

# London Roadshow

22 March 2006



Dr Hans-Peter Keitel, CEO

## 2005...a year of strategic progression

- **Creating value**

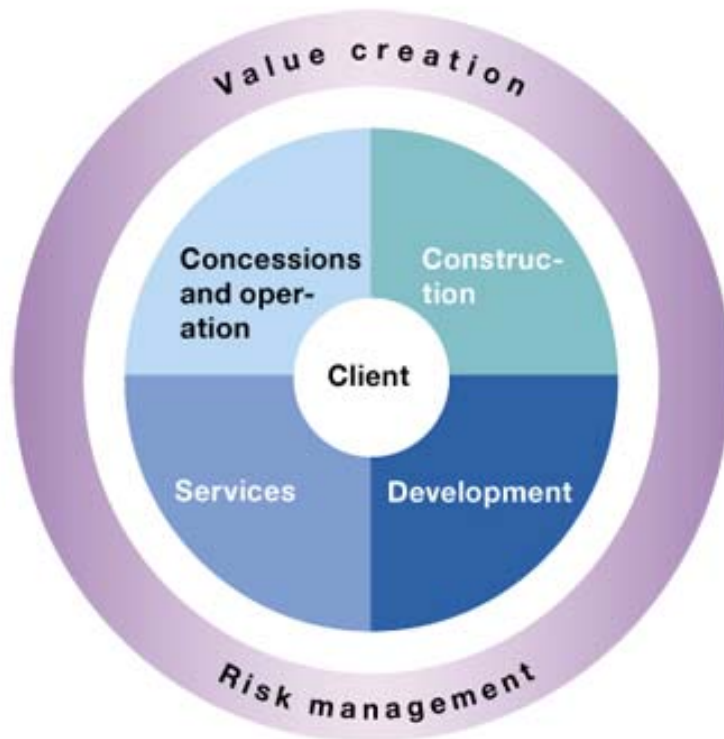
- HTA EBT break-even
- Leighton performance further improved
- HTE profitability improved
- UK/Ireland PPP market entrance; progress in German PPP

- **Demonstrating value**

- HTAC – creation of airport investment partnership
- Concession portfolio NPV

- **Earnings guidance surpassed, RONA increased, excellent visibility**

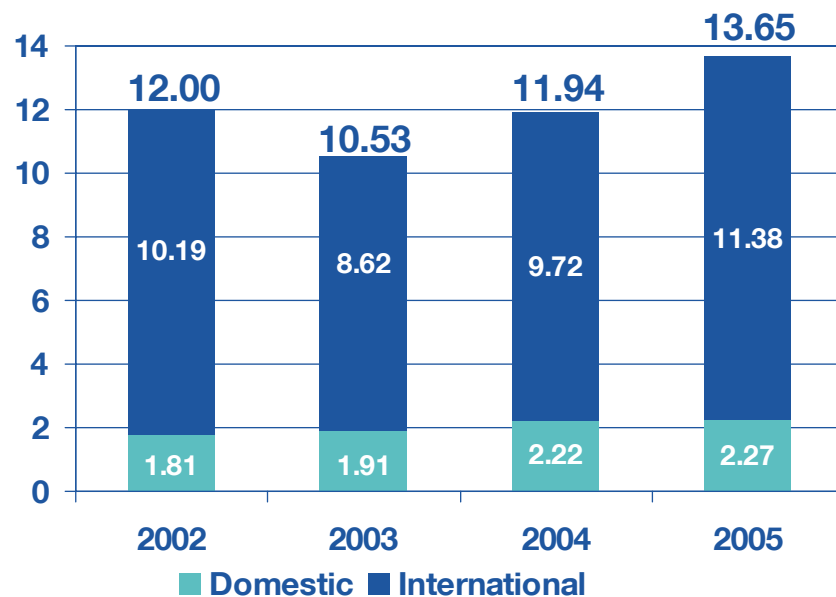
## HOCHTIEF is about...quality of service



- Structure designed to identify client needs across a wide geographical area
- Better service/order quality means better margins
- Holistic service model ideally suited to PPP client

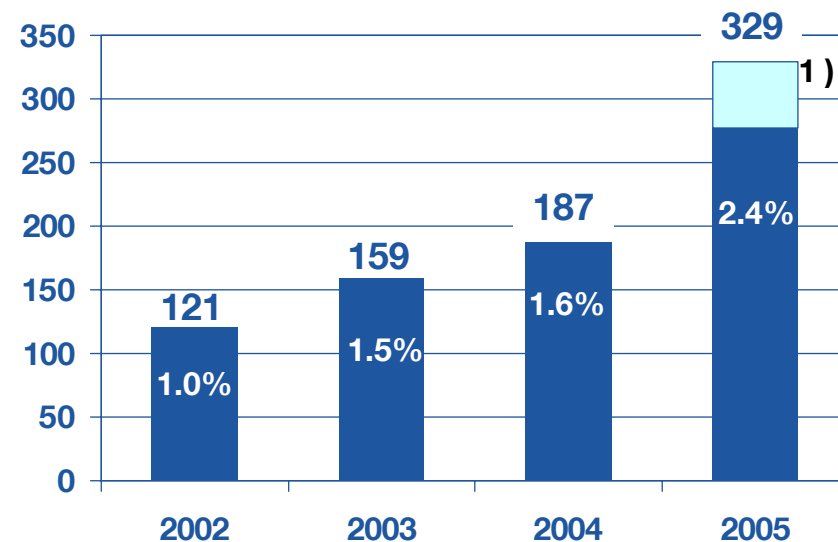
...leading to margin improvement...

### Sales (EUR bn)



- **Sales: EUR 13.65bn (+14%)**

### EBT (EUR m) / EBT margin

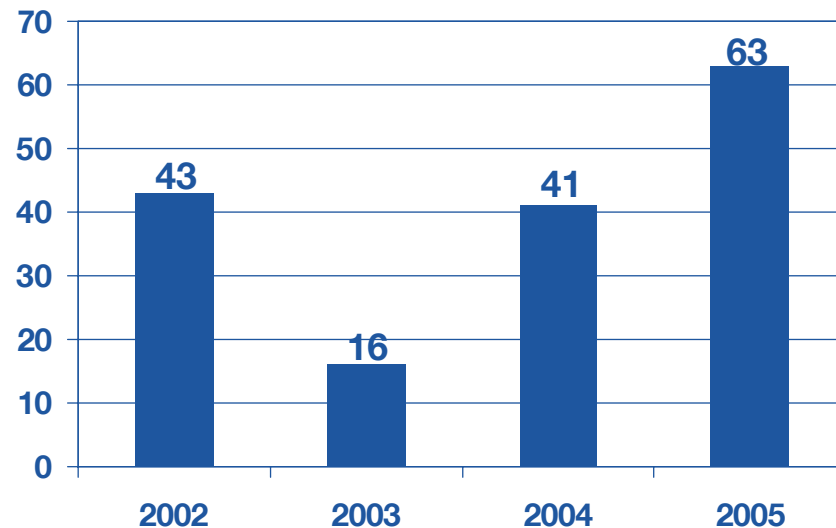


- **EBT: EUR 329m (+76%)**
- **EBT margin: 2.4% (+50%)**

1) EUR 52m HTAC net effect

...and bottom line earnings increase...

### Net profit (EUR m)

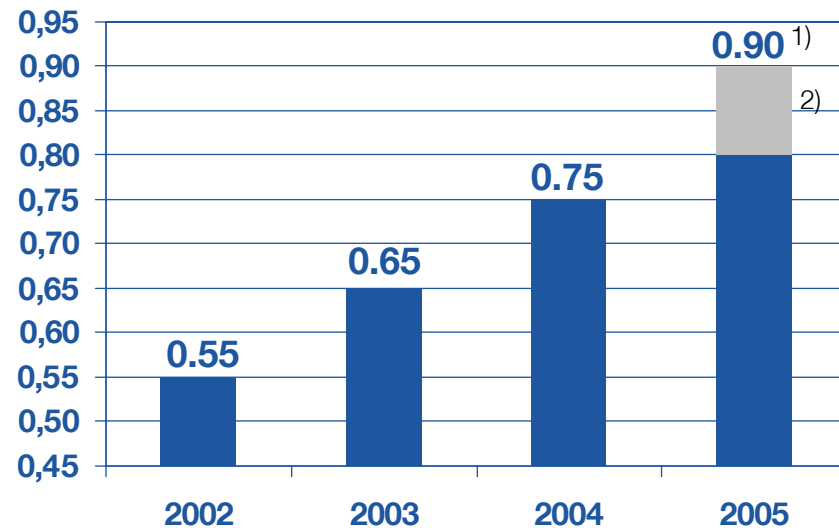


- **Net profit:**

- EUR 60m precautionary impairment charge on deferred tax assets
- Increased minorities due to healthy business in Asia Pacific and Airport divisions

## ...to reward shareholders

### Dividend (EUR/share)



### Dividend yield (%):

**2002: 4.23**

**2003: 2.83**

**2004: 3.13**

**2005: 2.38**

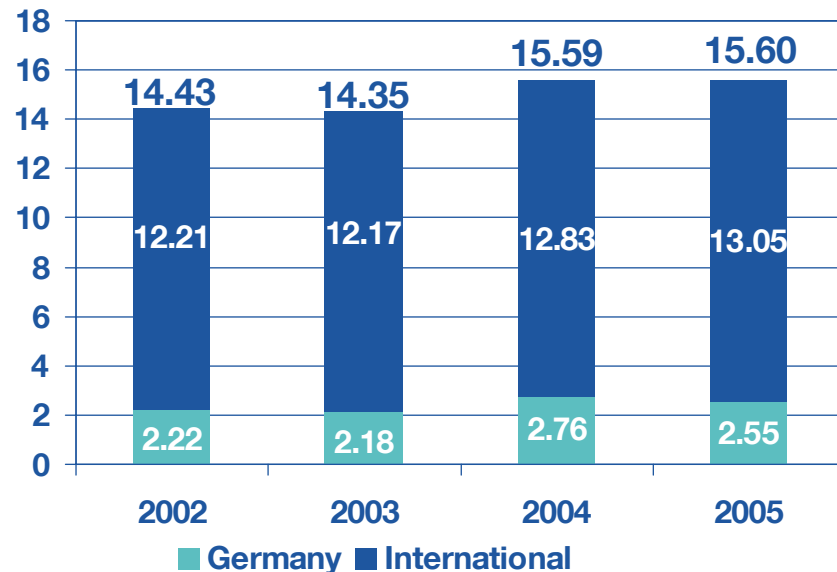
- **Dividend policy: increased dividend to reflect earnings growth**

1) Proposal to AGM

2) EUR 0.10 bonus dividend for HTAC transaction

## A focus on quality orders...

### New orders (EUR bn)



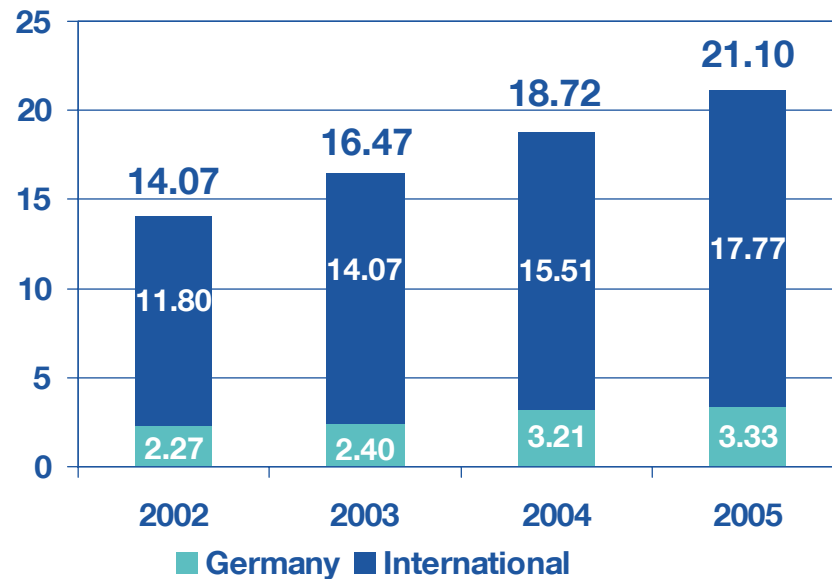
- **New orders: EUR 15.60bn**  
taken in under rigorous selection criteria
- **Book-to-bill ratio: 1.14**

- **Major new orders:**

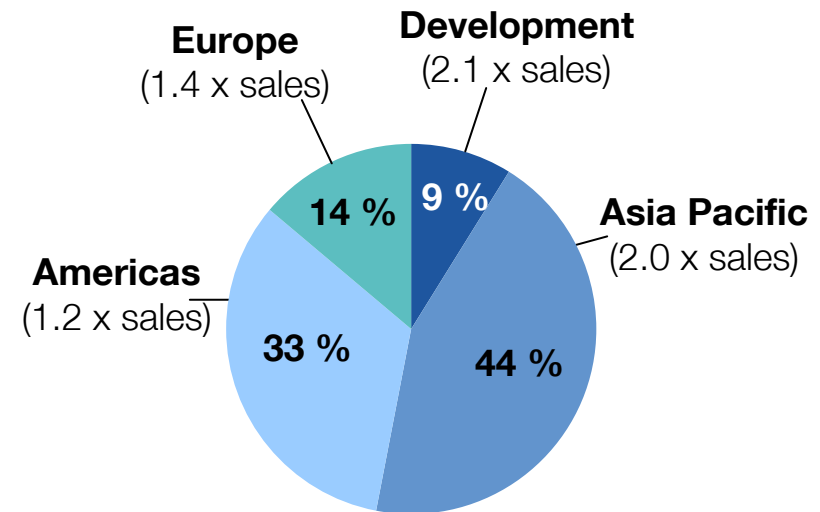
- Numerous shopping malls, EUR 250m total (e. g. Hamburg, Braunschweig, Wiesbaden, Erlangen)
- Hospital Hamburg-Eppendorf, EUR 113m
- Sacred Heart Hospital, Oregon, EUR 230m
- Railway Sydney-Melbourne, EUR 200m
- Hydroelectric power station, Loch Ness, EUR 183m
- Sports College, Manchester, PPP, contract vol. EUR 170m
- Vienna Airport, Skylink Terminal, EUR 57m

...resulting in an impressive order backlog and excellent visibility...

**Order backlog (in EUR bn)**



**Order backlog 05 (by division)**



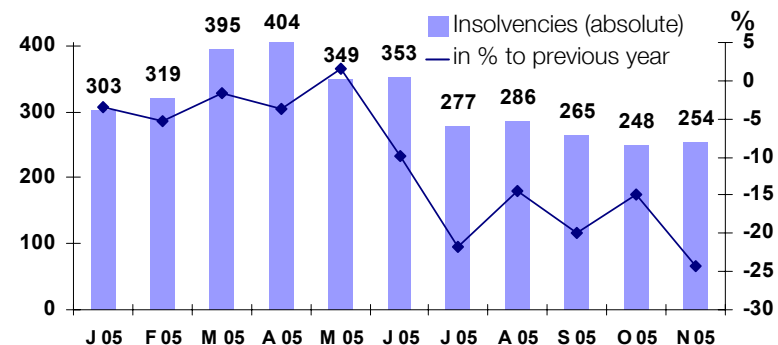
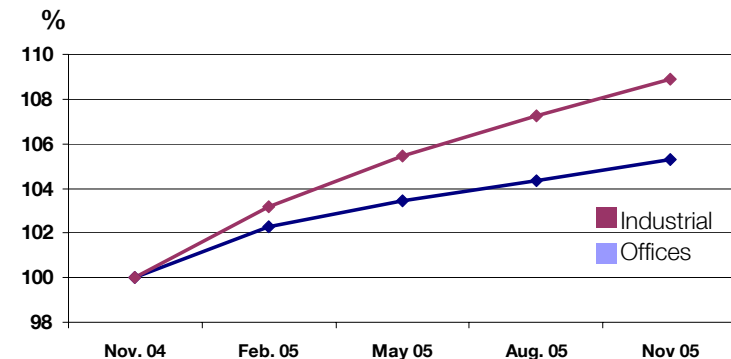
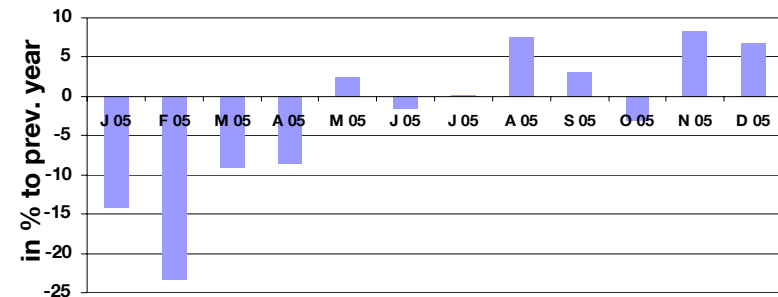
- **Record high in order backlog: EUR 21.1bn** (int'l: +14.6%, domestic: +3.7%)  
 -> theoretical forward order book of almost 1 ½ years

## ...supported by signs of recovery in Germany...

### German construction market

- **Growth in order intake**
  - > bottoming out in mid 05
  - > resulting in increasing sales figures in 1-2 years
- **Increase in construction prices**
  - > resulting in higher margins
  - > “Good money for good work”
- **Decreasing number of insolvencies**
  - > a clear sign for market recovery

Source: Hauptverband der Bauindustrie, 2006



## ...and future growth: concessions and operation...

### HOCHTIEF - Concession Projects - Portfolio as of 12/2005 - Forecast (EUR m)

Status: <b>Financial Close</b>	Committed Capital	Paid-in Capital	NPV of anticipated Cash Flows	NPV as of 31.12.2004	Difference due to Growth of Portfolio	
					Growth of Portfolio	Growth of Value
Airports	410,2	407,4	<b>665,7</b>	589,3	18,9	57,5
Tollroads - Public Buildings	116,2	94,9	<b>207,4</b>	113,4	7,0	87,0
Total	526,4	502,3	<b>873,1</b>	702,7	25,9	144,5

- **Target return**

- **on capital: >14% IRR**
- **on PPP construction / FM contracts: higher than on stand-alone contracts**

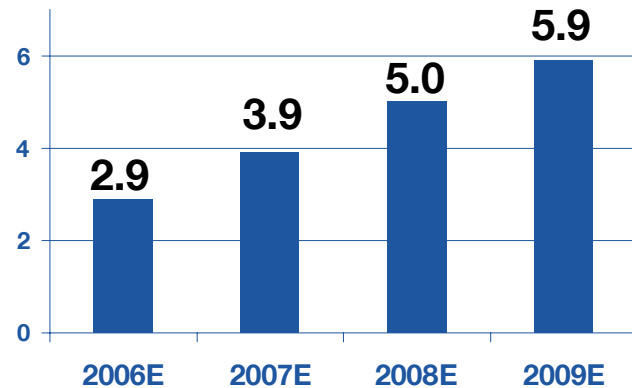
- **Pipeline:**

- **Ramp-up phase: AVN, Chile, and Herrentunnel Luebeck, Germany**
- **Toll road tunnel San Cristóbal Express, Chile: construction start scheduled for 06**
- **Preferred Bidder projects: 3**
- **Tender phase: 8 public building and 6 toll road projects**

## ...accessing a strong market opportunity...

### Building/Social Infrastructure (EUR bn)

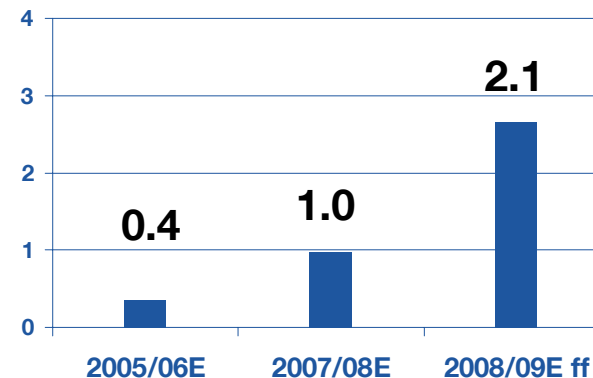
#### Public buildings, Germany:<sup>1)</sup> (contract volume p. a.)



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

### Toll Roads (EUR bn)

#### Germany: (investment volume p. a.)

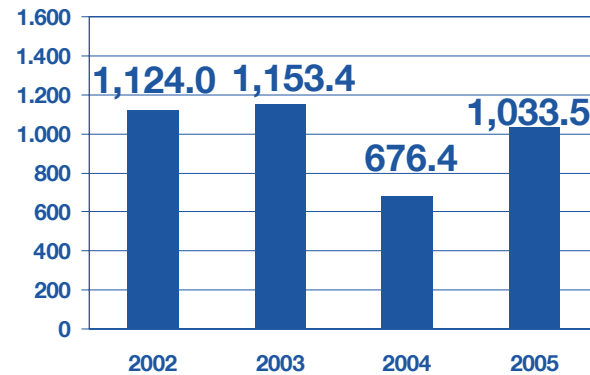


**+ Rest of Europe, 2005-09E: EUR 20bn**  
(investment volume)

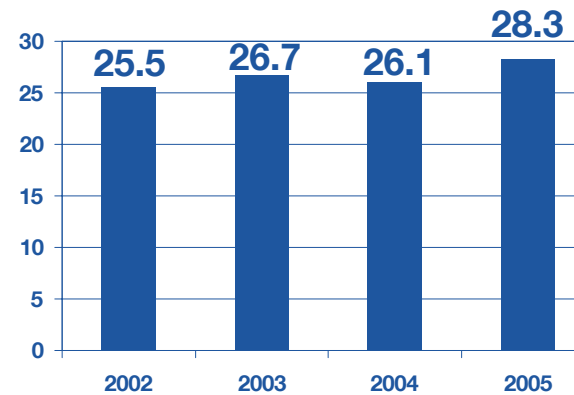
1) Internal estimation of tenders for the segments education, accommodation and health

...with financial soundness and hard working assets

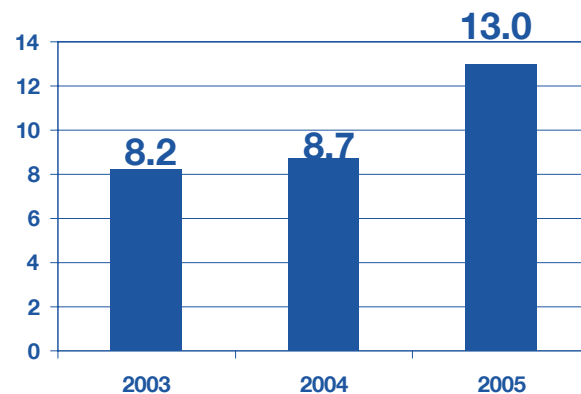
**Net cash (EURm)**



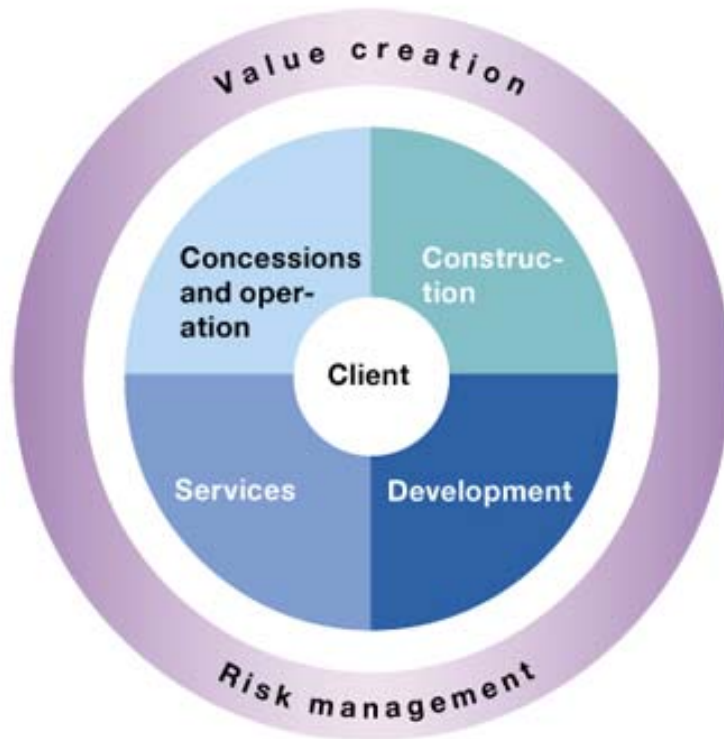
**Equity ratio (%)**



**RONA (%)**



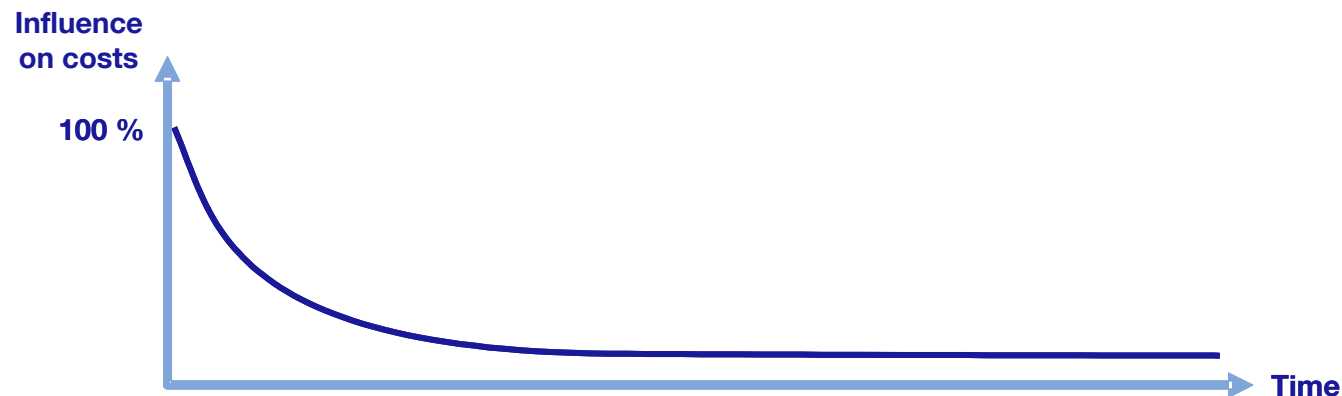
## HOCHTIEF is about...quality of earnings...



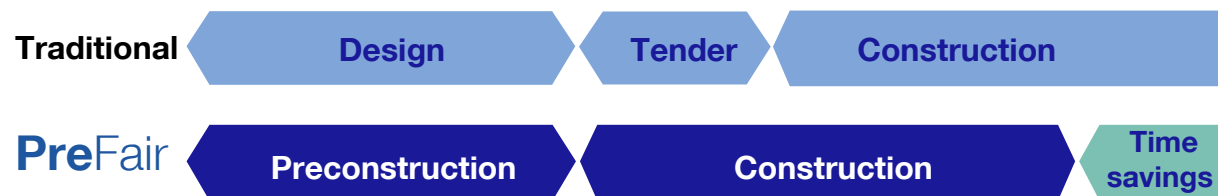
- Profitability of PreFair expansion
- Consolidation of US business for future margin improvement
- Project development market continues to recover
- FM continues to optimize integrated market approach, increasing profitability
- Further PPP progress

## ...Construction

PreFair - leading the competition from price to quality

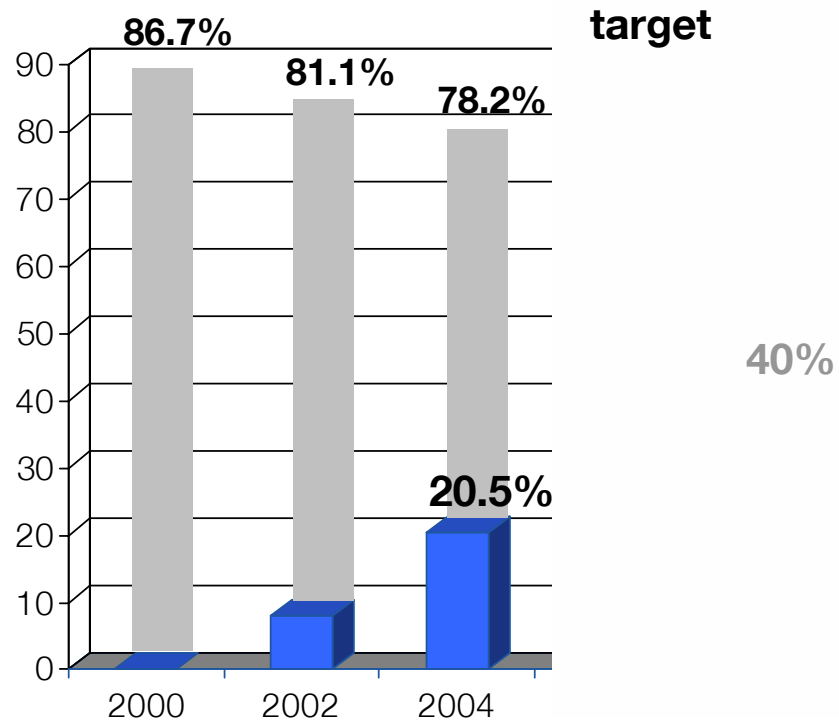


- **Quality competition boosts quality earnings**
- **Improvement of reliability and visibility of earnings**
- **Increases likelihood of repeat business**



## ...Construction PreFair targets

Portion of PreFair projects (%)

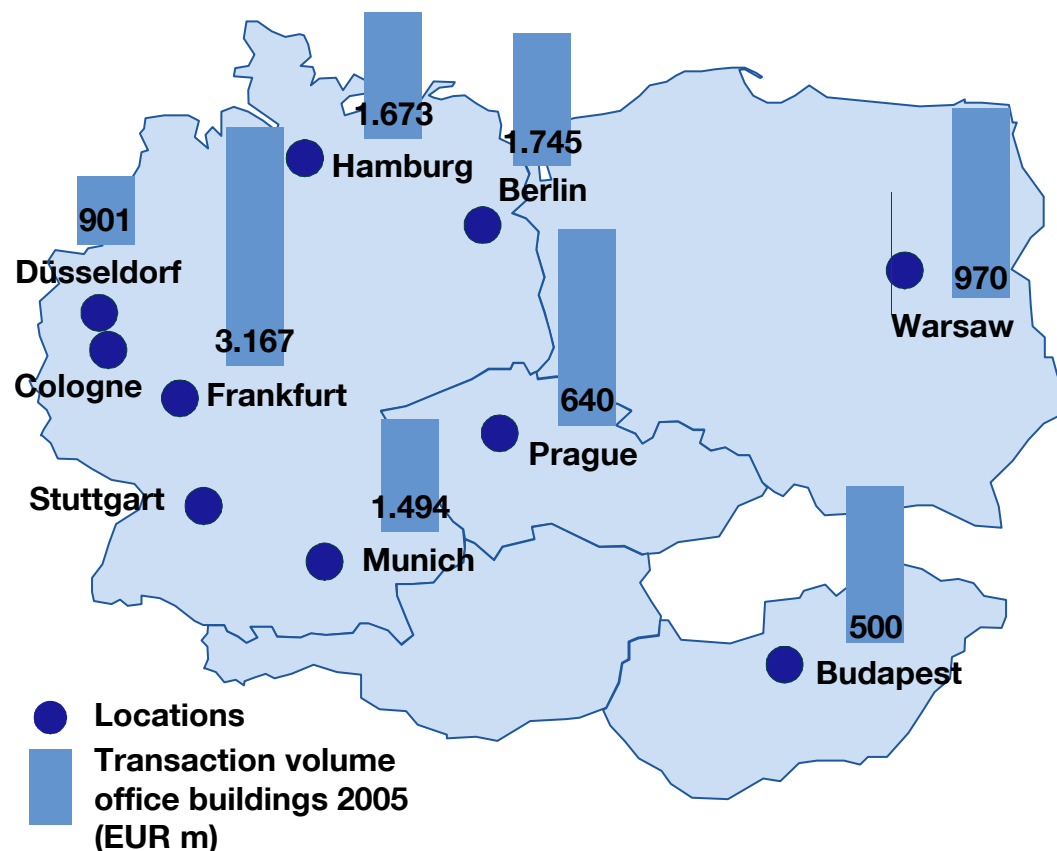


- **HTE**  
(of total building activities)
- **HT Americas**  
(non-lump sum contracts  
average 84%)

**PreFair: Target EBT margin: 4.0 %**

## ...Development

Selected projects yield strong returns



### Success factors:

- **Strict IRR target > 14%**
- **Stringent risk control of the entire development process**
- **Expansion into CEE**
  - expected market volume of EUR 6 - 8bn until 2010

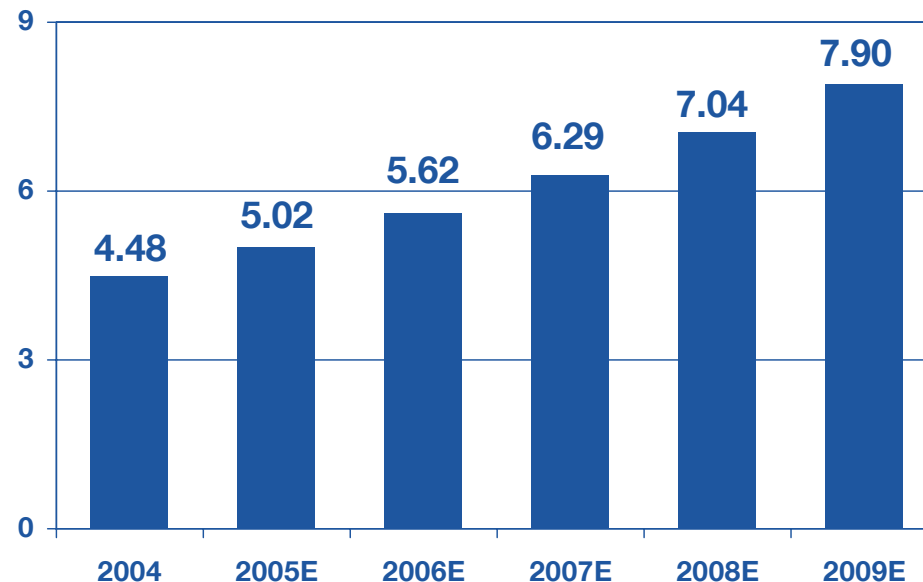
### HT real estate development essentials:

- Projects under construction: EUR 772m
- Equity exposure: EUR 82m

## ...Services

FM - strong growth in market opportunity

Market growth integrated Facility Management  
Germany (EUR bn)<sup>1)</sup>:

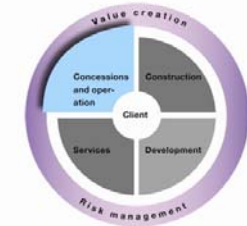


1) Source: Helbling Study and internal research



- **Growth of German market for integrated FM services >10% p.a.**
- **HT FM target: EBT margin of c. 4% by 2006**

## ...Concessions and operation PPP



### Airports



- 13 airports designed and built since 1990
- 5 airports under operation
- IRR target >14%

### Toll roads



- 880km toll roads portfolio at HT Group
- IRR target >14%

### Public Buildings



- Contract volume<sup>1)</sup>: EUR 650m Germany, EUR 415m UK/Ireland
- schools administration
- IRR target >14%








#### Pipeline:

- **Public Buildings**  
pref. bidder: 3 projects  
tender: 8 projects
- **Toll Roads:**  
tender: 6 projects

1) HOCHTIEF share

## ...leading to a positive outlook 2006

Net profit mid-term target of EUR 100m

	2005		2006E
	as reported	adjusted <sup>1)</sup>	
<b>Sales</b>	EUR bn 13.65		 Min. on previous year's level
<b>EBT</b>	EUR m 329	EUR m 277	 Above previous year's level (referring to adjusted 05 figure)
<b>Net profit</b>	EUR m 63		 Significant step towards mid-term target of 100m
<b>New orders</b>	EUR bn 15.60		 On previous year's level
<b>Order backlog</b>	EUR bn 21.10		 On previous year's level but with improving return profile

1) adjusted for HTAC effect (EUR 52m)

## HOCHTIEF is about...quality



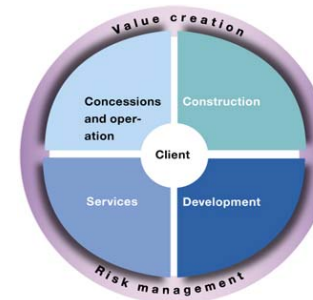
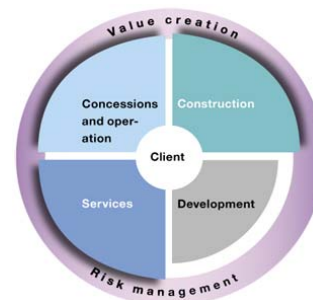
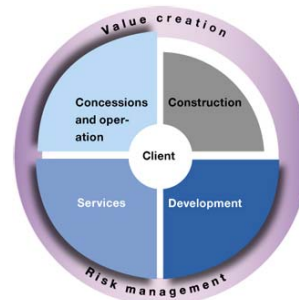
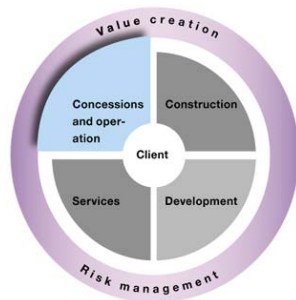
- We have the best people
- We offer our clients the best individual, integrated solutions
- We shape markets and set new standards
- We always act responsible
  
- **AND WE'RE WORKING TO GET BETTER**

# APPENDIX

# HOCHTIEF divisional structure

Solutions around the world throughout the construction value chain

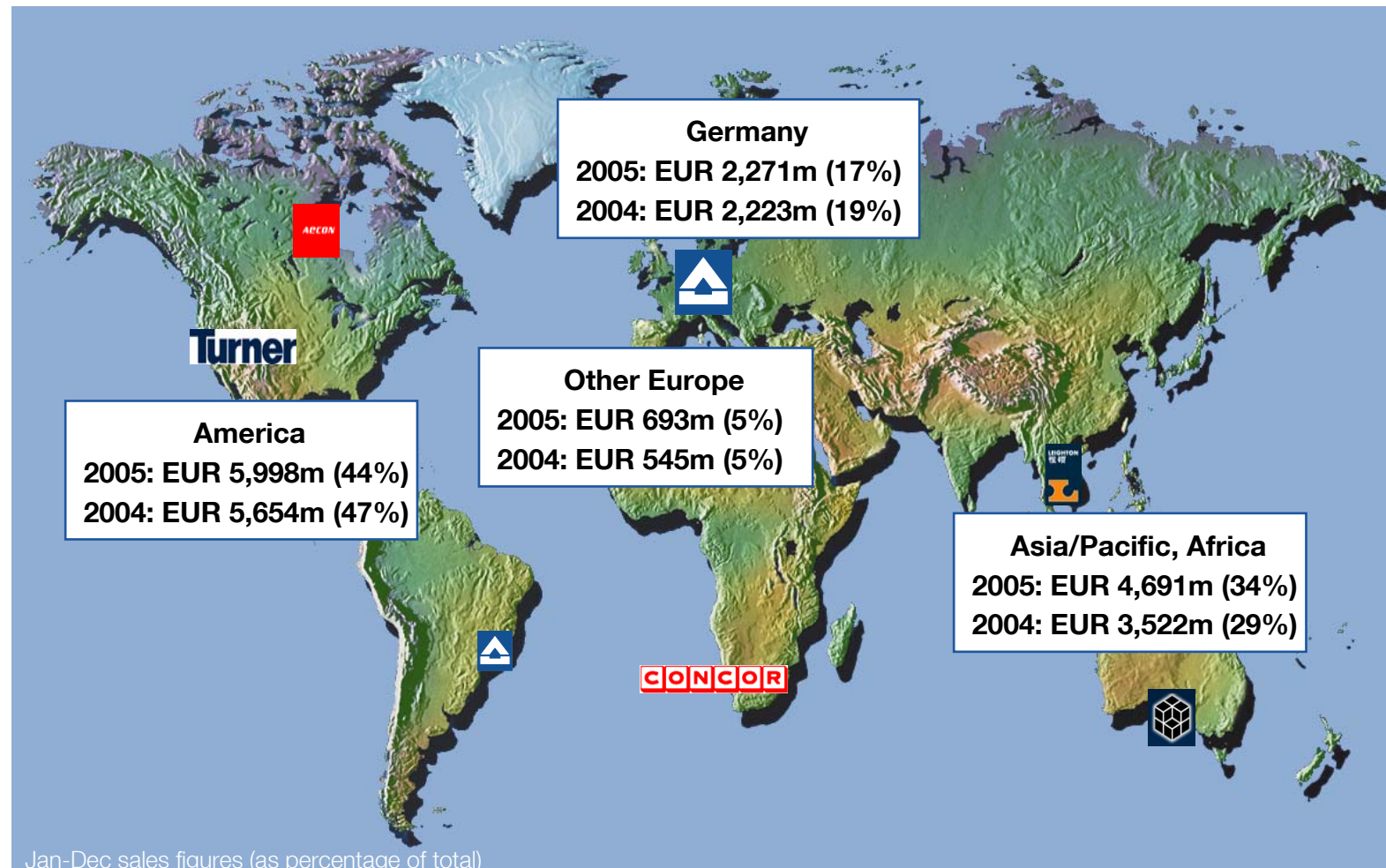
HOCHTIEF AIRPORT	HOCHTIEF DEVELOPMENT	HOCHTIEF CONSTRUCTION SERVICES AMERICAS	HOCHTIEF CONSTRUCTION SERVICES ASIA PACIFIC	HOCHTIEF CONSTRUCTION SERVICES EUROPE
				
Sales 05: (EUR m) <b>n.a.</b>	<b>925</b>	<b>5,934</b>	<b>4,578</b>	<b>2,110</b>



**TURNING VISION INTO VALUE.**

## Split by regional sales

Jan-Dec 2005: EUR 13,653m; Jan-Dec 2004: EUR 11,944m



## HOCHTIEF Airport

### Essentials

- **EBITA more than doubled** (w/o HTAC effect)
- **EBT break-even achieved**
- **NPV end 05: EUR 665.7m based on parameters from HTAC transaction**
- **Takeover of Tirana airport operation**
- **Market screening for value adding airport opportunities continues**
- **Worldwide PAX growth prediction until 2009: 5.6% p.a.**
- **Increased operating hours in Düsseldorf due to regulatory change**

### Financials (EUR m)

Jan-Dec (EUR m)	2005	2004	% change
Net income from participations	54.3	27.0	101.1
EBITA	87.0	14.7	491.8
EBT	65.0	-14.3	554.5
Capex	2.0	0.5	300.0
Net assets (year average)	688.7	737.7	-6.6
RONA (%)	14.4	3.0	380.0

## HOCHTIEF Development

### Essentials

- **Marginally lower EBT due to start up costs associated with key PPP contracts**
- **FM integration finalized**
- **Real Estate Development: strong profit contribution; improving market conditions**
- **PPP NPV end 05: EUR 207.4m**
- **Status A-Models, Germany:**  
**A8: tender, A4: prequalified**  
**A5: prequalification documents submitted**  
**A1: prequalification documents March 06**

### Financials (EUR m)

Jan-Dec (EUR m)	2005	2004	% change
New orders	<b>1,156.5</b>	1,297.4	-10.9
Order backlog	<b>1,934.0</b>	1,741.5	11.1
External sales	<b>924.9</b>	723.8	27.8
EBITA	<b>39.7</b>	50.6	-21.5
EBT	<b>38.6</b>	41.7	-7.4
EBT margin (%)	<b>4.2</b>	5.8	-27.6
Capex	<b>51.5</b>	125.7	-59.0
Net assets (year average)	<b>835.0</b>	892.7	-6.5
RONA (%)	<b>7.7</b>	8.2	-6.1

## HOCHTIEF Construction Services Americas

### Essentials

- **Consolidation on high level of order intake**
- **Greater selectivity in marketing and booking of new orders to enhance future margin growth**
- **Addressable market volume continuing to grow**

**Predicted market growth 2006:**

**Public Building: 7.4%**

**Commercial/Manufacturing: 8.8%**

- **Long-term EBT margin target > 1.5%**

### Financials (EUR m)

Jan-Dec (EUR m)	2005	2004	% change
New orders	<b>6,308.6</b>	6,396.1	-1.4
Order backlog	<b>6,901.7</b>	5,746.1	20.1
External sales	<b>5,934.2</b>	5,605.2	5.9
EBITA	<b>54.1</b>	55.1	-1.8
EBT	<b>39.5</b>	42.0	-6.0
EBT margin (%)	<b>0.7</b>	0.7	0.0
Capex	<b>16.9</b>	21.7	-22.1
Net assets (year average)	<b>293.5</b>	271.5	8.1
RONA (%)	<b>15.9</b>	17.2	-7.6

## HOCHTIEF Construction Services Asia Pacific

### Essentials

- **Sound EBT increase reflects strong performance of infrastructure and contracts mining business**
- **Strong order book**
- **Acquisition of HWE mining projects as additional driver for contract mining**
- **Business outlook remains promising; predicted market growth 2006:**
  - Australian Civil: 12.4%**
  - Contract Mining: 13.4%**
- **Concor sale**

### Financials (EUR m)

Jan-Dec (EUR m)	2005	2004	% change
New orders	5,248.0	5,521.7	-5.0
Order backlog	9,274.9	8,602.4	7.8
External sales	4,577.9	3,446.4	32.8
EBITA	220.1	119.0	85.0
EBT	203.3	109.3	86.0
EBT margin (%)	4.4	3.2	37.5
Capex	464.5	494.1	-6.0
Net assets (year average)	723.7	622.3	16.3
RONA	30.8	20.2	52.5

## HOCHTIEF Construction Services Europe

### Essentials

- **2005 margin target exceeded**
- **Continued success with PreFair**
- **Order situation better than anticipated**
- **Tailored marketing approach meets specific customer demands**
- **Target of 50% European business (UK, CEE, Scandinavia) by 2008**
- **Indication of a recovery in German construction market. Predicted market growth 2006: Industrial 1.7%**
- **Lake Balaton, bypass road order won by subsidiary Mélyépítő, Hungary**

### Financials (EUR m)

Jan-Dec (EUR m)	2005	2004	% change
New orders	2,780.6	2,295.1	21.2
Order backlog	2,985.0	2,625.3	13.7
External sales	2,109.7	2,086.9	1.1
EBITA	28.0	25.8	8.5
Earnings before tax	42.3	28.7	47.4
EBT margin (%)	2.0	1.4	42.9
Capex	29.2	24.0	21.7
Net assets (year average)	551.6	652.8	-15.5
RONA (%)	11.8	9.6	22.9

## Consolidated Group balance sheet (assets)

(EUR m)	31 Dec 05	31 Dec 04
Intangible assets	330,298	296,879
PP&E	682,220	665,995
Investment properties	206,631	234,621
Equity-method investments	718,167	716,071
Other financial assets	194,362	243,110
Financial receivables	28,278	49,952
Other receivables and other assets	110,198	82,950
Deferred tax assets	144,726	249,750
<b>Non-current assets</b>	<b>2,414,880</b>	<b>2,539,328</b>
Inventories	35,333	49,164
Financial receivables	50,697	62,148
Trade receivables	3,376,967	2,637,235
Other receivables and other assets	150,900	210,774
Current income tax assets	42,243	25,026
Marketable securities	963,182	992,024
Cash and cash equivalents	1,061,301	769,605
<b>Current assets</b>	<b>5,680,623</b>	<b>4,745,976</b>
<b>Assets</b>	<b>8,095,503</b>	<b>7,285,304</b>

### Non-current assets:

- **Intangible assets and pp&e: currency effects and expansion in contract mining**
- **Financial assets: HTAC**
- **Deferred tax assets: precautionary impairment charge**

### Current assets:

- **Trade receivables: in line with expansion of business mainly Asia Pacific and Americas**
- **Marketable securities and cash/cash equivalents: healthy liquidity**

## Consolidated Group balance sheet (equity and liabilities)

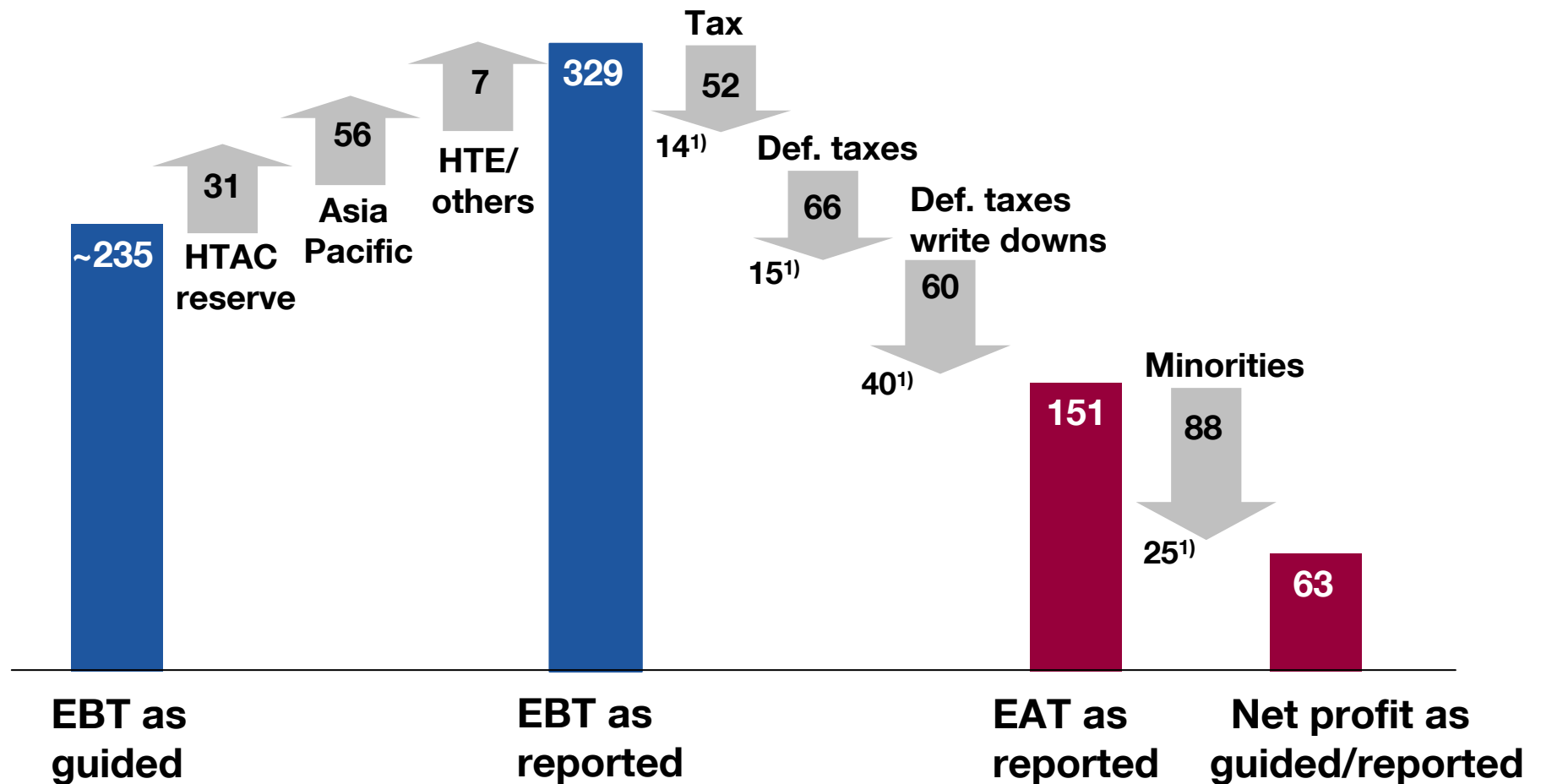
	(EUR m)	31 Dec 05	31 Dec 04
<b>Shareholders' equity:</b>			
<ul style="list-style-type: none"> <li>• Increased earnings after taxes</li> <li>• EUR 143m effect due to currency and marking of financial instruments to fair value</li> </ul>	Subscribed capital	179,200	179,200
	Capital reserves	400,806	400,806
	Revenue reserves	1,175,241	1,100,843
	Accumulated other compr. income	-65,163	-184,688
	Unappropriated net profit	63,000	52,500
	Attributable to the Group	1,753,084	1,548,661
	Minority interest	537,230	355,979
	<b>Shareholders' equity</b>	<b>2,290,314</b>	<b>1,904,640</b>
<b>Non-current liabilities</b>			
<ul style="list-style-type: none"> <li>• Provisions: decrease of pension liabilities to EUR 107m due to second CTA</li> <li>• Equity ratio: 28.3% (26.1%)</li> </ul>	Provisions	298,556	512,690
	Financial liabilities	830,680	701,892
	Other liabilities	20,954	14,677
	Deferred tax liabilities	88,223	56,029
	<b>Non-current liabilities</b>	<b>1,238,413</b>	<b>1,285,288</b>
	Provisions	643,474	578,654
	Financial liabilities	257,172	471,888
	Trade payables	3,449,977	2,834,349
	Other liabilities	215,589	208,714
	Current income tax liabilities	564	1,771
	<b>Current liabilities</b>	<b>4,566,776</b>	<b>4,095,376</b>
	<b>Liabilities and shareholders' equity</b>	<b>8,095,503</b>	<b>7,285,304</b>

## Consolidated Group figures

Jan-Dec (EUR m)	2005	2004	Change (%)
<b>Sales</b>	13,653.2	11,943.7	14.3
Other operating income	274.4	169.8	61.6
Other operating expenses	-777.7	-707.5	-9.9
Net income from participating interests	63.4	33.7	88.1
<b>EBITDA</b>	652.6	489.7	33.3
Depreciation adjusted (-)	-286.9	-262.7	-9.2
<b>EBITA / EBIT</b>	365.7	227.0	61.1
Net investment and interest income	-22.0	-13.6	-61.8
Non-operating earnings	-14.7	-26.1	43.7
<b>EBT</b>	329.0	187.3	75.7
Income taxes	-51.4	-41.0	-25.4
Deferred taxes	-126.3	-65.2	-93.7
<b>EAT</b>	151.3	81.1	86.6
of which: <b>Consolidated net profit</b>	62.8	41.2	52.4
of which: Minority interest	88.5	39.9	121.8

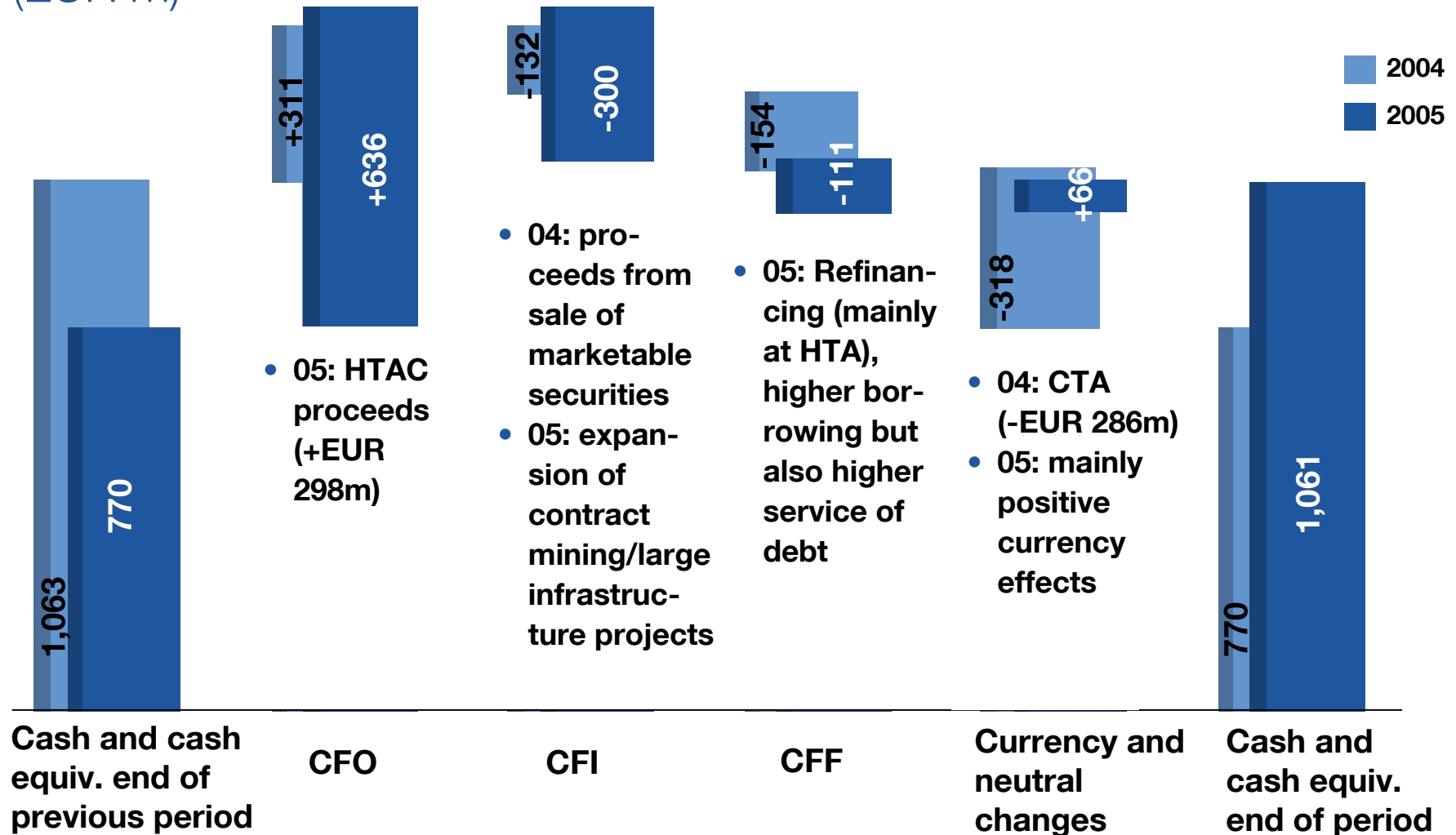
- **Sales:** all divisions contribute to growth, mainly Asia Pacific
- **Other operating income:** increase mainly due to HTAC
- **Net income from part. interests:** successful growth and over-plan increase in earnings of airport participations
- **Net investment and interest income:** 04 included e.o. proceeds from sale of marketable securities
- **EPS:** EUR 0.99 (+52%)
- **Dividend proposal:** EUR 0.80 + EUR 0.10 bonus for HTAC (+20%)

## Group EBT -> Net profit



1) Effects from difference EBT "reported – guided"

## Consolidated Group Cash flow (EUR m)



## Special topic: from ROCE to RONA

$$\begin{array}{ccc}
 \text{ROCE} & \longrightarrow & \text{RONA} \\
 \frac{\text{EBITA}}{\text{Ø capital employed}} & & \frac{\text{EBITA} + \text{Interest income}^{1)} }{\text{Ø net assets}} = \frac{365.7 + 64.0}{3,313.1} = 13.0\%
 \end{array}$$

- Return expectations limited to operational field (capital employed)
- Complex calculation scheme
- Group-wide applicability is limited (HTE -> neg. cap. employed)
- Low level of acceptance as internal control metric
- Based on net assets (i.e. total assets w/o non-interest bearing liabilities)
- Can be easily derived from balance sheet
- Group-wide applicability
- High level of acceptance as internal control metric because of transparent and verifiable calculation
- Integration into the remuneration system

1) Interest income is adjusted to eliminate interest from advance payments received, which is already included as an interest credit in EBITA.

## Disclaimer

“Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements that are forward-looking by reason of context, the words “may,” “will,” “should,” “expect,” “plan,” “intend,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue” and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements. The Company assumes no obligation to update any forward-looking statement.”

## Financial calendar and IR contact

<b>10 May 06</b>	<b>General Shareholders' Meeting</b>
<b>15 May 06</b>	<b>Q1 results 2006 and Conference Call</b>
<b>14 Aug 06</b>	<b>Half year results 2006 and Analysts' and Investors' Conference</b>
<b>14 Nov 06</b>	<b>Q3 results 2006 and Conference Call</b>
<b>22 Mar 07</b>	<b>Full year results 2006 and Analysts' and Investors' Conference</b>
<b>09 May 07</b>	<b>General Shareholders' Meeting</b>
<b>15 May 07</b>	<b>Q1 results 2007 and Conference Call</b>

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