

**Cover image:**

This May saw the christening of Thor, HOCHTIEF Construction's second special-purpose jack-up platform, in Hamburg harbor. Thor is already at work out to sea, supporting the construction of offshore wind farms. Resting on 82-meter legs, the platform can operate in waters up to 50 meters deep and take a payload of 3,300 metric tons—greater performance capabilities than other large-scale equipment. The on-board crane can lift up to 500 metric tons. With this innovative floating platform, HOCHTIEF fields the technical and commercial capability to optimally serve the rapidly growing offshore markets.

# GROWTH MARKET

- HOCHTIEF further boosts pretax profit
- Flow of work maintained: New orders well in excess of work done
- Order backlog reaches very high level at EUR 42.52 billion
- Group 2010 guidance raised for new orders and order backlog
- Guidance confirmed for sales, pretax profit, consolidated net profit and medium-term performance



## Half-Year Report January to June 2010

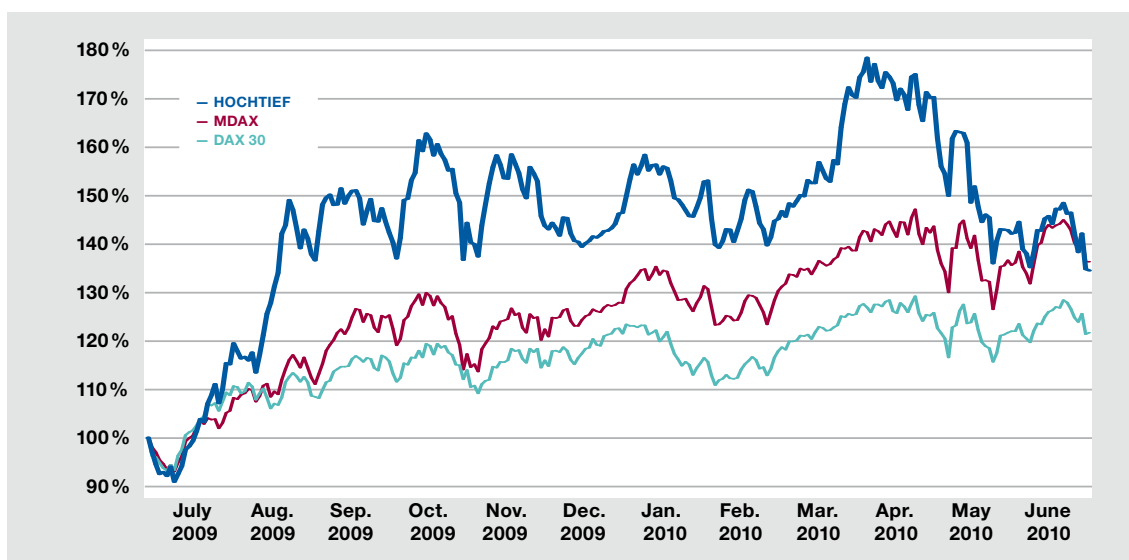
## The HOCHTIEF Group

(EUR million)	H1 2010	H1 2009 (restated)*	Percentage change	Q2 2010	Q2 2009 (restated)*	Full year 2009 (restated)*
New orders	<b>12,920.9</b>	10,100.6	<b>27.9</b>	<b>9,470.4</b>	5,724.5	22,472.7
Work done	<b>10,623.8</b>	10,227.5	<b>3.9</b>	<b>5,868.0</b>	5,447.9	20,566.2
Order backlog	<b>42,519.0</b>	33,129.2	<b>28.3</b>	<b>42,519.0</b>	33,129.2	35,592.9
Divisional sales	<b>9,576.8</b>	9,289.1	<b>3.1</b>	<b>5,105.3</b>	4,834.4	18,386.8
External sales**	<b>9,525.5</b>	9,173.8	<b>3.8</b>	<b>5,077.5</b>	4,771.0	18,166.1
Operating earnings (EBITA)**	<b>396.2</b>	373.9	<b>6.0</b>	<b>244.0</b>	212.8	763.6
Profit before taxes**	<b>301.6</b>	284.5	<b>6.0</b>	<b>181.0</b>	166.8	596.9
Consolidated net profit**	<b>88.1</b>	86.3	<b>2.1</b>	<b>54.1</b>	47.7	191.7
Earnings per share (EUR)	<b>1.32</b>	1.30	<b>1.5</b>	<b>0.81</b>	0.72	2.88
Capital expenditure**	<b>611.1</b>	478.0	<b>27.9</b>	<b>443.1</b>	297.8	968.5
Net assets	<b>6,736.0</b>	5,866.8	<b>14.8</b>	<b>6,736.0</b>	5,866.8	6,057.6
Employees	<b>70,099</b>	66,642	<b>5.2</b>	<b>70,099</b>	66,642	66,178
	(End H1 2010)	(End H1 2009)		(End Q2 2010)	(End Q2 2009)	(2009 average)

\*For details on the restatement, please see pages 14 and 17.

\*\*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: Financial close (EUR million)	Total capital required	Capital provided by June 30, 2010	NPV of ex- pected cash flows at June 30, 2010	NPV at Dec. 31, 2009	Difference due to portfolio growth	value growth
Airports	732.1	732.1	1,284.1	1,296.7	0.0	(12.6)
Roads	201.8	113.8	242.2	226.6	(8.4)	24.0
Social infrastructure	68.3	47.3	82.3	73.1	2.3	6.9
<b>Total</b>	<b>1,002.2</b>	<b>893.2</b>	<b>1,608.6</b>	<b>1,596.4</b>	<b>(6.1)</b>	<b>18.3</b>

Dear Shareholders,



We want to make our business even more agile and transparent for the future. Since the year started, we have been working to this end on a streamlined Group structure that we plan to implement as of January 1, 2011. Today's HOCHTIEF Europe, HOCHTIEF Real Estate and HOCHTIEF Services divisions will be combined into one. The more streamlined holding company will then focus more strongly than it already does on strategically managing the business. We will publish more details in our next quarterly report.

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

We had a successful first half in 2010. The HOCHTIEF Group further proved its resilience in a still difficult economic environment—as our figures show. Both new orders and Group work done were up year on year. We reached an order backlog of over EUR 40 billion for the first time. Notably due to the strong Australian and American dollar, this includes roughly EUR 6 billion in exchange rate effects. We also further boosted pretax profit, which now exceeds EUR 300 million.

HOCHTIEF systematically develops opportunities in all key markets—from Europe to North America, from Asia-Pacific to the Gulf. We have kept the flow of work coming. This can be seen from new orders, which were well in excess of work done for the first half year in the Group. We go on expanding our market presence and successfully did so again in the second quarter, augmenting our line-up with the acquisition of New York contractors E.E. Cruz. And we gained entry to the North American public-private partnership (PPP) market with a schools project in Alberta, Canada. In the Gulf, too, we strategically reinforced our presence with the launch of a joint venture with a subsidiary of state-owned real estate investors and urban planners QatariDiar. The first assignment is urban planning for Qatar's new Lusail City.

Our financing situation remains solid. We successfully launched a five-year, EUR 240 million promissory note loan issue in May. The issue met with strong interest and in the end was over 100 percent oversubscribed. The positive response in the midst of a volatile market environment shows that we continue to be seen as a company with top credit standing.

#### Group outlook

The Group now expects **new orders** and the **order backlog** for the year as a whole to exceed prior-year levels. We also expect **sales** to remain more or less on a par with 2009, and **profit before taxes** and **consolidated net profit** to increase slightly on the prior year. The Group's medium-term aim remains a pretax profit of EUR 1 billion.

It should be noted that the global economy is only gradually recovering and exchange rate movements can influence our profit forecasts. Our planning is also based on the assumption that the financial and capital markets will continue to normalize and there will neither be a sustained recessive setback in the world economy nor action by individual governments that materially affects our business.

HOCHTIEF is a group with a future-focused strategy whose forward momentum we add to with success after success. We will continue to pursue this course.

Sincerely yours,  
Herbert Lütkestratkötter

Dr.-Ing. Herbert Lütkestratkötter

# Interim Management Report

## Orders and work done

### New orders

Group new orders for the six months to June 30, 2010 outstripped the prior-year figure by 27.9 percent (exchange-rate adjusted: 10.6 percent). Most of the increase relates to the HOCHTIEF Asia Pacific division: We secured major contracts—mostly contract mining and infrastructure projects—totaling EUR 5 billion in the second quarter. New orders in Germany dropped by 4.7 percent.

### Group work done

Group work done in the first and second quarter of 2010 came to EUR 10.62 billion, up 3.9 percent (exchange-rate adjusted: down nine percent) on the prior-year figure. While HOCHTIEF Asia Pacific beat the prior-year figure both before and after exchange rate effects, HOCHTIEF Americas came in below the prior-year figure due to weak new orders in the preceding months. Operating in a difficult building construction market, HOCHTIEF Europe was not yet able to make good the weather-related shortfall from the first quarter.

### Order backlog

The order backlog set a new record with an absolute total of EUR 42.52 billion. On an exchange rate-adjusted basis, too, the order backlog of EUR 36.56 billion marked growth of 10.4 percent on the prior-year figure. Based on the current annual total for work done, the order backlog corresponds to a forward order book of 24 months.

## Financial review

### Earnings

The HOCHTIEF Group generated higher **sales** in the first half of 2010 than in the same period a year earlier. At EUR 9.53 billion, sales surpassed the comparative prior-year figure of EUR 9.17 billion by 3.8 percent. The HOCHTIEF Asia Pacific division kept up its strong first-quarter trend to generate first-half 2010 sales of EUR 5.06 billion. This represents an increase of 34.8 percent on the comparative figure for the prior year (EUR 3.76 billion). Movement in the exchange rate between the Australian dollar and the euro accounted for a gain of EUR 1.06 billion. Alongside strong growth in contract mining in the Asia-Pacific region, the company is benefiting from sustained strong demand for construction services on infrastructure projects in Australia.

On the American continent, HOCHTIEF has a powerful presence in building construction and civil engineering with its subsidiaries Turner and Flatiron. At EUR 2.93 billion, however, HOCHTIEF Americas division sales in the first six months of 2010 were down on the prior-year period (EUR 3.5 billion) due to the restrained performance of the US building construction market. The US dollar-euro exchange rate trend produced a positive translation effect of EUR 49.9 million. Construction activity was held back across much of Europe by a comparatively long and harsh winter in the first few months of the year. It was not possible fully to make good this shortfall over the intervening months. At EUR 1.06 billion, sales at the HOCHTIEF Europe division were consequently slightly down on the prior-year period (EUR 1.11 billion). In light of the still difficult situation on the German real estate market, the HOCHTIEF Real Estate division continued to pursue its highly selective policy from the beginning of the year with regard to the development of new projects. Sales in the first half were considerably down as a result, at EUR 72 million compared with EUR 357.3 million in the prior-year period. The revenue trend at the HOCHTIEF Services division held steady relative to the prior year. The sales figure of EUR 308.5 million was on a par with the prior-year period (EUR 311.9 million).

HOCHTIEF once again demonstrated its strong earning power in the first half of 2010, pushing **operating earnings (EBITA)** up to EUR 396.2 million. Although the world economy picked up slightly overall, the economic environment still showed distinct patches of restrained growth. The EUR 373.9 million operating earnings figure from the prior-year period was nonetheless topped by six percent. Thanks to our good positioning, all divisions made a positive contribution to Group operating earnings. Above-average earnings growth was attained by the HOCHTIEF Asia Pacific division, which raised operating earnings from EUR 261.4 million in the prior-year period to EUR 320.4 million in the period under review. Exchange rate effects were a significant factor here. The HOCHTIEF Americas division put in a steady earnings performance, slightly increasing operating earnings to EUR 55.3 million, compared with EUR 52.6 million in the prior-year period. The HOCHTIEF Concessions division continued to do well in the first half of 2010. On account of higher tax charges at Athens Airport, the EUR 37 million operating earnings figure is marginally down on the comparative prior-year figure of EUR 39.4 million. In contrast,

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

and as we expected, the earnings trend at the HOCHTIEF Real Estate and HOCHTIEF Services divisions was negative as result of the difficult market situation in their respective segments. An additional factor at HOCHTIEF Real Estate was a reduction in the amount of revenue recognized in income following first-time application of IFRIC 15 in the previous year. While HOCHTIEF Real Estate recorded significantly lower operating earnings of EUR 14.1 million (H1 2009: EUR 32.4 million), the EUR 7.9 million reported by HOCHTIEF Services was only slightly down on the prior-year period (EUR 9.2 million). At EUR 10.6 million, operating earnings at the HOCHTIEF Europe division were below the prior-year figure (EUR 12.7 million) due to the shortfall in work done.

**Net income from participating interests** improved by 8.4 percent in the first half of fiscal 2010 to EUR 65.3 million (H1 2009: EUR 60.2 million). HOCHTIEF Concessions contributed the lion's share of the Group total with EUR 42.3 million. Following a crisis-induced slowdown the previous year, HOCHTIEF's airport holdings regained an upward trend in passenger numbers in 2010 to date—despite disruptions to air travel caused by the volcanic ash cloud. The HOCHTIEF Americas division also showed a rise in net income from participating interests, which increased from EUR 11.7 million in the prior-year period to EUR 18.5 million in the period under review. Despite a difficult operating environment in the property market, HOCHTIEF Real Estate likewise generated a healthy EUR 5.4 million in net income from participating interests thanks to the positive contribution from aurelis Real Estate. The trend in the Leighton business portfolio was far more subdued in comparison. An important factor here was the conservative valuation policy in the infrastructure and building construction segment with regard to associates and joint ventures. After EUR 13.1 million in the prior-year period, net income from participating interests in the HOCHTIEF Asia Pacific division was slightly into negative figures in the first half of 2010, at minus EUR 1.8 million.

**Net investment and interest income** came to minus EUR 86.2 million in the first half of 2010, compared with minus EUR 79.7 million in the prior-year period. Investment and interest income, at EUR 34.5 million, stayed nearly on a par with the prior-year figure (EUR 35.8 million). This contrasted with a slight rise in investment and interest expense, to EUR

120.7 million (H1 2009: EUR 115.5 million), mainly reflecting higher interest expense from new borrowing by the Group.

**Profit before taxes** improved by six percent on the prior-year period to EUR 301.6 million (H1 2009: EUR 284.5 million).

The **tax expense** ran to EUR 101.5 million, up EUR 6.6 million on the prior-year figure (EUR 94.9 million) as a result of the improved earnings situation. The effective tax rate remained stable and at 33.6 percent showed virtually no change on the prior-year period (33.3 percent).

HOCHTIEF reports higher **profit after taxes** in the first half of 2010 compared with the first half of 2009. Profit after taxes of EUR 200.1 million exceeded the prior-year figure (EUR 189.6 million) by 5.5 percent.

**Consolidated net profit** attributable to HOCHTIEF shareholders amounted to EUR 88.1 million, a slight increase on the prior-year figure of EUR 86.3 million. The minority interest in after-tax profit grew more substantially in comparison, rising to EUR 112 million (H1 2009: EUR 103.3 million). This mostly reflected larger minority shareholdings in the HOCHTIEF Europe division, the airports segment and at Leighton.

#### Cash flow

**Cash flow provided by operating activities** came to EUR 615.3 million in the first six months of 2010, compared with EUR 315.3 million in the same period a year earlier. There was thus a EUR 300 million increase in the cash inflow compared with the prior-year period. This mainly related to improvements at the HOCHTIEF Asia Pacific and HOCHTIEF Europe divisions. Reductions in working capital were a major factor here.

The capital-intensive contract mining business and construction work on elaborate infrastructure projects call for large quantities of advanced plant and equipment. The HOCHTIEF Group accordingly spent a further substantial EUR 455.7 million on intangible assets and property, plant and equipment in the first half of 2010. Compared with the prior-year period, which saw investment spending of EUR 389.6 million, capital expenditure was up by 17 percent. HOCHTIEF has strategically reinforced its position in the growing market for US infrastructure projects with the acqui-

sition of heavy engineering contractor E.E. Cruz. The company specializes in civil and structural engineering projects in the New York metropolitan area and is managed in the HOCHTIEF Americas division as a joint subsidiary of Flatiron and Turner. There was also substantial expenditure on financial assets in the HOCHTIEF Asia Pacific division with an increase in the stake in Devine Ltd. to 49.7 percent. Investment expenditure on financial assets in the HOCHTIEF Group consequently reached EUR 155.4 million in the first half of 2010 (H1 2009: EUR 88.4 million). To this was added changes in securities holdings and financial receivables, which produced a cash outflow of EUR 144.6 million (H1 2009: cash inflow of EUR 116.9 million). Factoring in EUR 112.6 million in proceeds from asset disposals (H1 2009: EUR 41.5 million) and EUR 5 million in changes in cash and cash equivalents due to consolidation changes, **net cash used in investing activities** totaled EUR 638.1 million (H1 2009: EUR 319.6 million).

HOCHTIEF further expanded its long-term financing capacity in the period under review with EUR 477.8 million in new borrowings (H1 2009: EUR 737.7 million). This included the successful launch of a EUR 240 million promissory note loan issue in the second quarter of 2010. In the opposite direction, there were cash outflows of EUR 244.3 million for debt service (H1 2009: EUR 826.8 million) and EUR 185.5 million for dividend payments (H1 2009: EUR 148.9 million). Payments into equity by minority shareholders totaled EUR 35.3 million (H1 2009: EUR 10 million). These mainly related to the issuance of new Leighton shares in connection with an increase in the stake in Devine. Taking all items into account, HOCHTIEF reported **net cash provided by financing activities** of EUR 83.3 million in the first half of 2010 (H1 2009: EUR 228 million net cash used in financing activities).

Cash and cash equivalents came to EUR 2.07 billion at the June 30, 2010 balance sheet date, compared with EUR 1.77 billion at the fiscal 2009 year-end. This included exchange rate effects of EUR 235.9 million (December 31, 2009: EUR 32.6 million).

Free cash flow consists of net cash provided by operating activities (EUR 615.3 million) less net cash used in investing activities (EUR 638.1 million). Free cash flow was consequently negative in the period January to June 2010, at minus EUR 22.8 million. As in the prior-year period (minus

EUR 4.3 million), this meant we were able to fund our investing activities almost entirely out of operating cash flow.

#### Balance sheet

**Total assets** stood at EUR 14.13 billion as of June 30, 2010, up 13 percent on the fiscal 2009 year-end figure (EUR 12.5 billion). Exchange rate effects accounted for EUR 1.19 billion of the total.

**Non-current assets** increased significantly in the first half of 2010, reaching EUR 5.69 billion at the end of the period. This represents growth of EUR 579.1 million compared with December 31, 2009. The intangible assets figure largely consists of goodwill. The EUR 85.3 million gain to EUR 589 million is mostly due to exchange rate effects. Property, plant and equipment grew by EUR 230.7 million to EUR 1.72 billion due to capital expenditure at Leighton and the effects of exchange rate changes. Financial assets also rose by EUR 204 million to EUR 2.46 billion. This related to exchange rate effects and purchases of non-current securities. Financial receivables, at EUR 412.8 million, showed only marginal change compared with the figure as of December 31, 2009 (EUR 410.8 million). In contrast, other receivables and other assets, at EUR 139.3 million, decreased compared with the 2009 year-end figure (EUR 177.1 million) due to reduced pension fund balances. Deferred tax assets amounted to EUR 328 million, a significant increase on the comparative prior-year figure (EUR 232.8 million). Alongside exchange rate effects, this reflected changes as a result of valuation adjustments.

**Current assets** showed further growth compared with the December 31, 2009 figure (EUR 7.4 billion), reaching EUR 8.44 billion as of June 30, 2010. A large slice of the total consists of trade receivables from the operating business, which at EUR 3.94 billion exceeded the December 31, 2009 figure (EUR 3.41 billion) by 15.6 percent. Inventories, on the other hand, changed only insignificantly standing at EUR 1.15 billion. There were further additions to marketable securities, which rose to EUR 961.8 million at the end of the period under review. This primarily comprises conservative investments in fixed and variable rate bonds from issuers of immaculate credit standing and in stocks and bond funds. HOCHTIEF also holds a substantial EUR 2.07 billion (December 31, 2009: EUR 1.77 billion) in cash and cash equivalents.

The Group's equity base further improved in the first six months of 2010. As of June 30, 2010, the HOCHTIEF Group's **shareholders' equity** stood at EUR 3.53 billion. This was eight percent higher than on December 31, 2009. Significant positive factors included EUR 200.1 million in profit after taxes and EUR 269.8 million in currency translation differences and changes in the fair value of financial instruments. Other changes not recognized in the Statement of Earnings increased shareholders' equity by another EUR 35.6 million. In the other direction, payments of dividends to HOCHTIEF shareholders under the profit distribution for fiscal 2009 and dividend payments to minority shareholders negatively affected shareholders' equity by EUR 185.5 million. Changes in actuarial gains and losses accounted for a further deduction of EUR 58.2 million.

The equity ratio (shareholders' equity to total assets) came to 25 percent as of June 30, 2010.

**Non-current liabilities** grew by EUR 522.4 million to reach EUR 3.28 billion at the end of the reporting period. Within the total, financial liabilities increased by EUR 359.3 million to EUR 2.41 billion, mainly due to the launch of a EUR 240 million promissory note loan issue by HOCHTIEF AG and to exchange rate effects relating to the Australian dollar. Provisions for pensions and similar obligations grew by EUR 63.8 million to EUR 135.1 million. The main influence here was a lowering of the discount factor in line with reduced market interest rates. As in the prior-year period, other non-current provisions of EUR 389.7 million chiefly involved personnel-related obligations and coverage for insurance claims. The other liabilities item mainly consists of liabilities under derivative financial instruments and deferred income. This item increased by EUR 29.4 million to EUR 214.5 million.

**Current liabilities** rose by EUR 842.7 million to EUR 7.33 billion. Trade payables made up EUR 5.06 billion of the total, up from EUR 4.39 billion as of December 31, 2009. The sharp increase here is almost entirely due to exchange rate effects. Other provisions notably included higher income tax provisions at Leighton. Other provisions increased overall by EUR 87.2 million to EUR 992.8 million. New borrowing also added to current financial liabilities, which came to EUR 866.4 million as of June 30, 2010.

## 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, 2009 continues to apply. There has likewise been no material change in the situation of the Group or our operating environment from that presented in our 2009 Annual Report.

**\*Our risk report is provided starting on page 111 of our 2009 Annual Report and on our website, [www.hochtief.com](http://www.hochtief.com).**

## 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, 2009. Those forecasts and statements therefore continue to apply.

**\*\*Coverage of future developments is provided under the heading "Looking Ahead: Outlook and Opportunities" starting on page 119 of our 2009 Annual Report and on our website, [www.hochtief.com](http://www.hochtief.com).**

## Post balance-sheet events

There were no material events to report between the close of the second quarter of 2010 and the editorial deadline for this half-year report.

## News from the Boards

**Manfred Wennemer**, the former CEO of Continental Aktiengesellschaft, nominated for election by the Supervisory Board, was elected to the Supervisory Board at the HOCHTIEF General Shareholders' Meeting on May 11, 2010.

# Divisions

## HOCHTIEF Americas Division

(EUR million)	H1 2010	H1 2009	Percent- age change	Q2 2010	Q2 2009	Full year 2009
New orders	<b>3,380.1</b>	3,438.2	<b>-1.7</b>	<b>1,753.7</b>	1,544.5	5,752.9
Work done	<b>3,092.5</b>	3,547.7	<b>-12.8</b>	<b>1,727.8</b>	1,784.8	6,729.7
Order backlog	<b>8,893.6</b>	8,212.8	<b>8.3</b>	<b>8,893.6</b>	8,212.8	7,098.3
Divisional sales	<b>2,931.5</b>	3,497.2	<b>-16.2</b>	<b>1,644.4</b>	1,759.3	6,614.4
External sales	<b>2,931.5</b>	3,497.2	<b>-16.2</b>	<b>1,644.4</b>	1,759.3	6,614.4
Operating earnings (EBITA)	<b>55.3</b>	52.6	<b>5.1</b>	<b>30.8</b>	26.4	110.1
Profit before taxes	<b>49.1</b>	42.1	<b>16.6</b>	<b>27.6</b>	21.0	93.5
Capital expenditure	<b>60.3</b>	16.4	<b>267.7</b>	<b>42.8</b>	7.3	21.9
Net assets	<b>622.7</b>	488.5	<b>27.5</b>	<b>622.7</b>	488.5	494.0
Employees	<b>7,470</b> (End H1 2010)	8,943 (End H1 2009)	<b>-16.5</b>	<b>7,470</b> (End Q2 2010)	8,943 (End Q2 2009)	8,500 (2009 average)

The HOCHTIEF Americas division delivered a solid second quarter. **New orders** in the first half of the year were just slightly down on the prior-year period at EUR 3.38 billion. This includes positive exchange rate effects in the amount of EUR 57.5 million resulting from the appreciation of the US dollar. **Work done** fell short of the prior-year figure by EUR 455.2 million or 12.8 percent. The decline reflected weaker new orders in US building construction business in the preceding months due to the global financial crisis. Thus **divisional** and **external sales** also fell short of the prior-year levels. By contrast, the **order backlog** was once again very high, reaching EUR 8.89 billion. This figure includes a positive exchange rate effect of EUR 1.17 billion.

Both **operating earnings** and **profit before taxes** increased substantially year on year. Profit before taxes was up 16.6 percent on the prior year, at EUR 49.1 million, partly due to positive exchange rate effects of EUR 1 million and mainly to improvements in operations.

The increase in **capital expenditure** is attributable to the acquisition of E.E. Cruz. Despite the addition of around 140 employees to the division through this acquisition, the total number of **employees** fell sharply compared with the prior year. This was due primarily to the sale of the majority of our interests in HOCHTIEF do Brasil at the end of 2009.

**Turner** once again reasserted its position as the country's number one general builder in the second quarter. Our projects include building an 844-seat concert hall at Stanford University in California. The university will be able to use the new EUR 55 million hall from 2013.

Turner has also secured a further public sector contract. Together with a consortium partner, the company is to build a new hotel for the Franklin County Convention Facilities Authority in Columbus, Ohio. The four-star, 532-room hotel linked directly to the Greater Columbus Convention Center will be completed to green building standards by 2012. The contract is worth EUR 77 million.

Turner, the US market leader in sports facility construction, has been selected to renovate and expand PGE Park in Portland, Oregon. Home to the Portland Timbers soccer team, the stadium is to gain a sports training and rehabilitation facility, covered stands and a playing field to FIFA standards. The contract is worth EUR 23 million.

In civil engineering, **Flatiron** secured a major new contract to build a ring road in Saskatchewan, Canada, together with a partner. Flatiron accounts for EUR 75 million of the EUR 165 million contract. In addition to the seven-kilometer ring road around the City of Saskatoon, the contract also includes work on a bridge, a number of railway grade separations, and sound walls.

In addition, Flatiron and a joint venture partner won the competitive bidding for a North Carolina Department of Transportation contract. We are to build a new eight-lane bridge over the Yadkin River near Charlotte and widen a three-mile stretch of the road. The contract is worth a total of EUR 114 million.

HOCHTIEF has further expanded its position in the US infrastructure market with the targeted acquisition of contractors **E.E. Cruz**. The company specializes in heavy construction projects in the New York metropolitan area. It was integrated into the Group as a joint subsidiary of Flatiron and Turner with retroactive effect as of January 1, 2010. The three companies will extend their position together in the award of coming capital investment contracts.

### HOCHTIEF Americas outlook

Given the strong order backlog and the new projects expected we continue to anticipate an increase in profit before taxes for the HOCHTIEF Americas division for fiscal 2010 compared with the prior year.

## HOCHTIEF Asia Pacific Division

**New orders** in the HOCHTIEF Asia Pacific division grew substantially in the first half of 2010 compared with the prior-year period. This mainly reflected new orders which as expected included several large-scale contracts in the second quarter. Adjusted for exchange rates, new orders came to EUR 6.27 billion, EUR 2.15 billion higher than the comparative prior-year figure. Tracking strong performance in infrastructure construction and contract mining, **work done** increased by 29.4 percent (2.3 percent on an exchange rate-adjusted basis). The very high **order backlog** compared with the prior-year period grew partly as a result of the strong level of new orders and partly due to the buoyant Australian dollar. On exchange rate-adjusted figures, the increase compared with June 30, 2009 came to EUR 4.38 billion. **External sales** grew in line with work done by 34.8 percent to EUR 5.06 billion (exchange rate-adjusted: up 6.6 percent to EUR 4 billion).

Earnings performance remained solid with increases in both **operating earnings** (by 22.6 percent) and **profit before taxes** (by 16.1 percent). This includes over EUR 60 million in positive exchange rate effects. A significant portion was used for cautious valuation purposes in the infrastructure and building construction business with regard to activities of associated companies. The sustainability of earnings reflects the advantages resulting from the diversity of markets and geographies in the division, which consequently more than made up for a slowdown in the Australian property market.

The EUR 522.2 million in **capital expenditure** notably reflects an increased need for mining equipment, participation by Leighton Holdings in a rights issue by Devine Ltd., a listed associate company, and an increase in Leighton's stake in Devine to 49.7 percent.

During the second quarter of 2010, Leighton companies were awarded a number of major new contracts for infrastructure projects. The Tulla Sydney Alliance, which includes Thiess, is upgrading a 9.7-kilometer section of the M80 Ring Road in Melbourne, Australia. The alliance will receive some EUR 437.3 million for its services, the majority of which will go to Thiess.

Also in Melbourne, a John Holland alliance is upgrading a section of railway line. The project, which will include the construction of 12 kilometers of new track and the laying of around 18,000 concrete sleepers, is worth EUR 451 million overall. The company's share is expected to be more than EUR 208 million. Together with partners, Leighton Contrac-

(EUR million)	H1 2010	H1 2009	Percentage change	Q2 2010	Q2 2009	Full year 2009
New orders	<b>7,928.8</b>	4,116.0	<b>92.6</b>	<b>6,897.6</b>	2,329.3	12,418.5
Work done	<b>5,908.2</b>	4,567.0	<b>29.4</b>	<b>3,235.4</b>	2,575.2	9,645.2
Order backlog	<b>27,083.4</b>	18,095.6	<b>49.7</b>	<b>27,083.4</b>	18,095.6	22,132.7
Divisional sales	<b>5,062.2</b>	3,756.7	<b>34.8</b>	<b>2,589.4</b>	1,997.0	7,771.3
External sales	<b>5,062.0</b>	3,756.5	<b>34.8</b>	<b>2,589.3</b>	1,996.9	7,771.1
Operating earnings (EBITA)	<b>320.4</b>	261.4	<b>22.6</b>	<b>197.7</b>	166.0	535.6
Profit before taxes	<b>247.4</b>	213.1	<b>16.1</b>	<b>151.6</b>	141.9	432.9
Capital expenditure	<b>522.2</b>	342.0	<b>52.7</b>	<b>379.5</b>	214.8	782.2
Net assets	<b>3,003.9</b>	2,175.1	<b>38.1</b>	<b>3,003.9</b>	2,175.1	2,592.7
Employees	<b>45,344</b> (End H1 2010)	40,074 (End H1 2009)	<b>13.2</b>	<b>45,344</b> (End Q2 2010)	40,074 (End Q2 2009)	40,131 (2009 average)

tors was awarded a construction contract by rail operator Queensland Rail. The contract for the line is worth EUR 254 million. Leighton's share is about EUR 229 million.

Thiess Services signed a contract to upgrade and maintain the electrical distribution network in Perth and southwest regional Western Australia. The contract, which is to run over a maximum period of five years, will be worth up to EUR 221 million. The company was also awarded a contract to remediate a stretch of river bed in the south arm of the Hunter River in New South Wales. The project is worth almost EUR 283 million. Thiess also entered into a consortium with the solar technology company Silex Systems to develop one of Australia's first solar photovoltaic power stations.

In the resources sector, Leighton companies recorded further successes with mining contracts: Thiess will continue coal mining operations at the South Walker Creek Mine in Queensland for another three years, for which it will receive EUR 154 million. Leighton Contractors was awarded a three-year, EUR 119 million contract extension at the Woodie Woodie manganese mine. Leighton Asia's contract to provide coal mining services at the MSJ mine in Indonesia has been extended for another six years. The contract is worth some EUR 772 million. In Mongolia, Leighton Asia secured an additional volume of EUR 642 million with a second follow-on contract at the Ukhaa-Khudag mine, which will produce up to ten million metric tons of coal per year by 2011. We also secured the contract to develop and operate the Khushuut coal mine in western Mongolia.

### HOCHTIEF Asia Pacific outlook

Based on the high order backlog, excellent market position and good prospects for the business segments, the HOCHTIEF Asia Pacific division continues to expect profit before taxes to increase on the prior-year level in fiscal 2010.

## HOCHTIEF Concessions Division

(EUR million)	H1 2010	H1 2009 (restated)*	Percent- age change	Q2 2010	Q2 2009 (restated)*	Full year 2009
New orders	140.4	112.0	25.4	88.9	107.4	145.3
Work done	52.0	96.9	-46.3	28.8	58.0	189.9
Order backlog	855.7	837.0	2.2	855.7	837.0	776.7
Divisional sales	52.0	96.9	-46.3	28.9	58.0	189.8
External sales	51.4	96.2	-46.6	28.4	57.9	189.0
Operating earnings (EBITA)	37.0	39.4	-6.1	19.0	20.2	110.3
Profit before taxes	22.3	20.3	9.9	11.9	11.0	75.1
Capital expenditure	12.5	48.2	-74.1	12.5	29.3	49.0
Net assets	1,228.6	1,262.5	-2.7	1,228.6	1,262.5	1,259.3
Employees	315 (End H1 2010)	302 (End H1 2009)	4.3	315 (End Q2 2010)	302 (End Q2 2009)	311 (2009 average)

\*For details on the restatement, please see pages 14 and 17.

The HOCHTIEF Concessions division boosted **new orders** compared with the prior-year period, notably with new PPP contracts for a school in Höhenkirchen-Siegertsbrunn and two schools in Offenbach. A reduction in the number and differences in the size of projects under construction resulted in lower figures for **work done, divisional sales** and **external sales**. At EUR 37 million, **operating earnings** were below their comparative prior-year level. The main negative factors were an increase in the tax on dividends and imposition of a special tax on prior-year net income at Athens Airport. These were made up for to an extent by higher dividends from Sydney Airport, partly thanks to an improvement in the exchange rate. **Profit before taxes** was up EUR 2 million on the prior-year period due to improved net investment and interest income.

As of June 30, 2010, the HOCHTIEF Concessions portfolio consisted of six airport holdings, seven roads, 104 schools, two city halls, a community center, a barracks and two geothermal power plants in development. The portfolio increased in value by EUR 12.2 million in the first half of 2010 to EUR 1.61 billion. The valuation was negatively impacted by general economic developments in Greece. This was more than compensated for, however, by positive operating results from other portfolio interests.

In the **airports segment**, the airports in which HOCHTIEF Concessions has a stake through its subsidiary HOCHTIEF AirPort processed 42.9 million passengers. We thus achieved five percent growth in passenger numbers compared with the prior-year period despite the widespread closures of European airspace in April as a result of volcanic ash. With the exception of Athens, 2010 traffic projections for our airports are currently slightly above target. At Sydney Airport,

the upgraded departures section of the international terminal opened in June after expansion and conversion work. June also saw Budapest Airport celebrate the topping-out of the BUD SkyCourt terminal building. At the May general meeting of Malév, the largely renationalized Hungarian airline and our most important client in Budapest, further action was decided to restore the airline to health on a lasting basis.

In the **roads segment**, we have been able to deal successfully with the economic effects of two natural disasters. Traffic is now flowing again after earthquake damage on the Vespuccio Norte Express toll highway in Chile. Repairs to damaged bridges will be finished in the fall. A section of the Maliakos-Kleidi toll road in Greece was closed to traffic in late 2009 after severe rockfalls. Following extensive stabilization work, the road reopened to traffic in May. Slow approval processes and archaeological finds have significantly delayed construction on the Elefsina-Patras-Tsakona toll road. The recessive economic situation in Greece following remedial action by the Greek government is having an increasingly negative impact on progress with the two road projects and is resulting in reduced traffic.

In the **social infrastructure segment**, HOCHTIEF Concessions gained entry into the North American PPP market through its subsidiary HOCHTIEF PPP Solutions. In April 2010 we reached financial close in Alberta, Canada, on a total of EUR 242 million worth of contracts to design, finance, build and operate ten schools in Alberta, Canada. The capital outlay comes to EUR 61 million. June brought the financial close on two schools in Offenbach, Germany. The contract is worth near to EUR 89 million and the capital outlay amounts to some EUR 60.5 million.

### HOCHTIEF Concessions outlook

We reported extraordinary income for Athens Airport in 2009. Because of this once-only item, the HOCHTIEF Concessions division expects profit before taxes for 2010 to be significantly below its high prior-year level. However, we expect to fall only slightly short of the prior-year earnings figure adjusted for the positive nonrecurring item at Athens Airport in 2009. The decrease results from the special tax imposed by Greece in the second quarter, the overall recessionary situation in Greece, and likely further remedial measures by the Greek government whose impact is currently hard to predict. These factors will be partly compensated for by efficiency gains in our operating business.

## HOCHTIEF Europe Division

**New orders** in the HOCHTIEF Europe division were down on the first half of 2009. This is attributable to the major contract worth EUR 1.3 billion received in Qatar in the previous year. Adjusted for this nonrecurring effect, new orders were up on the previous year. **Work done, divisional sales and external sales** were still below the prior-year figures, as it was not yet possible to completely make up for the weather-related delays of the first quarter and the building construction market remained weak. The **order backlog** of EUR 3.67 billion provides a forward order book of more than 19 months.

**Operating earnings and profit before taxes** increased substantially in the second quarter compared with the prior-year period—the rigorously pursued objectives for the acquisition of projects had a positive impact.

**Capital expenditure** decreased year on year. The previous year's figures included major capital spending on technical equipment and machinery for a large-scale project in Qatar in 2009.

The increased focus on Eastern Europe and non-European countries continued to yield results: In Russia, HOCHTIEF Europe secured the contract for construction of the new four-story passenger terminal at Vladivostok International Airport. The project, including planning, is worth a total of around EUR 103 million. Construction is scheduled to be completed at the end of 2011. We already took over project planning and construction preparation work for the client in 2009.

In the Polish port of Świnoujście, HOCHTIEF Construction will build a 3,000-meter breakwater. The overall contract is worth EUR 173 million, of which HOCHTIEF's share is approximately EUR 27 million. In Poole in the South of England, HOCHTIEF (UK) is building the Twin Sails Bridge. The project, which is worth around EUR 22 million, includes intricate civil engineering and hydro construction work as well as the operating facilities for the bridge structure. It is set to be completed in early 2012. In Călărași, Romania, construction work began in May on a wastewater treatment plant in a contract worth some EUR 12 million. The project is already our fourth contract for a wastewater treatment plant in Romania in less than a year.

(EUR million)	H1 2010	H1 2009 (restated)*	Percent- age change	Q2 2010	Q2 2009 (restated)*	Full year 2009
New orders	<b>1,010.3</b>	2,052.7	<b>-50.8</b>	<b>451.4</b>	1,566.5	2,908.7
Work done	<b>1,130.0</b>	1,380.4	<b>-18.1</b>	<b>654.3</b>	709.8	2,742.1
Order backlog	<b>3,668.8</b>	4,208.9	<b>-12.8</b>	<b>3,668.9</b>	4,208.9	3,608.1
Divisional sales	<b>1,078.5</b>	1,177.6	<b>-8.4</b>	<b>612.4</b>	612.6	2,354.8
External sales	<b>1,062.2</b>	1,107.1	<b>-4.1</b>	<b>602.1</b>	575.0	2,225.3
Operating earnings (EBITA)	<b>10.6</b>	12.7	<b>-16.5</b>	<b>11.7</b>	7.8	26.7
Profit before taxes	<b>8.3</b>	9.9	<b>-16.2</b>	<b>7.7</b>	4.8	30.4
Capital expenditure	<b>12.0</b>	53.2	<b>-77.4</b>	<b>6.0</b>	37.5	77.9
Net assets	<b>560.7</b>	532.3	<b>5.3</b>	<b>560.7</b>	532.9	546.9
Employees	<b>9,523</b> (End H1 2010)	10,022 (End H1 2009)	<b>-5.0</b>	<b>9,523</b> (End Q2 2010)	10,022 (End Q2 2009)	9,946 (2009 average)

In Modlniczka, Poland, work began on the Futura Park Handlowy. The contract includes the construction of a shopping center with a gross floor area of 49,000 square meters. The project is scheduled for completion in August 2011. The Futura Park complex is the second contract from the project developer Neinver Polska in this half year: We have been working on the Morski Park Handlowy in Gdansk since February.

\*For details on the restatement, please see pages 14 and 17.

In HOCHTIEF's German building construction business, the steps taken to ensure earnings quality have proven effective: Projects are delivering a positive earnings trend. However, due to the selective project acquisition and still weak building construction market, new orders decreased and fell short of our expectations. Contracts in the second quarter include a hotel complex in Munich worth approximately EUR 23 million. Two Marriott hotels are to be built on 5,221 square meters of land by October 2011.

### HOCHTIEF Europe outlook

Construction demand in Germany is not expected to show a sustained recovery in the medium term. We therefore continue to streamline capacity at our building construction business units in line with market circumstances. At the same time, we are working on cost-saving measures to compete more effectively in a market increasingly characterized by medium-sized companies.

The HOCHTIEF Europe division will continue to systematically drive forward internationalization and concentrate on profitable markets. We therefore still expect to lift profit before taxes for the current fiscal year above the prior-year figure.

## HOCHTIEF Real Estate Division

(EUR million)	H1 2010	H1 2009 (restated)*	Percent- age change	Q2 2010	Q2 2009 (restated)*	Full year 2009
New orders	37.3	98.8	-62.2	26.6	51.8	598.5
Work done	127.4	352.0	-63.8	64.9	187.2	677.0
Order backlog	550.4	496.8	10.8	550.4	496.8	642.0
Divisional sales	78.1	364.3	-78.6	41.0	205.4	660.8
External sales	72.0	357.3	-79.8	37.3	201.7	644.9
Operating earnings (EBITA)	14.1	32.4	-56.5	7.0	5.0	53.2
Profit before taxes	0.8	19.7	-95.9	0.5	(0.6)	27.0
Capital expenditure	0.4	8.5	-95.3	0.3	0.8	18.6
Net assets	961.4	1,152.1	-16.6	961.4	1,152.1	902.0
Employees	988 (End H1 2010)	1,036 (End H1 2009)	-4.6	988 (End Q2 2010)	1,036 (End Q2 2009)	1,034 (2009 average)

\*For details on the restatement, please see pages 14 and 17.

In the first half of 2010, the HOCHTIEF Real Estate division continued to apply its selective, profitability-focused policy for the acquisition of new projects and contracts. In a still challenging market environment, **new orders** were therefore 38 percent of the amount posted for the same period of 2009. As our investment criteria continue to require strict pre-lease rates to be attained before construction work can begin, only a small number of new projects are currently in progress as a result of which **work done** was down on the previous year but slightly up on the first quarter of 2010. As planned, **divisional** and **external sales** declined year on year in line with work done.

**Operating earnings** remained on a par with the first quarter of 2010, while **profit before taxes** increased compared with that period. The significant changes compared with the previous year are the result of the first-time application of IFRIC 15\* in 2009 for project recognition purposes. This changes the way in which earnings on individual projects are allocated between reporting periods.

As expected, **capital expenditure** was down on the prior-year figure because of project costs capitalized in the first half of 2009. **Net assets** were lower year on year due to the project sales achieved in the second half of 2009.

In the first half of the year, **HOCHTIEF Projektentwicklung** rented out a total of more than 28,600 square meters of office and commercial space, 19,133 square meters of it in the second quarter alone. Further office space was rented out at the Four Elements building in Düsseldorf, Lindley Carree in Hamburg and Capital Square in Budapest, for example. Construction work got under way at the Metropolis building in Hamburg comprising 25,800 square meters of gross floor space, various residential and commercial properties in the city's Quartier 21 district, and an office and commercial

building in Cologne comprising 3,740 square meters of gross floor space. In Friedberg, we are constructing InLine, the second section of a retail center.

In Düsseldorf, we and our joint venture partner celebrated the start of construction work on the first section of the leflair urban district, where 17 of the 72 residential units have already been taken. In Berlin, 19 of 31 residential units were sold at the Fontanepromenade residential development. Other milestones included the topping-out ceremonies at the Lindley Carree office building in Hamburg and for the nursing home in Langweid as well as the opening of our sixth property for the elderly in Klettgau. Both nursing care facilities are being constructed in cooperation with BeneVit, the operator of the house community concept, and investor Swiss Life.

As of June 30, 2010, 24 projects representing a total investment of EUR 891 million were under way at HOCHTIEF Projektentwicklung. Almost 40 percent have been sold to investors and the pre-lease rate stands at 65 percent.

In the first half of 2010, **aurelis Real Estate** sold properties worth EUR 57 million, including 300,000 square meters in Duisburg, a developed site in Berlin measuring roughly 19,000 square meters and an area in Hamburg. Overall, the company increased its sales volume slightly compared with the prior-year period. Progress was made on various projects. For example, in Frankfurt's Europaviertel West and for a site in Nuremberg measuring some 136,000 square meters, there is now a legally effective development plan in place. aurelis also continues to focus on enhancing the value of the property portfolio: In the first half of the year, it generated rental income of around EUR 45.5 million and concluded new rental agreements representing an annual total of EUR 5.3 million.

**HOCHTIEF Property Management** is to assume owner responsibilities at the Unilever and Freshfields properties in Hamburg. The clients are RREEF Investment and Deka Immobilien. In all, the properties comprise almost 40,000 square meters of space.

### HOCHTIEF Real Estate outlook

Despite the challenging conditions in the rental and investment markets, the HOCHTIEF Real Estate division anticipates a healthy profit overall for 2010. As is normal for the industry, most real estate sales are made in the second half of the year. The division conducts a wide-ranging sales program and we therefore continue to expect pretax profit to be on a par with the prior-year figure.

## HOCHTIEF Services Division

In the HOCHTIEF Services division, **new orders** were well up on the prior-year period, with an increase of 45 percent, mainly due to the acquisition of a major project in Bahrain and contract extensions at HOCHTIEF Energy Management.

**Work done** as well as **divisional and external sales** remained slightly down on the prior-year figures in the reporting period because of delays in the commissioning of several expected major projects. The **order backlog** increased by 9.7 percent year on year.

**Operating earnings** (EUR 7.9 million) and **profit before taxes** (EUR 7.5 million) both fell short of the prior-year levels by 14.1 percent and 8.5 percent respectively. These decreases are mainly due to customer restraint in commissioning special services.

In the second quarter, the HOCHTIEF Services division concentrated on further expanding production-related services in industry and the project volume in healthcare. For example, **HOCHTIEF Facility Management** is taking over technical and infrastructure facility management for five years at the automotive supplier Continental's development and production facility in Nuremberg, where the company develops and produces technology such as electronic controls for car and truck engines seven days a week. We will provide 24-hour support to ensure the complex technical facility management throughout all production and development processes. This also includes the operation of cleanrooms. This contract further extends HOCHTIEF's cooperation with Continental: HOCHTIEF Energy Management already operates and optimizes the energy systems in Hanover and supplies steam, compressed air, nitrogen, power and water, among other things, for production and research.

In the key segment of healthcare, **HOCHTIEF Energy Management** is supporting Bethel Hospital in Berlin for the next eleven years in its endeavors to become a "green hospital," thereby demonstrating again its importance for the sustainable conduct of its clients. Under an energy performance contracting assignment, we guarantee the hospital a cut in energy costs of more than EUR 110,000 per annum, which equates to a carbon reduction of 600 metric tons per year.

(EUR million)	H1 2010	H1 2009	Percentage change	Q2 2010	Q2 2009	Full year 2009
New orders	439.5	303.1	45.0	250.3	159.1	639.8
Work done	315.6	320.0	-1.4	159.0	161.2	645.8
Order backlog	1,625.3	1,481.9	9.7	1,625.3	1,481.9	1,480.6
Divisional sales	315.6	320.0	-1.4	159.0	161.2	645.8
External sales	308.5	311.9	-1.1	155.5	157.5	625.5
Operating earnings (EBITA)	7.9	9.2	-14.1	5.2	3.3	19.0
Profit before taxes	7.5	8.2	-8.5	5.2	3.1	17.3
Capital expenditure	2.6	2.4	8.3	1.2	1.1	6.5
Net assets	142.6	147.0	-3.0	142.6	147.0	133.4
Employees	5,853 (End H1 2010)	5,657 (End H1 2009)	3.5	5,853 (End Q2 2010)	5,657 (End Q2 2009)	5,650 (2009 average)

The company also further expanded its international activities. For example, HOCHTIEF Facility Management Swiss is responsible for technical and infrastructure building management for the Swiss media company Tamedia at its sites in Zurich and Bern. HOCHTIEF ensures the optimum operation of technical building services over the total area of almost 50,000 square meters in the twelve buildings housing offices and television studios.

### HOCHTIEF Services outlook

The market for facility and energy management services continues to hold potential for growth in Germany and abroad. In the current fiscal year, clients have held back on ordering otherwise usual extra services and some have even been affected by short-time working. Due to the resulting reduction in work done, 2010 profit before taxes is expected to be below the prior-year figure. The HOCHTIEF Services division intends to continue rigorously pursuing its successful strategy in outsourcing projects and production-related services.

# Interim Financial Statements (Condensed)

## Consolidated Statement of Earnings

(EUR thousand)	H1 2010	H1 2009 (restated)*	Percentage change	Q2 2010	Q2 2009 (restated)*	Full year 2009 (restated)*
Sales	9,525,548	9,173,824	3.8	5,077,507	4,770,969	18,166,081
Changes in inventories	49,924	84,995	-41.3	30,039	5,597	32,203
Other operating income	97,418	88,426	10.2	60,435	49,035	225,107
Materials	(6,345,876)	(6,611,425)	-4.0	(3,428,868)	(3,402,351)	(12,562,542)
Personnel costs	(1,950,128)	(1,646,031)	18.5	(910,442)	(802,114)	(3,501,085)
Depreciation and amortization	(398,237)	(224,122)	77.7	(240,340)	(131,852)	(501,370)
Other operating expenses	(656,120)	(561,735)	16.8	(327,856)	(274,462)	(1,333,123)
<b>Profit from operating activities</b>	<b>322,529</b>	<b>303,932</b>	<b>6.1</b>	<b>260,475</b>	<b>214,822</b>	<b>525,271</b>
Share of profits and losses of equity-method associates and jointly controlled entities	53,029	60,135	-11.8	(26,440)	(1,708)	201,356
Net income from other participating interests	12,275	109	-	1,847	(6,352)	24,859
Investment and interest income	34,533	35,805	-3.6	18,012	16,571	79,906
Investment and interest expenses	(120,780)	(115,492)	4.6	(72,855)	(56,503)	(234,521)
<b>Profit before taxes</b>	<b>301,586</b>	<b>284,489</b>	<b>6.0</b>	<b>181,039</b>	<b>166,830</b>	<b>596,871</b>
Income taxes	(101,457)	(94,867)	6.9	(62,885)	(55,846)	(192,302)
<b>Profit after taxes</b>	<b>200,129</b>	<b>189,622</b>	<b>5.5</b>	<b>118,154</b>	<b>110,984</b>	<b>404,569</b>
Of which: Consolidated net profit	88,126	86,321	2.1	54,050	47,707	191,672
Of which: Minority interest	112,003	103,301	8.4	64,104	63,277	212,897
Diluted and undiluted earnings per share (EUR)	1.32	1.30	1.5	0.81	0.72	2.88

\* Restated on first-time application of IFRIC 12 as of January 1, 2010 and the resulting change in the accounting treatment of service concessions. For further information, please see page 17. Applying the new interpretation resulted in a EUR 1,800,000 decrease in the H1 2009 figure for the share of profits and losses of equity-method associates and jointly controlled entities.

The figures are also restated due to first-time application of IFRIC 15 in the third quarter of the prior year. For further information on this change, please see pages 142 and 143 of the Annual Report 2009. The restatement increased H1 2009 sales by EUR 44,738,000, changes in inventories by EUR 84,916,000 and materials by EUR 102,687,000. This resulted in a EUR 6,937,000 deferred tax expense.

In total, applying the two new interpretations added EUR 18,230,000 to H1 2009 profit after taxes. This is allocated as a EUR 18,255,000 addition in consolidated net profit and a EUR 25,000 reduction in minority interest. Earnings per share increased by EUR 0.28.

## Consolidated Balance Sheet

(EUR thousand)	June 30, 2010	Dec. 31, 2009 (restated)*	(EUR thousand)	June 30, 2010	Dec. 31, 2009 (restated)*
<b>Assets</b>			<b>Liabilities and Shareholders' Equity</b>		
<b>Non-current assets</b>			<b>Shareholders' equity</b>		
Intangible assets	588,993	503,701	Attributable to the Group	2,289,680	2,164,053
Property, plant and equipment	1,723,074	1,492,327	Minority interest	1,236,243	1,100,076
Investment properties	37,888	38,239		<b>3,525,923</b>	<b>3,264,129</b>
Equity-method investments	1,916,430	1,764,636	<b>Non-current liabilities</b>		
Other financial assets	538,696	486,496	Provisions for pensions and similar obligations	135,096	71,262
Financial receivables	412,822	410,758	Other provisions	389,694	337,949
Other receivables and other assets	139,271	177,137	Financial liabilities	2,406,896	2,047,590
Deferred tax assets	327,977	232,780	Other liabilities	214,480	185,111
	<b>5,685,151</b>	<b>5,106,074</b>	Deferred tax liabilities	129,641	111,499
<b>Current assets</b>				<b>3,275,807</b>	<b>2,753,411</b>
Inventories	1,152,093	1,115,742	<b>Current liabilities</b>		
Financial receivables	122,391	112,087	Other provisions	992,827	905,655
Trade receivables	3,937,825	3,407,523	Financial liabilities	866,429	795,886
Other receivables and other assets	129,299	126,789	Trade payables	5,058,358	4,391,638
Current income tax assets	74,883	56,879	Other liabilities	408,358	381,557
Marketable securities	961,812	807,739	Current income tax liabilities	1,701	10,201
Cash and cash equivalents	2,065,949	1,769,644		<b>7,327,673</b>	<b>6,484,937</b>
	<b>8,444,252</b>	<b>7,396,403</b>		<b>14,129,403</b>	<b>12,502,477</b>
	<b>14,129,403</b>	<b>12,502,477</b>			

\* First-time application of IFRIC 12 reduced equity-method investments as of December 31, 2009 by EUR 33,197,000 and non-current financial receivables by EUR 14,603,000. The resulting EUR 47,800,000 decrease in shareholders' equity is allocated as a EUR 46,060,000 reduction in the amount attributable to the Group and a EUR 1,740,000 reduction in the amount attributable to minority interest.

# Consolidated Statement of Cash Flows

(EUR thousand)

	H1 2010	H1 2009 (restated)*
Profit after taxes	200,129	189,622
Depreciation, amortization, impairments and impairment reversals	409,038	239,977
Changes in provisions	(36,618)	(47,862)
Changes in deferred taxes	(45,888)	34,677
Losses from disposals of non-current assets and marketable securities	(11,736)	(11,277)
Other non-cash income and expenses (primarily equity accounting) and deconsolidations	31,370	(13,105)
Changes in working capital (net current assets)	66,189	(79,120)
Changes in other balance sheet items	2,786	2,378
<b>Net cash provided by operating activities</b>	<b>615,270</b>	<b>315,290</b>
Intangible assets, property, plant and equipment, and investment properties		
Purchases	(455,698)	(389,601)
Proceeds from asset disposals	33,809	41,526
Acquisitions and participating interests		
Purchases	(155,416)	(88,387)
Proceeds from asset disposals/divestments	78,823	3
Changes in cash and cash equivalents due to consolidation changes	5,030	0
Changes in securities holdings and financial receivables	(144,696)	116,899
<b>Net cash used in investing activities</b>	<b>(638,148)</b>	<b>(319,560)</b>
Payments into equity by minority shareholders	35,250	10,009
Dividends to HOCHTIEF's and minority shareholders	(185,525)	(148,862)
Proceeds from new borrowing	477,830	737,724
Service of debt	(244,289)	(826,838)
<b>Net cash provided by/(used in) financing activities</b>	<b>83,266</b>	<b>(227,967)</b>
<b>Net cash increase/(decrease) in cash and cash equivalents</b>	<b>60,388</b>	<b>(232,237)</b>
Effect of exchange rate changes	235,917	32,646
<b>Overall change in cash and cash equivalents</b>	<b>296,305</b>	<b>(199,591)</b>
Cash and cash equivalents at the start of the year	1,769,644	1,787,713
<b>Cash and cash equivalents at end of reporting period</b>	<b>2,065,949</b>	<b>1,588,122</b>

\*For details on the restatement, please see pages 14 and 17.

## Statement of Changes in Equity

(EUR thousand)	Subscribed capital of HOCHTIEF Aktien-gesellschaft	Capital reserve of HOCHTIEF Aktien-gesellschaft	Revenue reserves* including unappropriated net income	Accumulated income	other comprehensive income	Attributable to the Group	Attributable to minority interest	Total	
				Currency translation differences	Changes in fair value of financial instruments	Actuarial gains and losses			
Balance as of Jan. 1, 2009	<b>179,200</b>	<b>400,806</b>	<b>1,728,911</b>	<b>(167,301)</b>	<b>(102,225)</b>	<b>(108,379)</b>	<b>1,931,012</b>	<b>895,151</b>	<b>2,826,163</b>
Changes in accounting policy	-	-	(42,586)	8,544	-	-	(34,042)	(1,358)	(35,400)
Balance as of Jan. 1, 2009**	<b>179,200</b>	<b>400,806</b>	<b>1,686,325</b>	<b>(158,757)</b>	<b>(102,225)</b>	<b>(108,379)</b>	<b>1,896,970</b>	<b>893,793</b>	<b>2,790,763</b>
Dividends paid	-	-	(88,200)	-	-	-	(88,200)	(60,662)	(148,862)
Profit after taxes**	-	-	86,321	-	-	-	86,321	103,301	189,622
Currency translation differences and changes in fair value of financial instruments**	-	-	-	63,984	12,150	-	76,134	39,769	115,903
Changes in actuarial gains and losses	-	-	-	-	-	6,952	6,952	6	6,958
Other changes not recognized in the Statement of Earnings	-	-	(4,004)	-	-	-	(4,004)	11,816	7,812
Balance as of June 30, 2009**	<b>179,200</b>	<b>400,806</b>	<b>1,680,442</b>	<b>(94,773)</b>	<b>(90,075)</b>	<b>(101,427)</b>	<b>1,974,173</b>	<b>988,023</b>	<b>2,962,196</b>
<b>Balance as of Jan. 1, 2010</b>	<b>179,200</b>	<b>400,806</b>	<b>1,842,028</b>	<b>(74,271)</b>	<b>(66,902)</b>	<b>(70,748)</b>	<b>2,210,113</b>	<b>1,101,816</b>	<b>3,311,929</b>
Changes in accounting policy	-	-	(46,136)	76	-	-	(46,060)	(1,740)	(47,800)
Balance as of Jan. 1, 2010**	<b>179,200</b>	<b>400,806</b>	<b>1,795,892</b>	<b>(74,195)</b>	<b>(66,902)</b>	<b>(70,748)</b>	<b>2,164,053</b>	<b>1,100,076</b>	<b>3,264,129</b>
Dividends paid	-	-	(99,816)	-	-	-	(99,816)	(85,709)	(185,525)
Profit after taxes	-	-	88,126	-	-	-	88,126	112,003	200,129
Currency translation differences and changes in fair value of financial instruments	-	-	-	204,721	(22,352)	-	182,369	87,399	269,768
Changes in actuarial gains and losses	-	-	-	-	-	(58,203)	(58,203)	-	(58,203)
Other changes not recognized in the Statement of Earnings	-	-	13,151	-	-	-	13,151	22,474	35,625
Balance as of June 30, 2010	<b>179,200</b>	<b>400,806</b>	<b>1,797,353</b>	<b>130,526</b>	<b>(89,254)</b>	<b>(128,951)</b>	<b>2,289,680</b>	<b>1,236,243</b>	<b>3,525,923</b>

\* As of June 30, 2010, own stock with an acquisition cost of EUR 90,953,000 is accounted for as a deduction from revenue reserves (June 30, 2009: EUR 92,113,000).

\*\* For details on the restatement, please see pages 14 and 17.

## Consolidated Statement of Comprehensive Income

(EUR thousand)	H1 2010	H1 2009 (restated)*	Change	Full year 2009 (restated)*
<b>Profit after taxes</b>	<b>200,129</b>	<b>189,622</b>	<b>10,507</b>	<b>404,569</b>
Currency translation differences	299,702	107,740	191,962	149,978
Changes in fair value of financial instruments				
- Primary	(1,816)	24,294	(26,110)	61,452
- Derivative	(19,486)	(22,836)	3,350	(14,444)
- Share of profits and losses of equity-method associates and jointly controlled entities recognized directly in equity	(8,632)	6,705	(15,337)	(5,740)
Actuarial gains and losses	(58,203)	6,958	(65,161)	37,626
<b>Other comprehensive income (after taxes)</b>	<b>211,565</b>	<b>122,861</b>	<b>88,704</b>	<b>228,872</b>
<b>Total income and expense recognized in the reporting period</b>	<b>411,694</b>	<b>312,483</b>	<b>99,211</b>	<b>633,441</b>
Of which: HOCHTIEF Group	212,292	169,407	42,885	349,188
Of which: Minority interest	199,402	143,076	56,326	284,253

\*For details on the restatement, please see pages 14 and 17.

# Notes to the Consolidated Financial Statements

## Accounting policies

The Interim Consolidated Financial Statements as of June 30, 2010, which were released for publication on August 5, 2010, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Interim Financial Statements and the Interim Management Report have been neither audited nor reviewed. In accordance with IAS 34, the reported information is presented in condensed form relative to the full Consolidated Financial Statements. This interim report is based on the Consolidated Financial Statements as of and for the year ending December 31, 2009.

HOCHTIEF applied IFRIC 12 Service Concession Arrangements for the first time as of March 31, 2010. IFRIC 12 relates to the uniform accounting treatment of rights and obligations under service concessions granted by government or government agencies in order to provide public services. If the operator has an unconditional contractual right to payment, the financial asset model is applied and a financial asset is recognized. If the operator merely has a right to charge based on the usage of services, the intangible asset model is applied. For the HOCHTIEF Group, applying the new interpretation essentially only affects accounting for service concessions to which the intangible asset model applies. This may change the allocation of contract net profit among individual reporting periods during the operating phase of such concessions. The prior-year figures have been restated accordingly. For detailed information on IFRIC 12, please see page 144 of the 2009 Annual Report.

Additionally, due to reduced capital market interest rates, the discount factor used to value pension obligations in Germany was lowered as of June 30, 2010 to 4.50 percent (December 31, 2009: 5.25 percent).

In all other respects, this report has been prepared using the same accounting policies as the 2009 Consolidated Financial Statements. Information on those accounting policies is given in the 2009 Annual Report.

## Consolidation changes

The consolidated financial statements for the first half of 2010 include 33 foreign companies for the first time. Five foreign companies were removed from the consolidated group.

The number of foreign companies accounted for using the equity method increased by 25.

The consolidated financial statements as of June 30, 2010 include HOCHTIEF Aktiengesellschaft and a total of 55 domestic and 385 foreign consolidated companies plus 17 domestic and 183 foreign companies accounted for using the equity method.

## Own shares

As of June 30, 2010, HOCHTIEF Aktiengesellschaft held a total of 3,455,685 shares of treasury stock. These shares were purchased over the course of fiscal 2008 for the purposes provided for in the resolution of the General Shareholders' Meeting of May 8, 2008. These shares represent EUR 8,846,554 (4.94 percent) of the Company's capital stock.

## Dividend payment

A resolution to pay a dividend of EUR 1.50 per eligible non-par-value share was adopted at the General Shareholders' Meeting of HOCHTIEF Aktiengesellschaft on May 11, 2010.

## Contingent liabilities

The contingent liabilities relate to liabilities under guarantees and comfort letters; they have increased since December 31, 2009 by EUR 3,328,000 to EUR 55,628,000.

## Segment reporting

Segment 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.

## 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.

The HOCHTIEF Group sold a plot of land worth EUR 689,000 in the period under review to a company in which a member of the Supervisory Board is a shareholder. The transaction was conducted on an arm's length basis. No further 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.

\*For details on the restatement, please see pages 14 and 17.

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

(EUR thousand)	H1 2010	H1 2009 (restated)*	Q2 2010	Q2 2009 (restated)*
<b>Profit from operating activities</b>	<b>322,529</b>	<b>303,932</b>	<b>260,475</b>	<b>214,822</b>
+ Net income from participating interests	65,304	60,244	(24,593)	(8,060)
– Non-operating earnings	(+) 3,325	(+) 0	(+) 3,325	(+) 0
+ Interest credited	5,079	9,721	4,754	5,995
<b>Operating earnings (EBITA)</b>	<b>396,237</b>	<b>373,897</b>	<b>243,961</b>	<b>212,757</b>

### Undiluted and diluted earnings per share

	H1 2010	H1 2009 (restated)*	Q2 2010	Q2 2009 (restated)*
<b>Consolidated net profit (EUR thousand)</b>	<b>88,126</b>	<b>86,321</b>	<b>54,050</b>	<b>47,707</b>
Number of shares in circulation (weighted average)	66,544,315	66,500,247	66,544,315	66,500,247
<b>Earnings per share (EUR)</b>	<b>1.32</b>	<b>1.30</b>	<b>0.81</b>	<b>0.72</b>

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, 2010

The Executive Board

Dr. Lütkestratkötter      Dr. Lohr      Dr. Noé

Dr. Rohr      Dr. Stieler

# Corporate Structure of HOCHTIEF Aktiengesellschaft

## Corporate Headquarters (management holding company)

HOCHTIEF Americas	HOCHTIEF Asia Pacific	HOCHTIEF Concessions	HOCHTIEF Europe	HOCHTIEF Real Estate	HOCHTIEF Services
Turner (USA) Flatiron (USA, Canada) E.E. Cruz (USA)	Leighton Holdings (Australia) Leighton Contractors (Australia, New Zealand) Thiess (Australia, India, Indonesia) John Holland Group (Australia) Leighton International (Brunei, India, Malaysia, Qatar, Singapore, Sri Lanka, United Arab Emirates) Leighton Properties (Australia) Leighton Asia (Cambodia, Hong Kong, Indonesia, Laos, Macau, Mongolia, Philippines, Thailand, Vietnam) Al Habtoor Engineering (Qatar, United Arab Emirates)	HOCHTIEF Concessions (Germany) HOCHTIEF AirPort (Germany) HOCHTIEF AirPort Capital (Germany) HOCHTIEF AirPort Retail (Albania) HOCHTIEF PPP Solutions (Canada, Chile, Germany, Greece, Ireland, UK, USA) HOCHTIEF PPP Schools Capital (UK)	HOCHTIEF Construction (Austria, Bulgaria, Chile, Czech Republic, Germany, India, Luxembourg, Poland, Qatar, Romania, Russia, South Africa, Sweden, UK, Ukraine) HOCHTIEF Global Trade (Germany) HOCHTIEF Procurement Asia (Hong Kong) Streif Bauleistik (Austria, Bulgaria, Denmark, Germany, Poland, Romania, Russia, Ukraine) Durst-Bau (Austria)	HOCHTIEF Projektentwicklung (Austria, Czech Republic, Germany, Hungary, Poland, Romania, Russia, Switzerland) HOCHTIEF Property Management (Germany) aurelis Real Estate (Germany)	HOCHTIEF Facility Management (Bahrain, Czech Republic, Denmark, Germany, Greece, Hungary, Ireland, Poland, Switzerland, UK) HOCHTIEF Energy Management (Germany)

The companies listed exemplify the international reach of HOCHTIEF. For further details, please visit our website at [www.hochtief.com](http://www.hochtief.com).

## Financial Calendar

### November 11, 2010

Interim Report at September 30, 2009  
Conference Call with Analysts and Investors

### March 29, 2011

2010 Annual Report  
Business Results Press Conference  
Analysts' and Investors' Conference

### May 12, 2011

General Shareholders' Meeting  
10.30 a.m., Grugahalle, Norbertstrasse, Essen

### May 16, 2011

Quarterly Report at March 31, 2011  
Conference Call with Analysts and Investors

The editorial deadline for this half-year report was August 5, 2010; the report was published on August 16, 2010.

For further information on HOCHTIEF and our addresses, business units, subsidiaries and associates, please visit our website at [www.hochtief.com](http://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**

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