

# TURNING VISION INTO V LUE.

Roadshow London  
18 August 2005

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## Three pillars of success

An holistic business philosophy

**Identify profitable opportunities**

**Bring technical excellence to bear**

**Manage risk to create return**



**HOCHTIEF - Turning Vision into Value**

## Achievements H1 2005

### **Construction:**

- PreFair commences market penetration in CEE business
- Acquisition in Hungary, CEE presence strengthened
- Hilton Hotel delivered, Spencer Street Station on target

### **Services:**

- New contract/client wins in FM
- Margin recovery in FM business

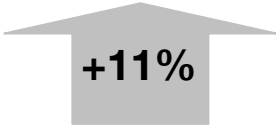
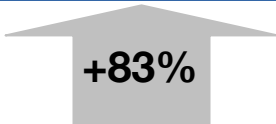
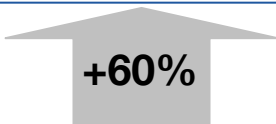
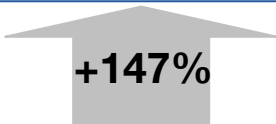
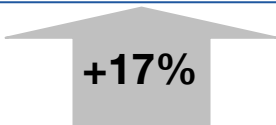
### **Development:**

- Positive market response from development projects in Ludwigsburg and Cologne

### **Concessions and operation:**

- Airport Investment Partnership
- HTA takes over operation of Tirana Airport
- Expansion of PPP portfolio (Leverkusen, Manchester)

## Financial Highlights

H1 2005		
<b>Sales</b>	 +11%	<b>EUR bn</b> 6.09
<b>EBT</b>	 +83%	<b>EUR m</b> 149.0
<b>EBT margin</b>	 +60%	<b>2.4%</b>
<b>Net income</b>	 +147%	<b>EUR m</b> 44.4
<b>Order backlog</b>	 +17%	<b>EUR bn</b> 20.37

- Increase in margins thanks to balanced business portfolio
- High quality order pipeline - never compromising quality for quantity

Half year on half year comparison

## Group figures

### Essentials

- **Sales: increase despite negative f/x effect of EUR 103m**
- **EBT: positive effect of HTAC transaction adds to underlying strong improvement**
- **Margin improvement across the Group**
- **High tax quote expectation remains, H1 05 tax rate lower than in H1 04 due to nearly tax-free HTAC book gain**
- **Capex level reflects continued opportunities in non-construction activities**

### Financials (EUR m)

(EUR m)	<b>HY 05</b>	HY 04	% change	2004
New orders	<b>6,593.5</b>	6,911.3	-4.6	15,586.7
Work done	<b>6,487.8</b>	5,995.9	8.2	13,106.9
Order backlog	<b>20,374.9</b>	17,420.5	17.0	18,715.3
Sales	<b>6,091.3</b>	5,492.0	10.9	11,943.7
EBITA	<b>168.0</b>	82.7	103.1	227.0
EBT	<b>149.0</b>	81.5	82.8	187.3
EBT margin (%)	<b>2.4</b>	1.5	60.0	1.6
Income taxes	<b>-69.3</b>	-44.4	56.1	-106.2
EAT	<b>79.7</b>	37.0	115.4	81.1
of which: consolidated net profit	<b>44.4</b>	18.0	146.7	41.2
of which: minorities	<b>35.3</b>	19.0	85.8	39.9
Cash flow	<b>174.0</b>	138.2	25.9	319.7
Capex	<b>337.4</b>	273.7	23.3	678.1

## Group Cash flow

### Essentials

- **HTAC inflow shown in Net cash provided by operating activities (“other balance sheet items”)**
- **HTAC transaction leads to**
  - increase of Net cash partially used in Financing activities through service of debt
  - significant increase of Free cash flow, despite Capex increase

(EUR m)	<b>HY 05</b>	HY 04	% change
<b>Cash flow</b>	<b>174.0</b>	138.2	25.9
Net cash provided by operating activities	<b>324.4</b>	-40.1	909.0
Net cash used in investing activities	<b>-176.0</b>	102.3	-272.0
Net cash used in financing activities	<b>-103.6</b>	-10.7	-868.2
<b>Net change in cash and cash equivalents</b>	<b>44.8</b>	51.5	-13.0
<b>Cash and cash equivalents at end of period</b>	<b>882.2</b>	1,111.0	-20.6
Net cash provided by operating activities	<b>324.4</b>	-40.1	909.0
Capex (property, plant & equipment)	<b>-271.0</b>	-162.6	66.7
Proceeds from asset disposals (pp&e)	<b>50.3</b>	18.9	166.1
Capex (financial assets)	<b>-66.3</b>	-111.1	-40.3
Proceeds from asset disposals (financial assets)	<b>106.6</b>	46.8	127.8
Changes in cash and cash equivalents due to consolidation changes	<b>0.5</b>	0.2	150.0
<b>Free cash flow</b>	<b>144.5</b>	-247.9	158.3

# Consolidated balance sheet

## Essentials

- **Creation of 2nd external pension trust (volume: EUR 202m)**  
- total CTA volume now: EUR 488m
- **Significant effects of HTAC**
- **Equity ratio: 28%**
- **Gearing ratio: 34%**
- **Net cash end H1 05: EUR 646m**

	Assets		Liabilities	
	30 Jun 05	31 Dec 04	30 Jun 05	31 Dec 04
Intangible assets, pp&e	1,366.9 (17.8%)	1,197.5 (16.4%)	2,180.2 (28.4%)	1,904.6 (26.1%)
Financial Assets	933.2 (12.1%)	959.2 (13.2%)		
Other long-term assets	336.9 (4.4%)	382.7 (5.2%)	1,085.2 (14.1%)	1,130.2 (15.5%)
Inventories, receivables, other current assets, current income tax assets	3,342.2 (43.5%)	2,984.3 (41.0%)	441.8 (5.8%)	601.9 (8.3%)
Marketable securities and cash	1,704.1 (22.2%)	1,761.6 (24.2%)	3,976.1 (51.7%)	3,648.6 (50.1%)
	<b>7,683.3</b>	<b>7,285.3</b>	<b>7,683.3</b>	<b>7,285.3</b>
				Shareholders' equity
				Amounts due to banks <sup>1)</sup>
				Long-term liabilities <sup>2)</sup>
				Short-term Liabilities <sup>2)</sup>

1) incl. bonds or notes issued  
2) w/o amounts due to banks

(EUR m)

# HOCHTIEF Airport

## Essentials

- **HTAC generates net effect of EUR 52m on HTA EBT**
- **Even without HTAC effect: EBT meets 2005 break-even target**
- **Takeover of operation at Tirana airport (Apr 05)**
- **Individual airports: further improvement in operational performance; focus on implementation of optimization programs and increase in non-aviation segment**

## Financials (EUR m)

(EUR m)	HY 05	HY 04	% change	2004
Net income from particip.	<b>23.7</b>	9.1	160.4	27.0
EBITA	<b>76.4</b>	7.9	867.1	14.7
EBT	<b>58.9</b>	-7.5	885.3	-14.3
Cash flow	<b>-9.2</b>	6.2	-248.4	19.4
Capex	<b>0.5</b>	0.5	0.0	0.5
Capital employed	<b>603.6</b>	650.8	-7.3	682.3

# HOCHTIEF Development

## Essentials

- **Strengthening of market position, major PPP contract wins:**
  - **Leverkusen schools**  
(contract vol.: EUR 70m)
  - **Manchester schools**  
(contract vol.: EUR 170m)
- **Successes in property marketing and solid-margin FM segment drive EBT growth**

## Financials (EUR m)

(EUR m)	HY 05	HY 04	% change	2004
New orders	<b>541.0</b>	595.6	-9.2	1,297.4
Work done	<b>378.6</b>	304.3	24.4	838.6
Order backlog	<b>1,853.7</b>	1,176.8	57.5	1,741.5
External sales	<b>363.6</b>	273.6	32.9	723.8
EBITA	<b>11.3</b>	4.0	182.5	50.6
EBT	<b>9.6</b>	5.9	62.7	41.7
EBT margin (%)	<b>2.6</b>	2.2	18.2	5.8
Cash flow	<b>15.8</b>	1.2	1,216.7	-14.7
Capex	<b>25.1</b>	24.0	4.6	125.7
Capital employed	<b>560.3</b>	473.8	18.3	528.7

# HOCHTIEF Construction Services Americas

## Essentials

- **Margins still tight**
- **Earnings quality is key focus**
- **Broadening of product spectrum by adding construction-related services as further contribution to value creation**
- **H1 confirms strong market position, e.g. in Green Building (30 projects, EUR 800m project volume)**

## Financials (EUR m)

(EUR m)	<b>HY 05</b>	HY 04	% change	2004
New orders	<b>3,001.2</b>	3,371.8	-11.0	6,396.1
Work done	<b>2,697.2</b>	2,672.2	0.9	5,683.5
Order backlog	<b>6,805.7</b>	6,400.5	6.3	5,746.1
External sales	<b>2,628.8</b>	2,638.5	-0.4	5,605.2
EBITA	<b>27.8</b>	27.0	3.0	55.1
EBT	<b>21.4</b>	19.6	9.2	42.0
EBT margin (%)	<b>0.8</b>	0.7	14.3	0.7
Cash flow	<b>25.5</b>	15.8	61.4	43.9
Capex	<b>8.8</b>	15.0	-41.3	21.7
Capital employed	<b>236.7</b>	267.2	-11.4	200.6

## HOCHTIEF Construction Services Asia Pacific

### Essentials

- **Continued significant increase in Sales and Earnings as planned**
- **Hilton Hotel handed over in July 05; progress of Spencer Street Station according to revised schedule**
- **High Capex due to further expansion of contract mining, a long-term business with sustainably strong profits**

### Financials (EUR m)

(EUR m)	<b>HY 05</b>	HY 04	% change	2004
New orders	<b>2,048.9</b>	1,811.1	13.1	5,521.7
Work done	<b>2,243.4</b>	1,859.7	20.6	4,038.9
Order backlog	<b>9,252.6</b>	7,081.2	30.7	8,602.4
External sales	<b>2,078.8</b>	1,622.4	28.1	3,446.4
EBITA	<b>95.8</b>	47.8	100.4	119.0
EBT	<b>85.3</b>	44.4	92.1	109.3
EBT margin (%)	<b>4.1</b>	2.7	51.9	3.2
Cash flow	<b>178.5</b>	123.9	44.1	296.3
Capex	<b>283.2</b>	222.1	27.5	494.1
Capital employed	<b>598.6</b>	362.9	64.9	510.5

# HOCHTIEF Construction Services Europe

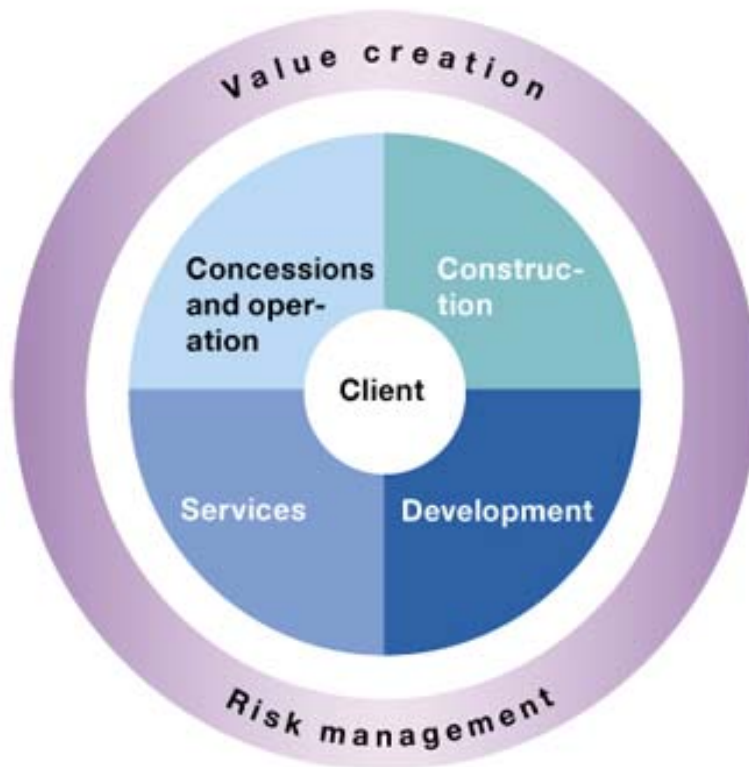
## Essentials

- **Major new orders expected from Central Eastern Europe (CEE) in 2H 05**
- **CEE drives increased Sales**
- **Margins continue to increase**
  - further expansion of PreFair
- **Focused expansion in specific market segments in CEE:**
  - Austria: expansion of activities
  - Bulgaria: establishment of branch
  - Hungary: Mélyepítő acquisition complete

## Financials (EUR m)

(EUR m)	HY 05	HY 04	% change	2004
New orders	<b>957.4</b>	1,096.9	-12.7	2,295.1
Work done	<b>1,123.6</b>	1,123.8	0.0	2,469.5
Order backlog	<b>2,462.9</b>	2,762.0	-10.8	2,625.3
External sales	<b>970.5</b>	916.3	5.9	2,086.9
EBITA	<b>2.1</b>	0.9	133.3	25.8
Earnings before tax	<b>11.9</b>	6.3	88.9	28.7
EBT margin (%)	<b>1.2</b>	0.7	71.4	1.4
Cash flow	<b>26.6</b>	18.4	44.6	36.4
Capex	<b>13.5</b>	11.9	13.4	24.0
Capital employed	<b>-53.6</b>	-90.4	40.7	-143.3

## HOCHTIEF is about...value creation



- HOCHTIEF is designed to **meet** the full range of **client needs** maximizing profit potential
- **Core strengths:**
  - An **holistic solution for clients:** Development, Construction, Services, Concessions and Operation
  - **Technical excellence**
  - Combination of **international strength with local focus**
- **Balanced portfolio** by geography, sector and project life
- **Risk Management** – the key consideration

## HOCHTIEF is about...PPP



- **HOCHTIEF is designed to deliver one-stop shop PPP solutions**
  - Design, Build, Finance, Operate
  - Higher margin business
  - Sustainability in business and cash flows
- **Risk Management** – strict project selection criteria and control
- **Asset and portfolio management** offers opportunities to financial investors and allows realization of value created by secondary market transactions

# HOCHTIEF PPP

## Airports



- 13 airports designed and built since 1990
- 5 airports under operation; c. EUR 700m capital committed
- EUR 313m capital released by recent assets sale
- IRR target >14%

## Toll roads



- 880km toll roads portfolio at HT Group
- Herrentunnel Lübeck to open in Q3 05
- Vespucio del Norte to open Q1 06
- IRR target >14%

## Public Buildings



- Contract volume: EUR 820m
  - schools
  - administration
- IRR target >14%



### Pipeline:

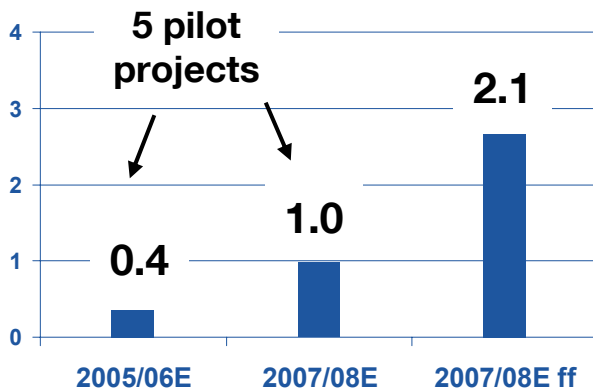
- Public Buildings pref. bidder: 3 projects tender: 9 projects
- Toll Roads: tender: 5 projects

# HOCHTIEF PPP Solutions' business potential



## Toll Roads (EUR bn)

**Expected A-models, Germany:**  
(investment volume)

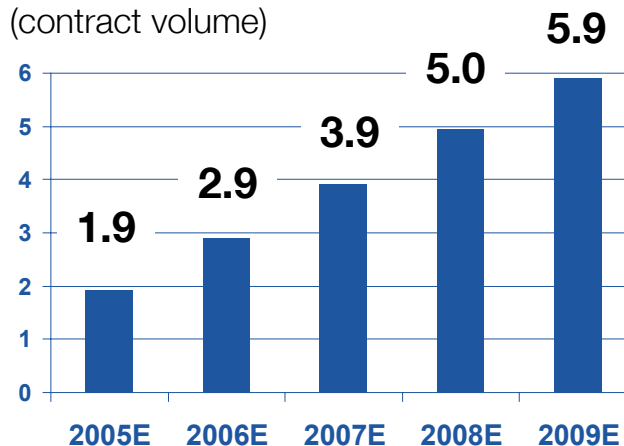


+ **F-models, Germany, 2005-10E: EUR 2.0bn**  
(investment volume)

+ **Europe, 2005-09E: EUR 20bn**  
(investment volume)

## Building/Social Infrastructure (EUR bn)

**Public buildings, Germany:<sup>1)</sup>**  
(contract volume)



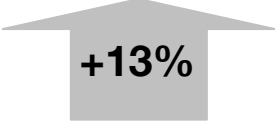

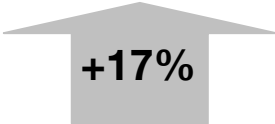

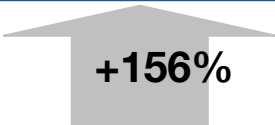

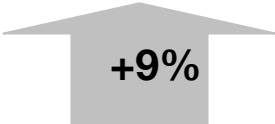

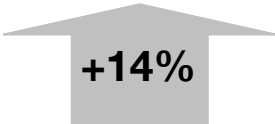
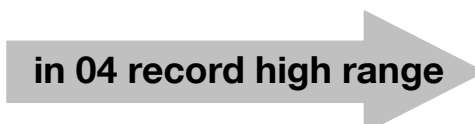
+ **UK PFI market: EUR 6.0bn p.a.**  
(investment volume)

1) Source: Dt. Institut für Urbanistik (Difu) and internal research

## Earnings prospects through PPP Solutions

- EUR 1.7bn projected aggregate cash flow from signed projects
- HT equity    EUR 119m committed  
                  EUR 75m paid in
- 25 years current average contract duration of PPP portfolio
- IRR target >14%
- Earnings streams to HOCHTIEF PPP Solutions from concessions company:
  - Fee income
  - Dividends/shareholder loan interests
  - Proceeds from sale
- Earnings potential of HT Group companies from concessions company:
  - Construction/Refurbishment contract
  - FM contract

## Outlook 2005

2004			2005E	
<b>Sales</b>	 +13%	<b>EUR bn</b> 11.94	<b>Sales</b>	 on prev. year's level
<b>EBT</b>	 +17%	<b>EUR m</b> 187	<b>EBT</b>	 + around one-quarter
<b>Net Income</b>	 +156%	<b>EUR m</b> 41	<b>Net income</b>	 + more than one-half
<b>New Orders</b>	 +9%	<b>EUR bn</b> 15.59	<b>New Orders</b>	 normalized high level*
<b>Order backlog</b>	 +14%	<b>EUR bn</b> 18.72	<b>Order backlog</b>	 in 04 record high range

\*below 04 record high

## Financial calendar and IR contact

<b>27 Oct 05</b>	<b>Capital Markets Day: HOCHTIEF Europe</b>
<b>17 Nov 05</b>	<b>Q3 results 2005 and Conference Call</b>
<b>23 Mar 06</b>	<b>Full year results 2005 and Analysts' and Investors' Conference</b>
<b>10 May 06</b>	<b>General Shareholders' Meeting</b>
<b>15 May 06</b>	<b>Q1 results 2006 and Conference Call</b>

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