

# Deutsche Bank

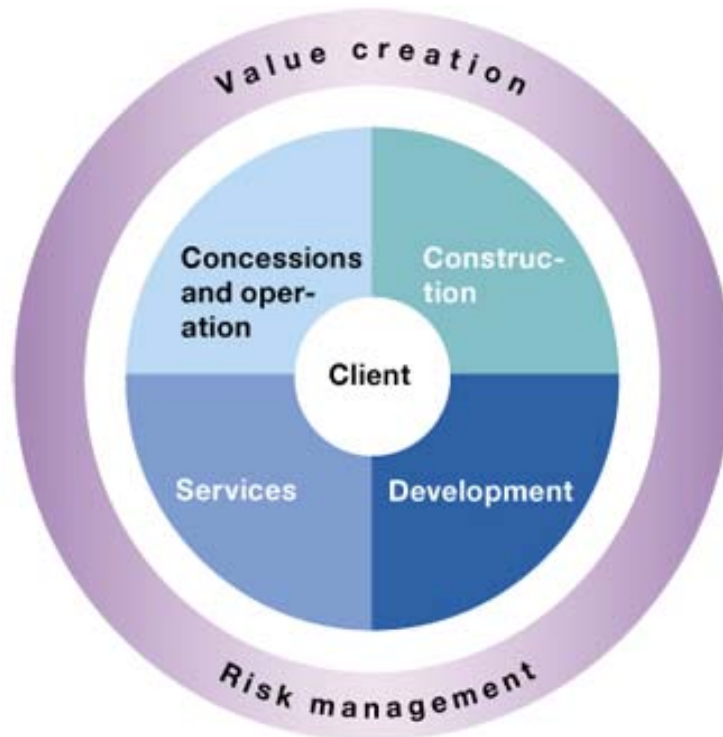
## 9th German Corporate Conference, Frankfurt

31 May 2006



**Dr. Peter Noé, CFO**

## 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**

# HOCHTIEF divisional structure

Solutions around the world throughout the construction value chain



Sales 05:  
(EUR m)

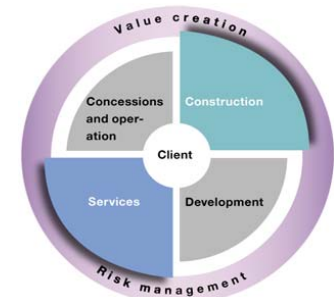
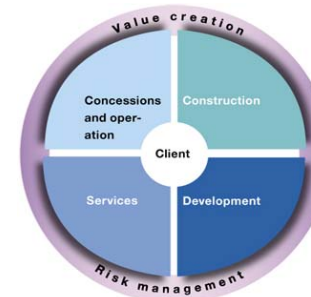
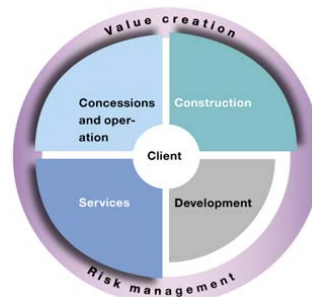
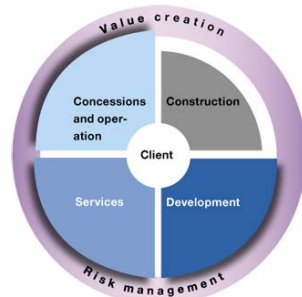
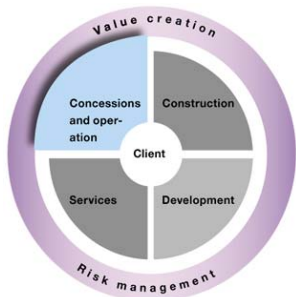
**n.a.**

**925**

**5,934**

**4,578**

**2,110**



**TURNING VISION INTO VALUE.**

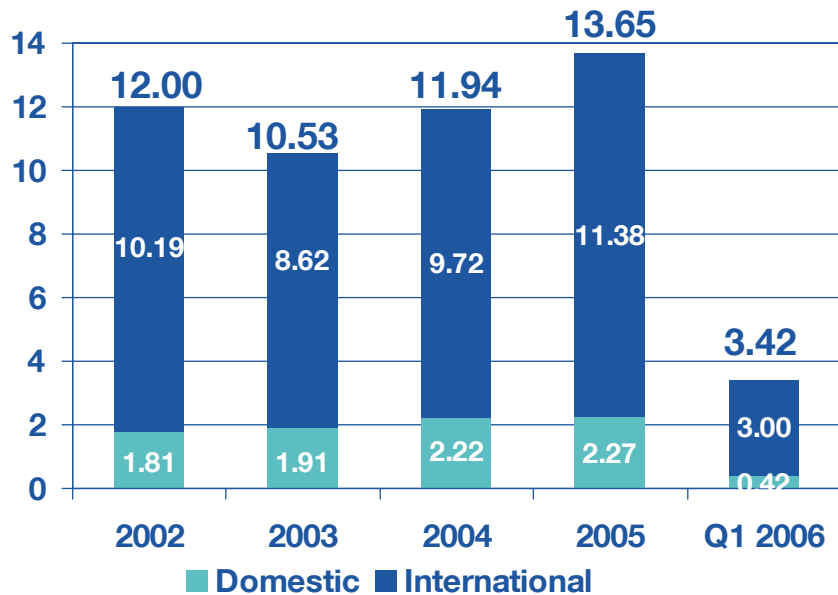
## Highlights Q1 2006

Right on target...

- **Order book gains in quantity and quality**
- **Market leadership in Contract Mining strengthened**
- **Further progress on the PPP portfolio**
- **PreFair contracting system expands into Russia and Eastern Europe**
- **HTA now a consistent contributor to Group bottom line**
- **Project Development builds on record performance**
- **Outlook 2006 reaffirmed**

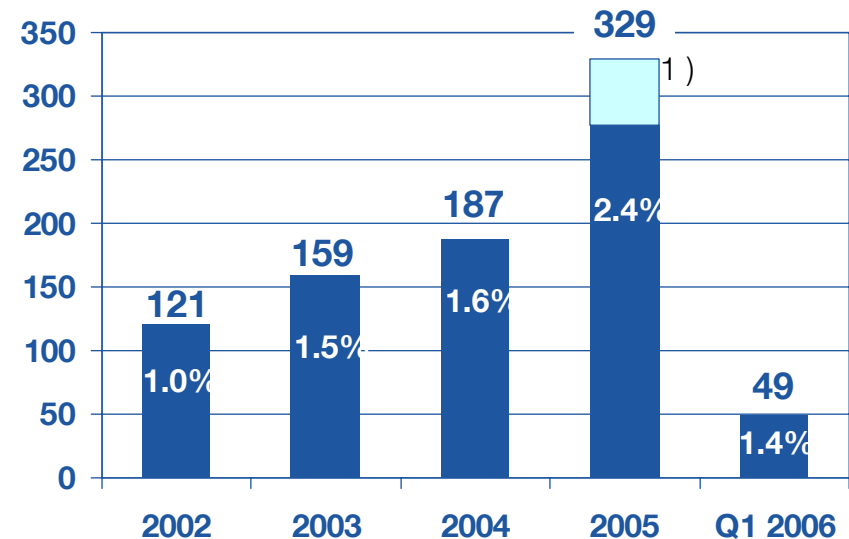
## Business performance...

### Sales (EUR bn)



- **Sales Q1 06: +32%**

### EBT (EUR m) / EBT margin



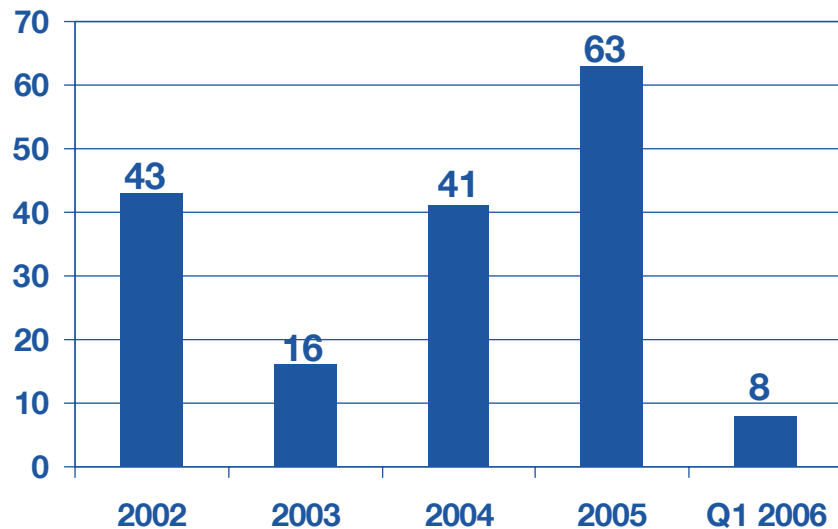
- **EBT Q1 06: +18%<sup>2)</sup>**

1) EUR 52m HTAC net effect

2) Referring to adjusted 05 figure

...and bottom line earnings increase...

### Net profit (EUR m)

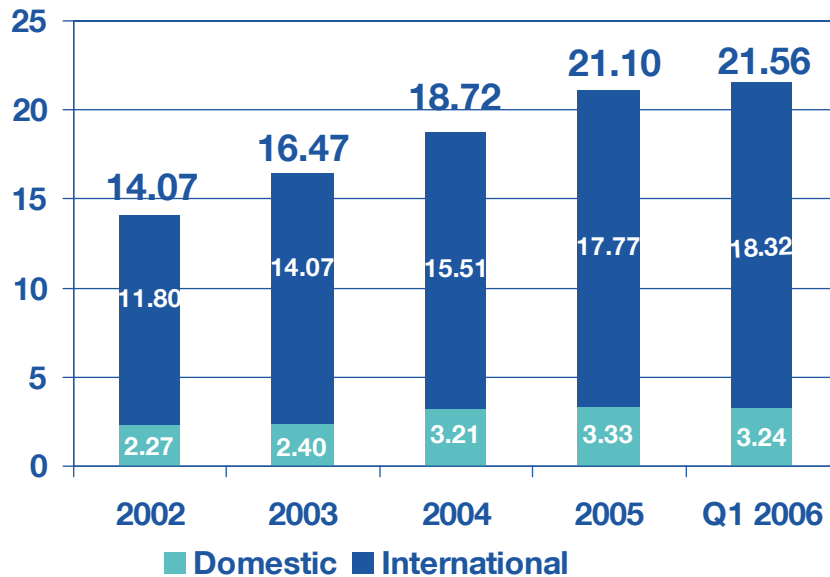


- **Net profit Q1: +5%<sup>1)</sup>**

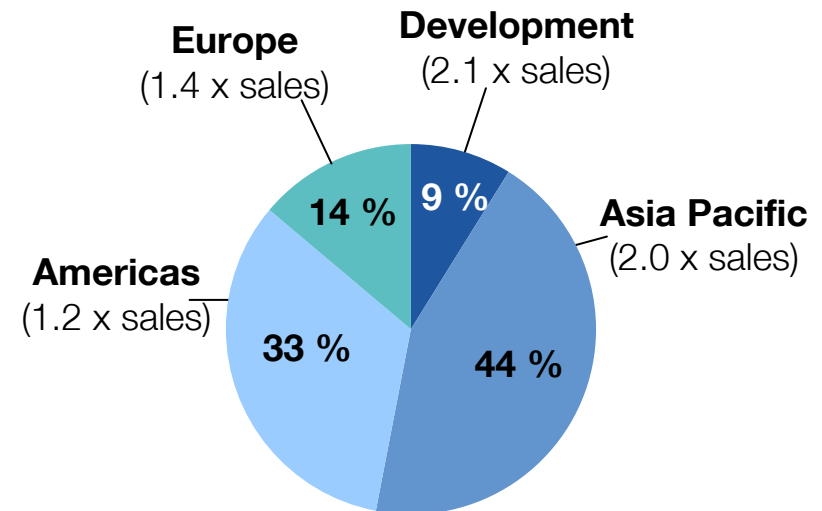
1) Referring to adjusted 05 figure

## ...record order backlog...

**Order backlog (in EUR bn)**




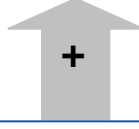



**Order backlog/sales 05 (by division)**



- **Order backlog end Q1 06: EUR 21.56bn**  
...an excellent basis for 06 and beyond

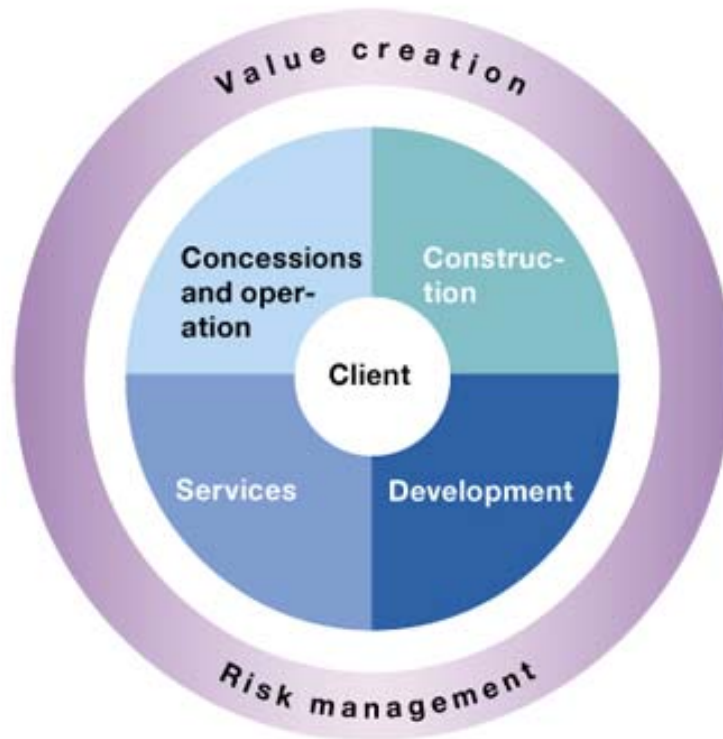
## ...leading to a positive outlook 2006

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 further improving return profile

1) adjusted for HTAC net effect (EUR 52m)

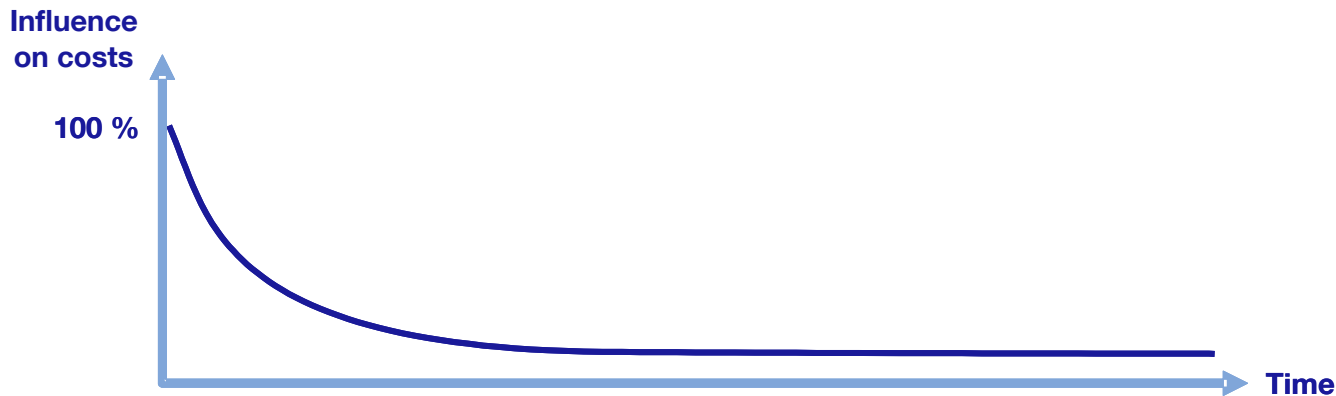
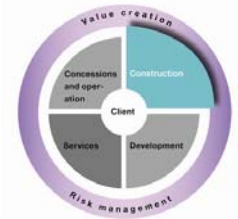
## HOCHTIEF is about...quality of earnings...



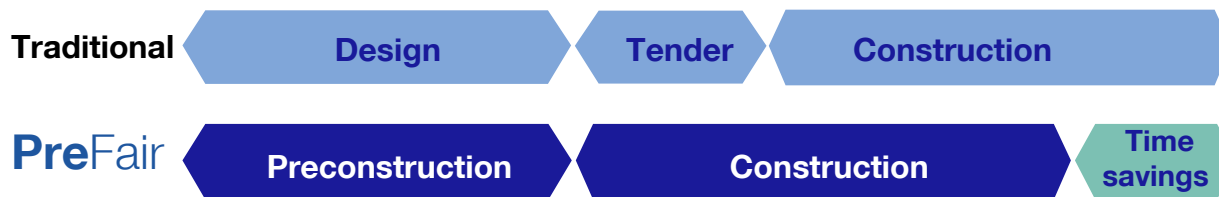
- Profitability of PreFair expansion
- Consolidation of US business for future margin improvement
- Project development market continues to recover
- FM continues to optimize integrated market approach, increasing profitability
- Further PPP progress

## ...Construction

PreFair - leading the competition from price to quality



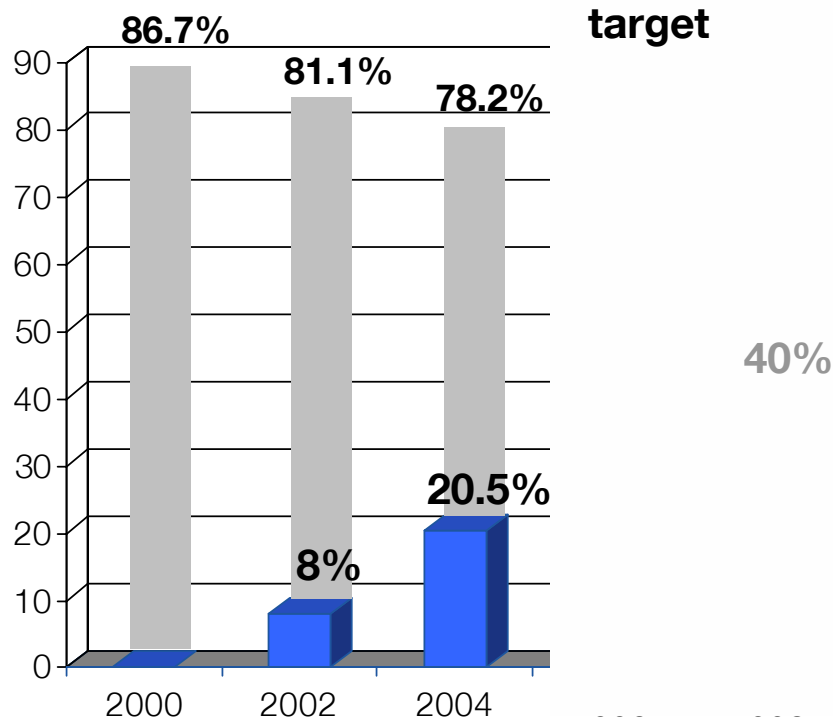
- **Quality competition boosts quality earnings**
- **Improvement of reliability and visibility of earnings**
- **Increases likelihood of repeat business**



# ...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 %**

## ...Construction

### Consolidation of US business

- Consolidation on high level of order intake
- Greater selectivity in marketing and booking of new orders to enhance future margin growth
- Healthy balance in market segments
- Addressable market vol. continuing to grow

Predicted market growth 2006:

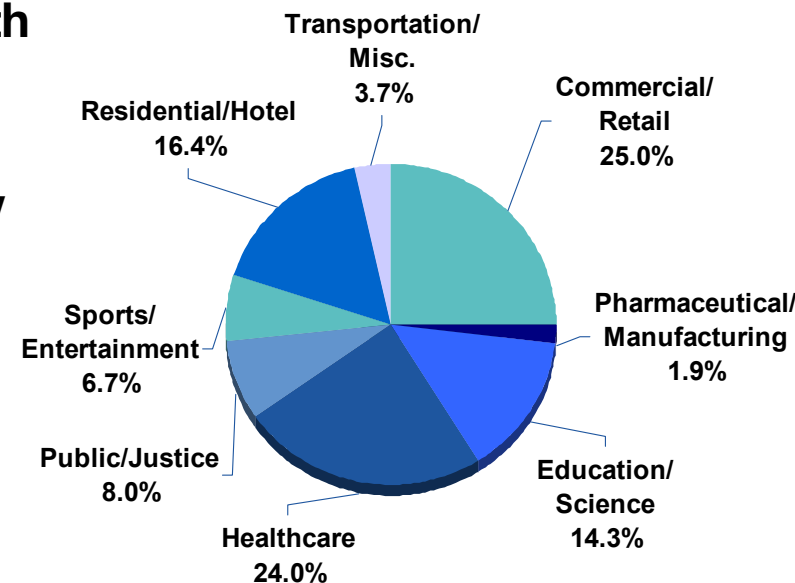
Public Building: 7.4%

Commercial/Manufacturing: 8.8%

- Long-term EBT margin target > 1.5%

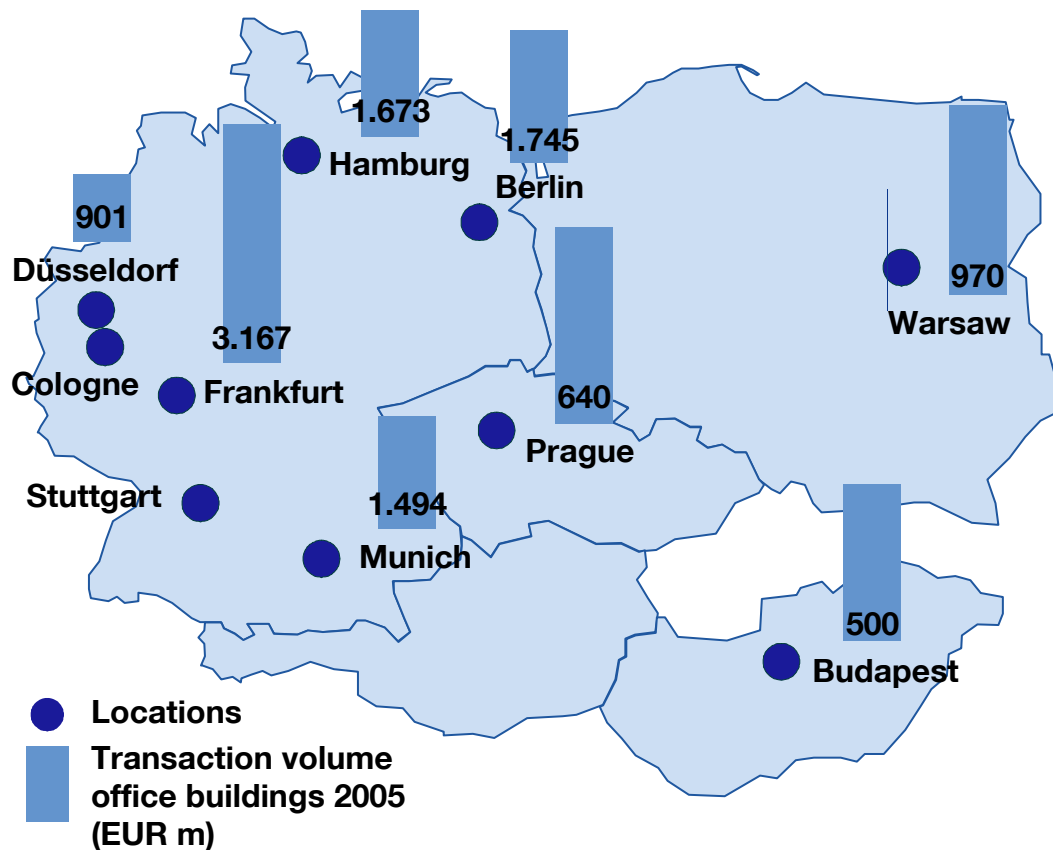


Turner new orders 05 split by market segment:



## ...Development

Selected projects yield strong returns



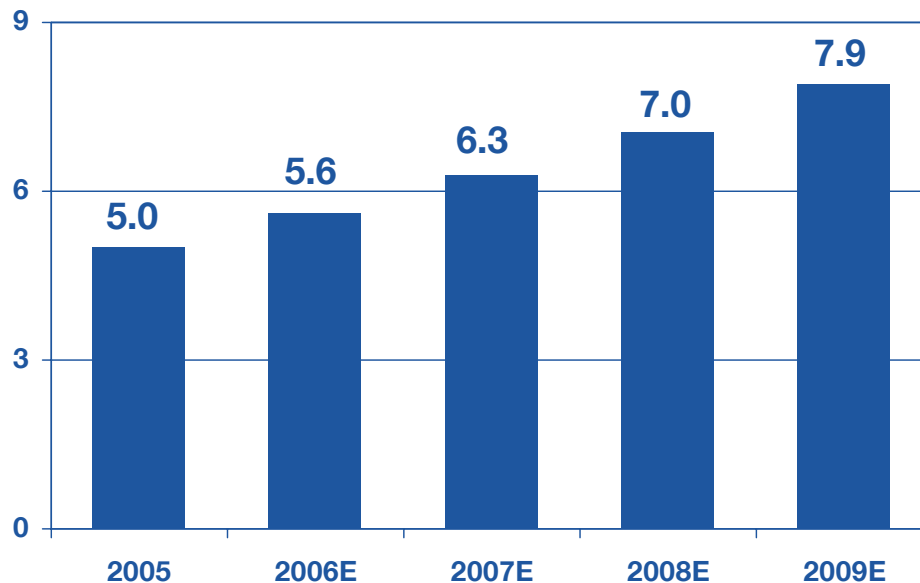
### Success factors:

- **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 634m
  - Equity exposure: EUR 126m

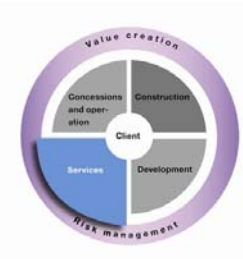
## ...Services

FM - strong growth in market opportunity

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



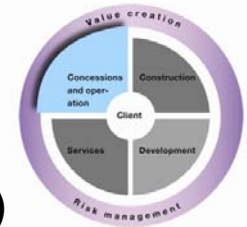
- **Growth of German market for integrated FM services >10% p.a.**



1) Source: Interconnection Consulting Group, 2006, and internal research

## ...Concessions and operation

### Future growth



### 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 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
<b>Total</b>	<b>526,4</b>	<b>502,3</b>	<b>873,1</b>	<b>702,7</b>	<b>25,9</b>	<b>144,5</b>

- **Target return**

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

- **Pipeline:**

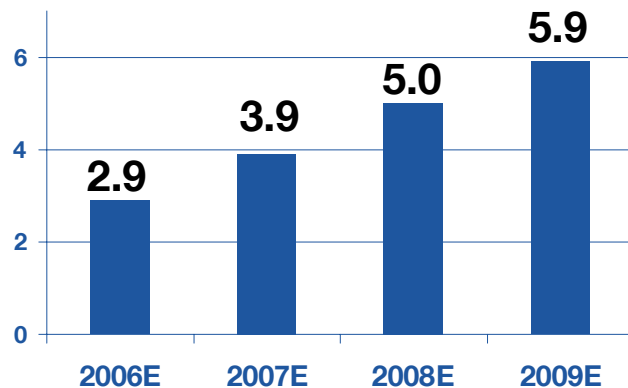
- Ramp-up phase: AVN, Chile, and Herrentunnel Luebeck, Germany
- Toll road tunnel San Cristóbal Express, Chile: construction start scheduled for 06
- Preferred Bidder projects: 3
- Tender phase: 8 public building and 6 toll road projects

# ...Concessions and operation PPP



## Building/Social Infrastructure (EUR bn)

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

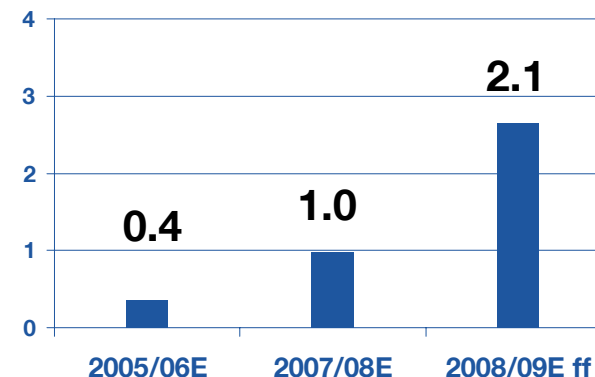


**+ UK PFI market: EUR 6.0bn**  
(investment volume p. a.)

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

## Toll Roads (EUR bn)

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



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

## HOCHTIEF is about...quality

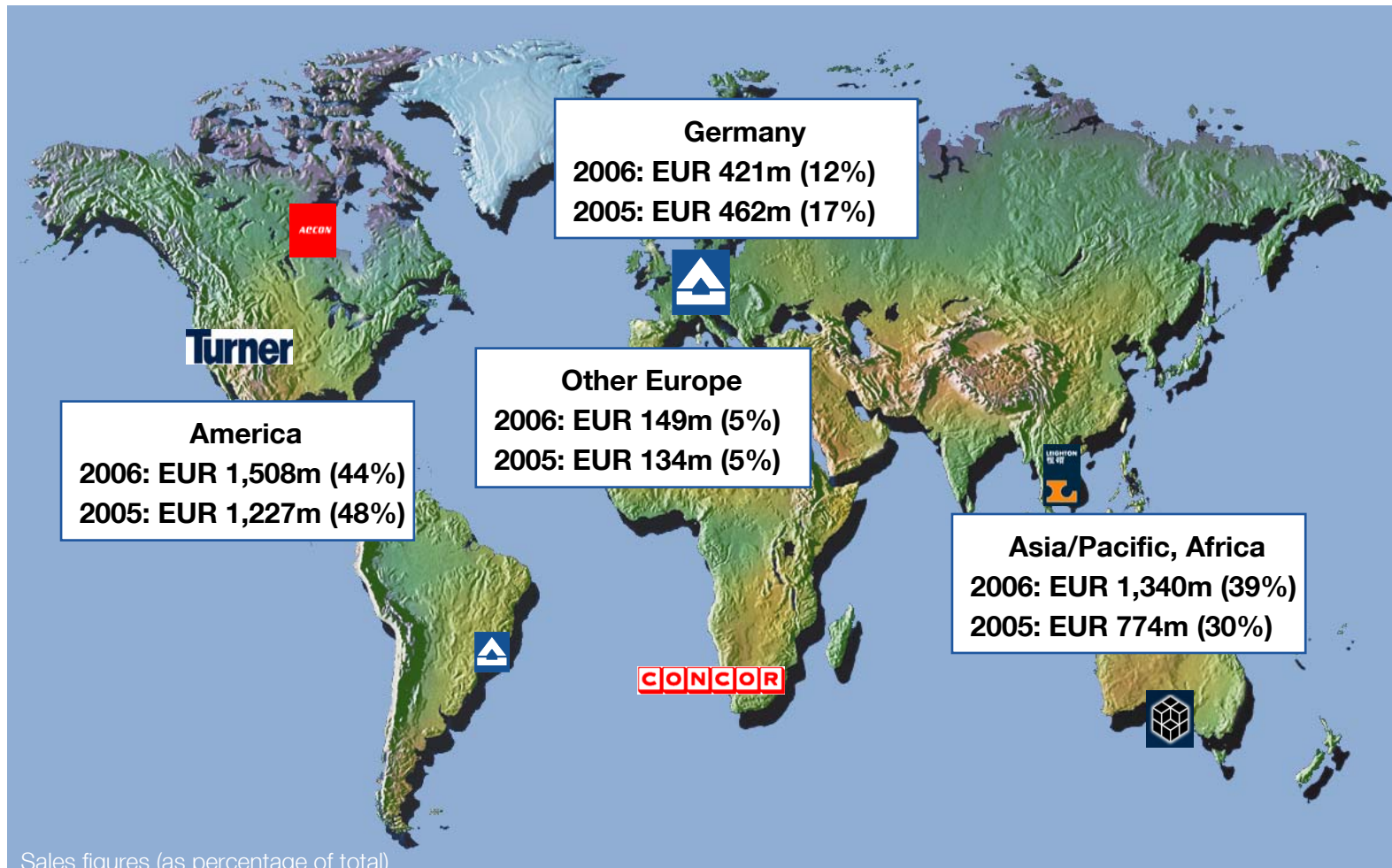


- **We have the best people**
- **We offer our clients the best individual, integrated solutions**
- **We shape markets and set new standards**
- **We always act responsible**
  
- **AND WE'RE WORKING TO GET BETTER**

# APPENDIX

## Split by regional sales

Jan-Mar 2006: EUR 3,418m; Jan-Mar 2005: EUR 2,597m



Sales figures (as percentage of total)

# HOCHTIEF Airport

## Essentials

- **EBT increased** (w/o HTAC effect)
- **Continuously growing airport earnings contributions; reduced interest burden**
- **Increased revenues from non-aviation related activities**
- **HT airports Q1 PAX: 15.8m (+3.4%)**
- **Worldwide PAX growth prediction until 2009: 5.6% p.a.**
- **EBT 06E: above adjusted 05 figure**

## Financials (EUR m)

Jan-Mar (EUR m)	2006	2005	% change	FY 2005
Net income from participations	11.0	9.9	11.1	54.3
EBITA	8.2	62.7	-86.9	87.0
EBT	3.4	54.4	-93.8	65.0
Capex	0.7	0.4	75.0	2.0
Net assets	646.2	664.2	-2.7	661.1

# HOCHTIEF Development

## Essentials

- **Strong increase in order intake due to PPP project win**
- **Sales growth reflects high volume of current real estate development projects**
- **EBT includes success fee from North Ayrshire project**
- **A4, A8: tender stage**  
**A1, A5: prequalification stage**
- **EBT 06E: slightly below 05 mainly due to PPP acquisition costs**

## Financials (EUR m)

Jan-Mar (EUR m)	2006	2005	% change	FY 2005
New orders	<b>314.5</b>	113.5	177.1	1,156.5
Order backlog	<b>2,045.4</b>	1,707.3	19.8	1,934.0
External sales	<b>204.5</b>	159.2	28.5	924.9
EBITA	<b>5.2</b>	4.4	18.2	39.7
EBT	<b>6.1</b>	4.1	48.8	38.6
EBT margin (%)	<b>3.0</b>	2.6	15.4	4.2
Capex	<b>8.5</b>	1.9	347.4	51.5
Net assets	<b>794.7</b>	908.3	-12.5	768.7

# HOCHTIEF Construction Services Americas

## Essentials

- **Continuous consolidation on high level of order intake with focus on profitable market segments**
- **Strong international consulting business**
- **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%**
- **EBT 06E: slightly above 05**

## Financials (EUR m)

Jan-Mar (EUR m)	2006	2005	% change	FY 2005
New orders	<b>1,938.9</b>	1,541.5	25.8	6,308.6
Order backlog	<b>7,637.1</b>	6,339.9	20.5	6,901.7
External sales	<b>1,485.8</b>	1,212.9	22.5	5,934.2
EBITA	<b>14.5</b>	9.7	49.5	54.1
EBT	<b>11.6</b>	7.0	65.7	39.5
EBT margin (%)	<b>0.8</b>	0.6	33.3	0.7
Capex	<b>4.4</b>	3.4	29.4	16.9
Net assets	<b>313.5</b>	283.4	10.6	314.7

# HOCHTIEF Construction Services Asia Pacific

## Essentials

- **Expansion of Contract Mining into iron ore**
- **Current major infrastructure and mining projects lead to significant increase in work done/sales**
- **Business outlook remains promising; predicted market growth 2006:**  
**Australian Civil: 12.4%**  
**Contract Mining: 13.4%**
- **EBT 06E: outstanding contribution**

## Financials (EUR m)

Jan-Mar (EUR m)	2006	2005	% change	FY 2005
New orders	498.4	593.0	-16.0	5,248.0
Order backlog	8,811.4	8,524.5	3.4	9,274.9
External sales	1,322.2	761.0	73.7	4,577.9
EBITA	35.5	26.3	35.0	220.1
EBT	33.3	23.6	41.1	203.3
EBT margin (%)	2.5	3.1	-19.4	4.4
Capex	203.9	106.6	91.3	464.5
Net assets	776.7	632.5	22.8	837.8

# HOCHTIEF Construction Services Europe

## Essentials

- **Indication of a recovery in German construction market**
- **EBT decrease due to weather conditions**
- **Increasing CEE contribution (infrastructure market)**
- **Non-domestic PreFair successes**
- **Focus on**
  - After-Sales services
  - Construction of container terminals
  - PPP (joint projects within the Group)
- **EBT 06E: on adjusted previous year's figure (EUR 35.2m)**

## Financials (EUR m)

Jan-Mar (EUR m)	2006	2005	% change	FY 2005
New orders	555.7	540.1	2.9	2,780.6
Order backlog	3,062.9	2,675.8	14.5	2,985.0
External sales	375.8	440.6	-14.7	2,109.7
EBITA	-2.2	0.2	-1,200.0	28.0
EBT	1.5	5.4	-72.2	42.3
EBT margin (%)	0.4	1.2	-66.7	2.0
Capex	5.3	5.8	-8.6	29.2
Net assets	453.1	671.2	-32.5	444.2

## Consolidated Group balance sheet (assets)

(EUR thousand)	31 Mar 06	31 Dec 05
Intangible assets	331.904	330.298
PP&E	734.489	682.220
Investment properties	155.860	206.631
Equity-method investments	722.832	718.167
Other financial assets	226.160	194.362
Financial receivables	31.393	28.278
Other receivables and other assets	109.571	110.198
Deferred tax assets	131.197	144.726
<b>Non-current assets</b>	<b>2.443.406</b>	<b>2.414.880</b>
Inventories	35.856	35.333
Financial receivables	49.161	50.697
Trade receivables	3.234.058	3.376.967
Other receivables and other assets	142.031	150.900
Current income tax assets	9.942	42.243
Marketable securities	979.930	963.182
Cash and cash equivalents	801.946	1.061.301
<b>Current assets</b>	<b>5.252.924</b>	<b>5.680.623</b>
<b>Assets</b>	<b>7.696.330</b>	<b>8.095.503</b>

### Non-current assets:

- **PP&E: increase due to high Leighton investments (e.g. HWE contract mining)**
- **Investment properties: continued reduction, sale to market**

### Current assets:

- **Income tax assets: cash in from year end tax receivables led to decrease**
- **Cash/cash equivalents: decrease due to acquisition in contract mining and reduction of liabilities**

## Consolidated Group balance sheet (equity and liabilities)

### Shareholders' equity:

- **Decrease in minorities due to dividend payments and currency**
- **Equity ratio: 29.5% (28.3%)**

### Current liabilities:

- **Significant decrease in liabilities (-EUR 307m) (Americas, Asia Pacific)**
- **Reduction of provisions (-EUR 44m) and financial liabilities (-EUR 39m)**

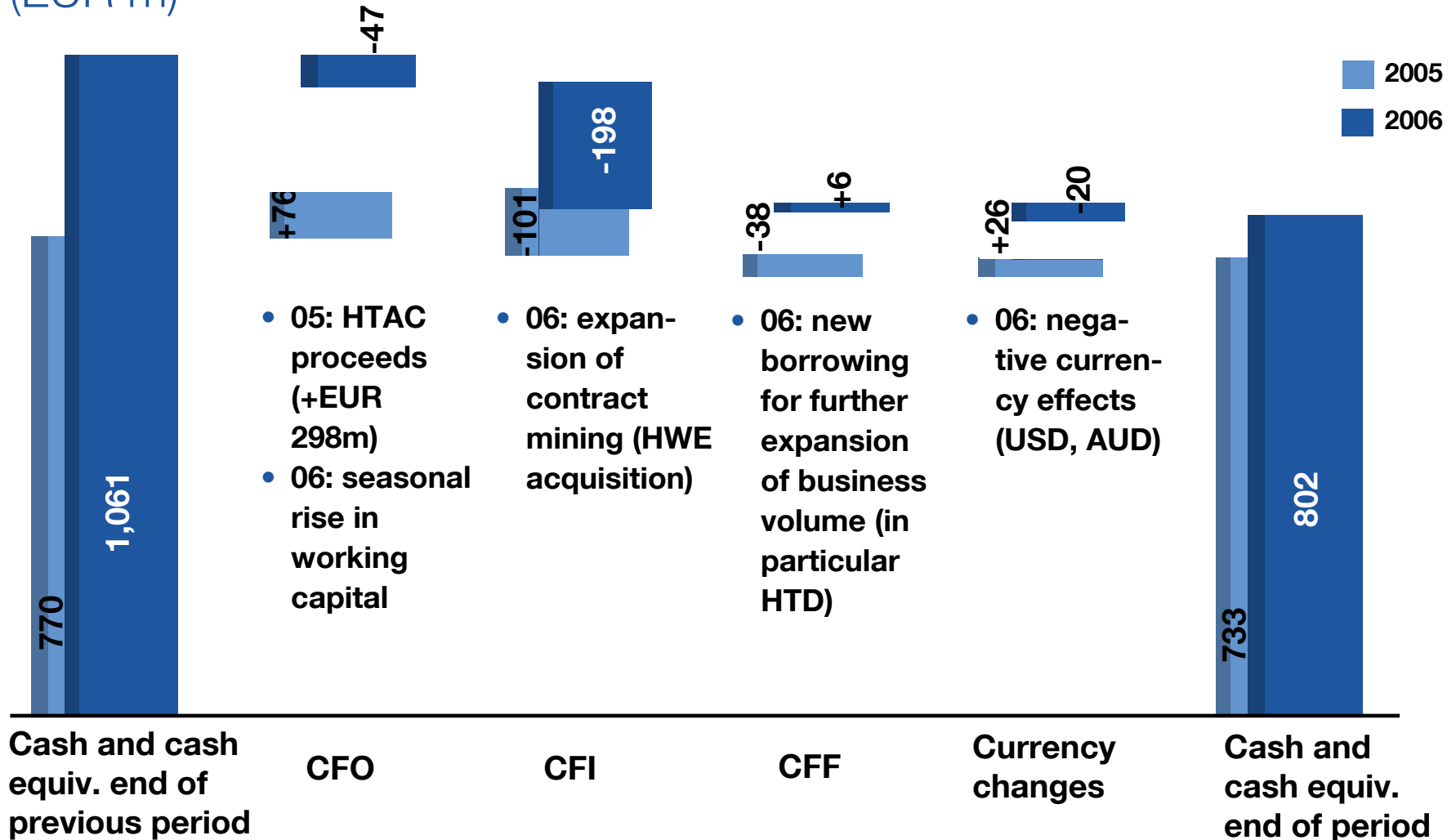
(EUR thousand)	<b>31 Mar 06</b>	<b>31 Dec 05</b>
Attributable to the Group	1.749.717	1.753.084
Minority interest	517.210	537.230
<b>Shareholders' equity</b>	<b>2.266.927</b>	<b>2.290.314</b>
Provisions	308.365	298.556
Financial liabilities	841.092	830.680
Other liabilities	13.631	20.954
Deferred tax liabilities	93.872	88.223
<b>Non-current liabilities</b>	<b>1.256.960</b>	<b>1.238.413</b>
Provisions	599.064	643.474
Financial liabilities	218.598	257.172
Trade payables	3.142.795	3.449.977
Other liabilities	209.897	215.589
Current income tax liabilities	2.089	564
<b>Current liabilities</b>	<b>4.172.443</b>	<b>4.566.776</b>
<b>Liabilities and shareholders' equity</b>	<b>7.696.330</b>	<b>8.095.503</b>

## Consolidated Group figures

Jan-Mar (EUR m)	2006	2005	% Change	FY 2005
<b>Sales</b>	3,418,1	2,596,9	31,6	13,653,2
Other operating income	29,8	105,0	-71,6	274,4
Other operating expenses	-208,6	-211,9	-1,6	-777,7
Net income from participating interests	16,9	15,6	8,3	63,4
<b>EBITDA</b>	117,0	137,9	-15,2	652,6
<i>adjusted for HTAC effect</i>		117,2		600,8
Depreciation	-69,6	-67,1	3,7	-286,9
<b>EBITA / EBIT</b>	47,4	70,8	-33,1	365,7
<i>adjusted for HTAC effect</i>		50,1		313,9
Net investment and interest income	1,5	-6,0	125,0	-22,0
Non-operating earnings	0,0	-2,5	100,0	-14,7
<b>EBT</b>	48,9	62,3	-21,5	329,0
<i>adjusted for HTAC effect</i>		41,6		277,2
Income taxes	-12,3	-9,3	32,3	-51,4
Deferred taxes	-13,9	-15,9	-12,6	-126,3
<b>EAT</b>	22,7	37,1	-38,8	151,3
<i>adjusted for HTAC effect</i>		16,4		99,5
of which: <b>Consolidated net profit</b>	7,8	28,1	-72,2	62,8
<i>adjusted for HTAC effect</i>		7,4		11,0
of which: Minority interest	14,9	9,0	65,6	88,5

- **New Orders**  
EUR 3.3bn (+18.8%)
- **Order backlog** – record high  
EUR 21.6bn (+12.0%)
- **Sales:** growth mainly driven by Asia Pacific
- **Net investment and interest income:** improved result in marketable securities in 06
- **Income taxes:** last year's HTAC effect was mainly tax free
- **Minority interests:** improved Australian activities and increased minorities at HTA (due to HTAC)

# Consolidated Group Cash flow (EUR m)



## 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>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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