2,521,716	
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	-	-	(90,931)	-	-	-	(90,931)	(55,437)	(146,368)	
Profit after taxes	-	-	79,033	-	-	-	79,033	110,074	189,107	
Currency translation differences and marking of financial instruments to fair value	-	-	-	(33,023)	(59,404)	-	(92,427)	(36,747)	(129,174)	
Changes in actuarial gains and losses	-	-	-	-	-	16,361	16,361	-	16,361	
Other changes not recognized in the Statement of Earnings	-	-	(8,860)	-	-	-	(8,860)	3,857	(5,003)	
Balance as of June 30, 2008	179,200	400,806	1,764,097	(164,924)	59,418	(37,701)	2,200,896	724,847	2,925,743	

*As of June 30, 2008, own stock with an acquisition cost of EUR 3,488,000 is accounted for as a deduction from revenue reserves (June 30, 2007: EUR 90,325,000).

Statement of Recognized Income and Expense

(EUR thousand)	H1 2008	H1 2007	Change	Full year 2007
Profit after taxes	189,107	105,416	83,691	341,020
Currency translation differences	(39,895)	20,856	(60,751)	(69,510)
Changes in fair value of financial instruments				
- Primary	(52,670)	(553)	(52,117)	152,834
- Derivative	(36,609)	22,331	(58,940)	38,774
Actuarial gains and losses*	16,361	32,011	(15,650)	44,026
Income and expense recognized directly in equity	(112,813)	74,645	(187,458)	166,124
Total income and expense recognized in the fiscal year	76,294	180,061	(103,767)	507,144
Of which: HOCHTIEF Group	2,967	68,511	(65,544)	233,479
Of which: Minority interest	73,327	111,550	(38,223)	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 June 30, 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 half-year report is based on the Consolidated Financial Statements as of and for the year ending December 31, 2007. With effect from June 30, 2008, the discount factor for valuing domestic pension obligations was increased to 6.25 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. HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF 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

Two domestic and 19 foreign companies were added to the consolidated group in the first six months of fiscal 2008. One foreign company has been removed from the consolidated group.

There has been a net increase of one in the number of domestic and a net decrease of three in the number of foreign companies accounted for using the equity method.

After these changes, the Consolidated Financial Statements include HOCHTIEF Aktiengesellschaft and a total of 52 domestic and 335 foreign consolidated companies plus 14 domestic and 97 foreign companies accounted for using the equity method.

Own shares

The Company held a total of 53,000 of its own shares as of June 30, 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 9,378,000 to EUR 27,249,000.

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. HOCHTIEF changed its Group structure with effect from January 1, 2008. Detailed information on the various segments making up the HOCHTIEF Group is provided herein in the Interim Management Report.

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)	H1 2008	H1 2007	Q2 2008	Q2 2007
Profit from operating activities	157,978	60,642	132,928	30,730
+ Net income from participating interests	173,190	98,502	77,112	62,500
– Non-operating earnings	(+) 1,494	(+) 644	(+) 726	(+) 530
+ Interest credited*	23,527	15,995	13,535	10,095
Operating earnings (EBITA)	356,189	175,783	224,301	103,855

*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 Constructon module, i.e. HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF Europe.

Undiluted and diluted earnings per share

	H1 2008	H1 2007	Q2 2008	Q2 2007
Consolidated net profit (EUR thousand)	79,033	13,776	46,975	4,209
Number of shares in circulation (weighted average)	69,947,000	66,061,133	69,947,000	66,434,325
Earnings per share (EUR)	1.13	0.21	0.67	0.06

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, August 5, 2008

The Executive Board

Dr. Lütkestratkötter Ehlers Dr. Lohr

Dr. Noé Dr. Rohr

Financial Calendar

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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

May 14, 2009

Quarterly Report at March 31, 2009

Conference Call with Analysts and Investors

The editorial deadline for this half-year report was August 5, 2008; the report was published on August 14, 2008.

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

This half-year 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 Schools Capital Ltd, UK	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 GmbH, 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 Capital Verwaltungs-GmbH & Co. KG, Germany	HOCHTIEF Global Trade GmbH, Germany	Deutsche Bau- und Siedlungs-Gesellschaft mbH, Germany	
	Leighton Properties Pty Limited, Australia	HOCHTIEF AirPort Retail SHPK, Albania	HOCHTIEF Procurement Asia Ltd., Hong Kong		
	Devine Ltd., Australia	Athens International Airport S.A., Greece			
	Thiess Pty Ltd., in: Australia, India, Indonesia	Budapest Airport Zrt., Hungary			
	John Holland Group Pty Ltd., Australia	Flughafen Düsseldorf GmbH, Germany			
	Al Habtoor Engineering LLC, in: Abu Dhabi, Dubai, Qatar	Flughafen Hamburg GmbH, Germany			
		Sydney Airport Corporation Ltd., Australia			
		Tirana International Airport SHPK, Albania			
		Transport & Logistics Consultancy Ltd., UK			

Cover photo:

Sustainably built: Using the example of the WestendDuo complex in Frankfurt am Main, completed by HOCHTIEF in 2006, the company is currently testing a number of criteria of the new German sustainable building certificate for their viability. We support the introduction of this certification because, for the first time in Germany, it allows the sustainability and hence also the quality of buildings to be objectively measured.