



Conference Call
HOCHTIEF acquires 50% in aurelis Real Estate
06 September 2007

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1. Overview of the transaction

- **01. September 07: Signing of agreement with Deutsche Bahn AG to acquire aurelis Real Estate; conclusion of contracts (notarization) due in short term**
 - 50% HOCHTIEF; 50% Redwood Grove International (“Grove”)
 - At-equity consolidation
- **Transaction to be approved by German Cartel Office and Federal Ministry of Transport**
- **Purchase price: EUR 1,640m**
 - Acquisition net of cash and debt
 - Acquisition financing incl. equity of ca. EUR 411
 - HOCHTIEF equity stake ca. EUR 205.5m
 - Non-recourse financing
- **Attractive IRR (>14%)**
- **HOCHTIEF’s comprehensive real estate expertise covering the full life cycle of buildings – development, financing, construction, facility and property management, asset management - provides the operational background to realize value**



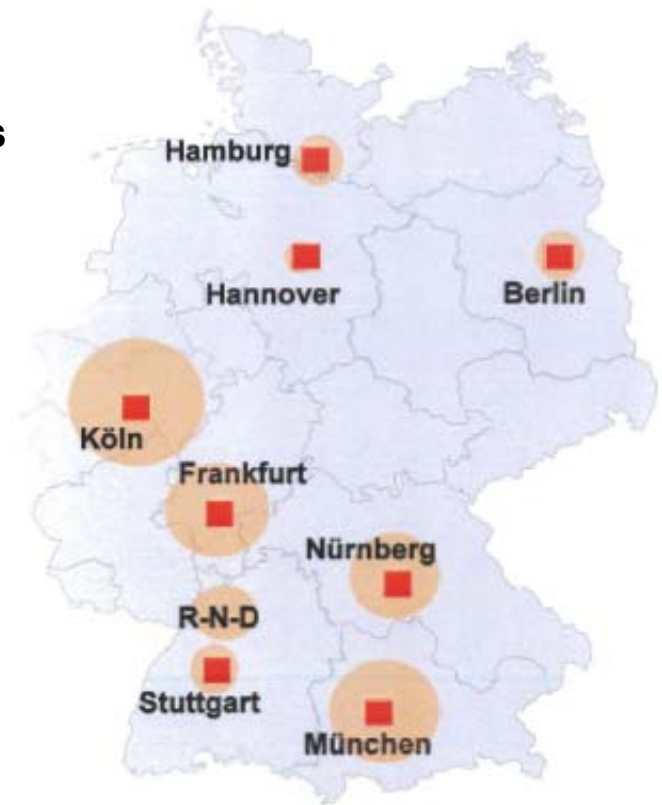
2. Investment rationale

- **Excellent fit with HOCHTIEF strategy**
- **HOCHTIEF gets access to real estate assets in top locations in German city centers**
- **Realizing value of the portfolio requires project development and asset management know-how**
- **HOCHTIEF's core real estate expertise applied to an attractive property portfolio provides large cross-selling potential (property and facility management, construction)**
- **Expected time horizon of holding: up to 8 years**
- **Grove as strong financial partner**
- **aurelis as**
 - strategic investment capitalizing on the stability and growth potential of German real estate market
 - joint investment platform for HOCHTIEF and Grove in Germany, building on HOCHTIEF's operational expertise and market contacts (tenants and real estate investors) and Grove's investment experience and capability
- **Attractive IRR (> 14%)**
- **EPS accretive from 2009 onwards**

3.1. The new asset: aurelis

Facts and figures

- **100% real estate subsidiary of Deutsche Bahn AG**
- **Founded in 2002 to hold, develop and dispose of Deutsche Bahn's valuable non-core real estate assets**
- **Current business activity:**
 - Asset Management: Letting and optimization of existing buildings and sites
 - Property Development: obtaining development / construction approvals for free plots of land within the portfolio
 - Sales: sale of real estate assets and sites
- **Current portfolio:**
 - 1,495 real estate assets (ca. 98% in Western Germany)
 - 27 million sqm land bank of which ca. 70% in Germany's most important growth cities/regions, here mostly city centre locations
- **Stable rental income**
- **ca. 130 employees**



3.2. The new asset: aurelis

The asset portfolio

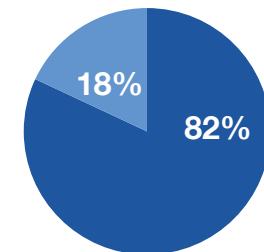
- **Rental portfolio**

- Portfolio consists of warehouses, offices and free sites
- Rental income provides cash flow stability
- Rental income 2007E: ca. EUR 105m
-> gross purchase price margin: ca. 6.4%
- Strong risk diversification due to balanced tenant portfolio:
 - Ca. 60% of rental income from mid-size companies (heterogeneous group)
 - Part of rental income from Deutsche Bahn AG (average contract duration approx. 8 years)
 - Rest: large enterprises and public institutions

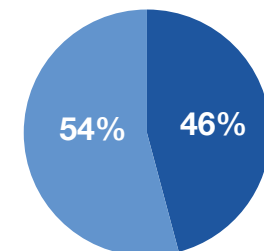
- **Development portfolio**

- Portfolio consists of mostly free plots of land
- >70% of area in metropolitan areas
- Land can be freed up quickly: >90% of area currently under temporary use only (free land, storage or parking)
- Development opportunities provide significant earnings potential

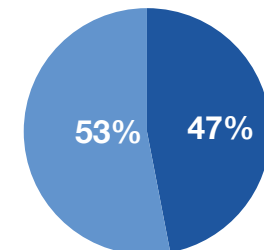
By rental income:
(EUR 105m)



By # of assets:
(1,495)



By area:
(27 million sqm)

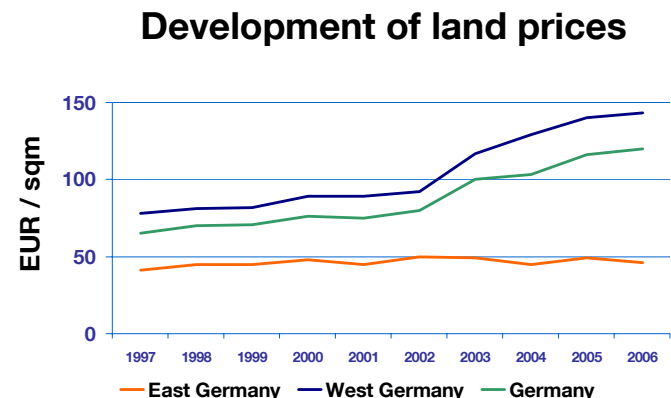
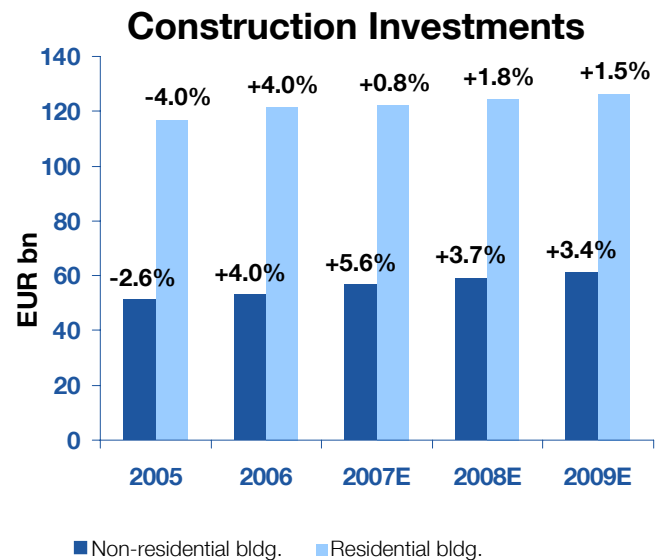


Rental Portfolio
 Development Portfolio

3.3. The new asset: aurelis

Value drivers: the German real estate market

- **German GDP forecast stable above 2%**
- **Enterprises realize increasing returns**
- **Unemployment shrinks**
- **Increasing investments in Germany, including construction**
- **German real estate market expected to remain stable or even to become stronger:**
 - Rents and real estate sales prices in Germany still below European average
 - Shortage of good sites in good inner city locations
 - Strong increase of land prices over last 10 years
 - Since early 06 commercial rents started to increase
- **Continued international capital inflow in German real estate**
- **First G-REIT-structures**



3.4. The new asset: aurelis

Value drivers: strategy

- **Objective: aurelis to become Germany's leading, fully integrated real estate asset management and development company for inner city urban developments – based on its existing portfolio**
- **The Consortium's strategy is to**
 - Optimize current usage of aurelis real estate and their letting
 - Develop and market the existing property portfolio swiftly and professionally (incl. bundling of real estate assets for investment market)
 - Capitalize on HOCHTIEF's proven development expertise and comprehensive real estate know-how



3.5. The new asset: aurelis

Value drivers: road map for future activities

- **Rental Portfolio**

- Increase occupancy rates
- Push existing rents
- Increase value through refurbishments and developments
- Sell assets after optimization

- **Development Portfolio**

- Streamline and accelerate the land development process
- Set up project development function in addition to aurelis' already existing land development / permit obtaining activities
- Develop demand-driven real estate concepts
- Optimization of existing sales strategies, incl.
 - leveraging on investor contacts of the consortium
 - carrying out structured tender procedures
- Future developments in aurelis' portfolio to be paid from aurelis' cash flow

4.1. The partners

HOCHTIEF Projektentwicklung (HTP)

- **HOCHTIEF Projektentwicklung GmbH (HTP) was founded 1991 and - together with its affiliated companies - covers the entire spectrum of the real estate-related value chain.**
- **In the period 2002-06, HTP has been marketing real estate projects with a total value of approx. EUR 2.7bn and was recently ranked as the “most active property developer” in Germany by market research institute Bulwien Gesa**
- **Key activities:**
 - Projects worth ca. EUR 1.88bn under development; of these EUR 816m under construction (HY.07)
 - Main markets: Germany (ca. 70%), CEE (Poland, Czech Republic, Hungary, Romania) and Austria
 - Very strict risk management
 - 19 projects under construction:
 - Pre-let rate 64%
 - Pre-sold rate ca. 70%
- **HTP employs a total of ca. 200 professionals**

4.2. The partners

Redwood Grove International (“Grove”) – part of Grove International Partners LLP

Redwood Grove International L.P.

- Global real estate private equity fund with USD 2 billion of equity commitments
- Targets mainly real estate and real estate related investment opportunities principally located in Germany and Japan, and through self-contained operating platforms or institutional joint ventures
- Supported by broad base of leading international investors such as public and private pension funds, financial institutions, endowments, trusts and foundations, and high net worth individuals
- Formed and advised by affiliates of Grove International Partners LLP (New York)

Grove International Partners LLP, an independent investment management firm that

- Raises private equity funds from international institutional investors
- Advises three funds (and their related co-investment funds) with total equity commitments of USD 4.6 billion
- Invests globally in real estate and real estate related companies
- Controls diverse portfolio of real estate operating entities and assets, across a broad range of asset types and countries
- Operates from New York, London, Frankfurt, Singapore, Tokyo and Amsterdam offices

5. The way forward

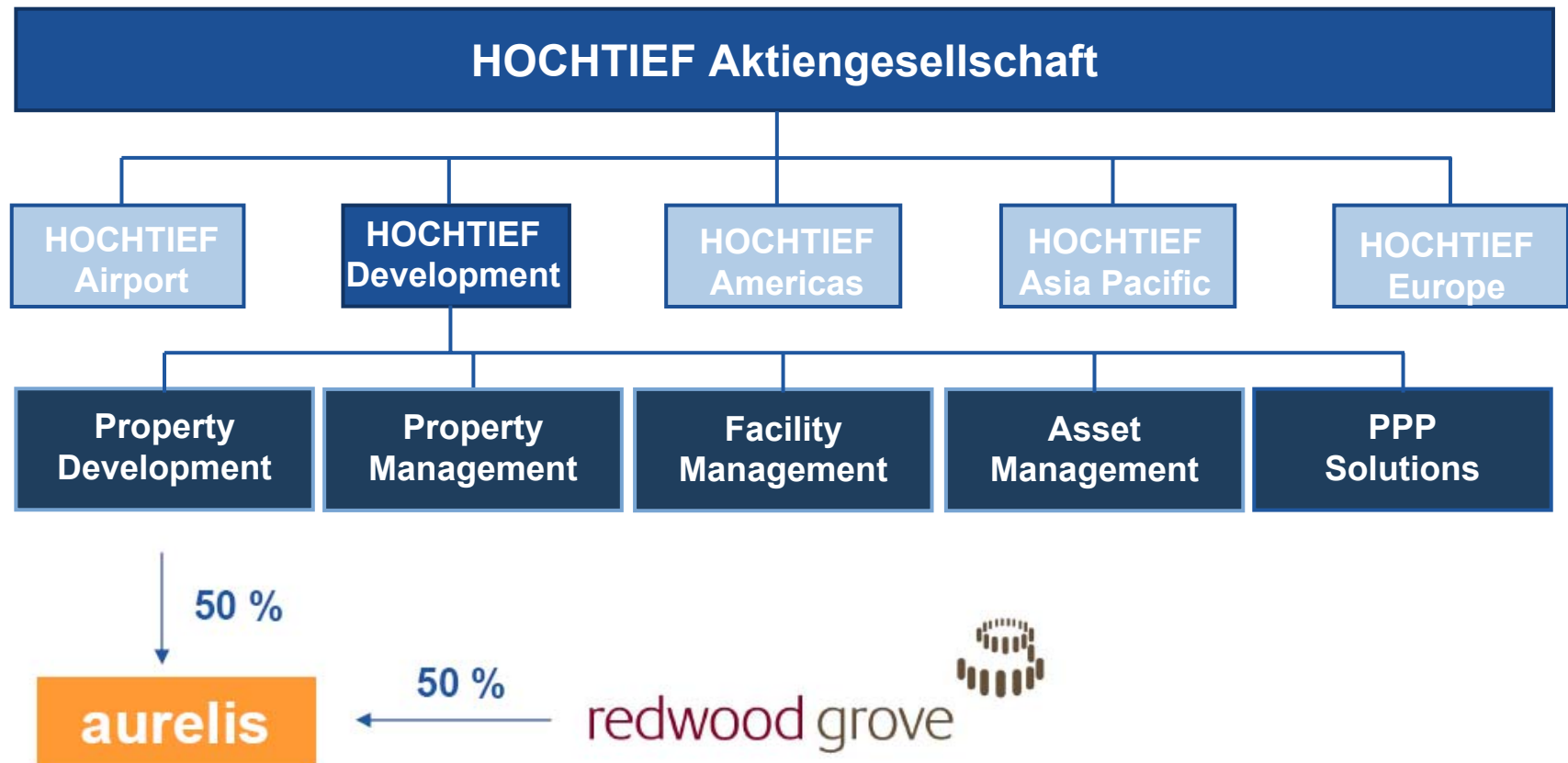
Next steps

- **Approvals from German Cartel Office and German Ministry of Transport expected in Q3 07**
- **Immediate actions after transaction close:**
 - Second HOCHTIEF staff to aurelis
 - Classify assets for land development vs. immediate sale
 - Specify concepts for pre-selected key sites
 - Start sales process 2007 / 08



APPENDIX

HOCHTIEF Real estate development - overview



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

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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