

**Conference Call**

**HOCHTIEF Aktiengesellschaft**

**04 May 2007**

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**Dr. Peter Noé, CFO**

## Overview

### HOCHTIEF outlook 07 confirmed despite losses in German building

- **Contradictory developments in German building construction market**
  - Strong increase of demand in 06 after ten years of decline
  - Sudden and strong input price increases for materials and subcontractors
  - Limitations to pass these on to clients or subcontractors
- **Due to German building construction HOCHTIEF Europe expects losses of up to EUR 120m EBT in 07**
- **Set of countermeasures taken to return HOCHTIEF Europe to profitability**
- **Diversification strategy of HOCHTIEF Group – concessions, services and internationalization - bears fruits**
- **Operational improvements from all other divisions, esp. from HOCHTIEF Airport, expected to compensate losses of HOCHTIEF Europe**
- **Overall HOCHTIEF Group outlook 2007 confirmed**

## HOCHTIEF Europe: Status Quo

Disappointing situation in German building construction market

- **Strong increase of German construction demand in 06 after 10 years of decline.**
- **HOCHTIEF Europe had taken new large and long-term orders in 05 and first half 06.**
- **Tremendous input price increases for materials & subcontractors in 06 and 07, examples:**
  - Materials: aluminum +35%, glass: +40%, steel: +20-30% in 06
  - Facades: +15% in 06
  - Structural works: +25% within one year
  - Technical building installations: +10-15% within one year
- **Longer-term fixed price (back-to-back) arrangements with subcontractors were not always possible to achieve. In the past, prices decreased permanently and late subcontracting generated benefits.**
- **Many price increases could not be passed on to clients or subcontractors.**
- **This leads to losses from existing subcontracts and subcontracts not yet awarded.**
- **This situation is limited to building construction projects in Germany.**

## HOCHTIEF Europe: Countermeasures taken

### How to return to profitability

- **Strong focus on higher margins as market increasingly allows this**
  - **All bids only with binding back-to-back agreements with subcontractors and suppliers**
  - **Balanced risk sharing with clients and subcontractors**
  - **Significant reduction of general contracting business**
  - **A newly founded company optimizes purchasing processes**
  - **Further internationalization of HOCHTIEF Europe (esp. CEE)**
- **New contracts show already significantly improved margins**






## HOCHTIEF diversification bearing fruits

Strong operational performance from all other divisions, esp. Airports

- **Better than expected results in 07 from HOCHTIEF Airport**
  - strong operational improvement (aviation & non-aviation)
  - increased traffic
  - optimized capital structure
  - larger stakes in Sydney and Hamburg Airports
- **Improved margins at HOCHTIEF Americas and HOCHTIEF Development**
- **Strong operational performance of HOCHTIEF Asia Pacific**
  - Australia – esp. Leighton Contractors (Henry Walker Eltin Mining etc.) and
  - New international markets (esp. India and Gulf)
- **Improvements at Headquarter level.**

**Leading us to confirm HOCHTIEF Group outlook 2007**

## Confirmed Group outlook 2007

	2006		2007E
<b>Sales</b>	EUR bn 15.5		On a par with previous year's figure
<b>EBT</b>	EUR m 338		Above prior-year level
<b>Net profit</b>	EUR m 89		To surpass the EUR 100m mark
<b>New orders</b>	EUR bn 20.6		To steady off at a high level, likely to be short of prior-year
<b>Order backlog</b>	EUR bn 25.1		On a par with prior-year figure

## 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

09 May 07	General Shareholders' Meeting
15 May 07	Q1 results 2007 and Conference Call
14 Aug 07	Half year results 2007 and Analysts' and Investors' Conference
14 Nov 07	Nine month results 2007 and Conference Call
26 Mar 08	Full year results 2007 and Analysts' and Investors' Conference
08 May 08	General Shareholders' Meeting
15 May 08	Q1 results 2008 and Conference Call

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