

Infrastructure Development



Frankfurt

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Infrastructure

Infrastructure Development - Strategy

■ Our mission:

1. Optimizing an investment portfolio of Operated Toll Roads with an RoCE of 15 - 20 % (midterm)
2. Market leader in an emerged German toll road market and among the top group in Europe

■ Objectives for the Implementation:

1. Focussing on one product segment and strict project selection on evaluated programs
2. Use of our international projects know how (700 km Tollroads Worldwide) as an USP to position as market leader in Germany
3. Increase of return and reduction of capital requirements by sale of shares to institutional investors (after ramp up phase)

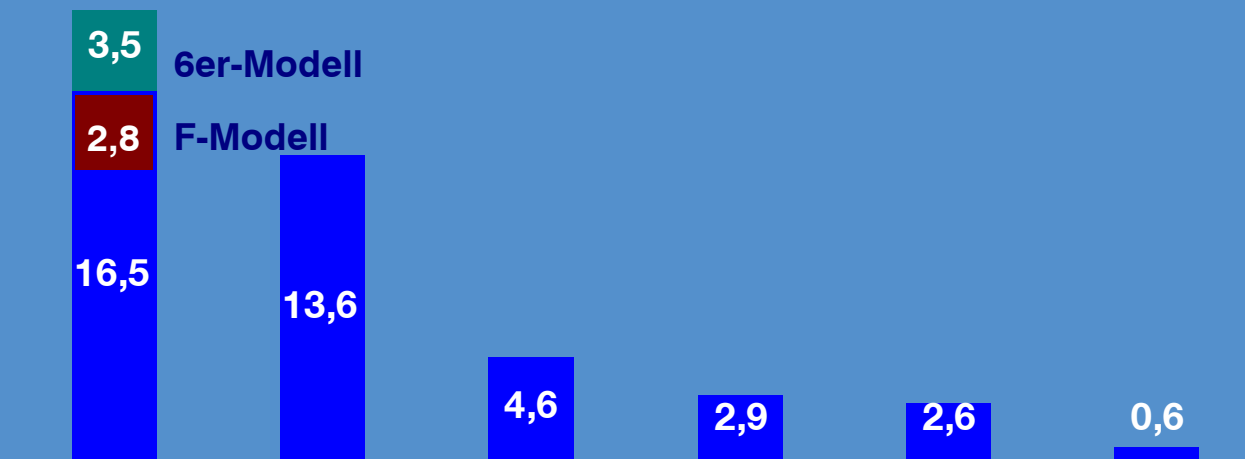
**Focussing on one product segment and
strict project selection on evaluated programs**

Toll roads Market Volume 2001 - 2009

- Worldwide privately financed projects with a volume of approx. 45 thousand million Euro will be tendered
- Assumed average project volume of 200 - 250 million Euro, means 150 - 200 projects within the next 10 years

Attractive market volume...

Private investment in toll road infrastructure in billion USD (1999-2009)



...enables to choose among selective projects

● Source: Dt.Verkehrsbank

- Valuable traffic forecast in bottle-neck situations (no greenfields)
- Preference towards technically complex „high tech“ projects
- Project returns which allow sale to institutional investors

strict project selection ...

- projects in an infrastructure programm instead of stand alone projects
- minimize currency risk
- Trust in legal and institutional framework
- Limited-recourse project finance viable

... on evaluated programs

„The Product“

- An operational Toll Road attends to have a bond character
- steady cash flows and high Ebitda Margin
- normally higher growth than GDP
- Single source earnings
- Long Pay Back-Period (ca. 15-20 years)
 - => a need for a developer and operator you can trust
- We will „Brand“ the product: Our project development skills, financial engineering and project management are main competition factors

**Operational
Project Returns
on CE of 12-18
%...**

**...means an
attractive
investment
product
for institutional
investors**

**Use of our international projects know how
(700 km Tollroads Worldwide) as an USP to position as
market leader in Germany**

HOCHTIEF Portfolio (Direct investments):

- **Herrentunnel, Lübeck, Germany**
50 % share, project volume appr. 160 m Euro
- **Santiago, Americo Vespucio Norte, Chile**
45 % share, project volume appr. 520 m USD
- **Rosario Victoria Bridge, Argentina (2002:)**
30 % share, project volume appr. 425 m USD

HOCHTIEF Groups Portfolio via Affiliates:

- **Confederation Bridge, Canada**
via Ballast Nedam Canada Ltd.
- **Eastern Distributor Sydney, Australia**
via Leighton
- **Cross Israel Highway, Israel**
via AECON Canada
- **Bakwena platinum toll road, South Africa**
via Concor

**Use of our
international
project know
how...**

**...a more than
700 km tollroad
portfolio**



We take position in Germany as market leader..

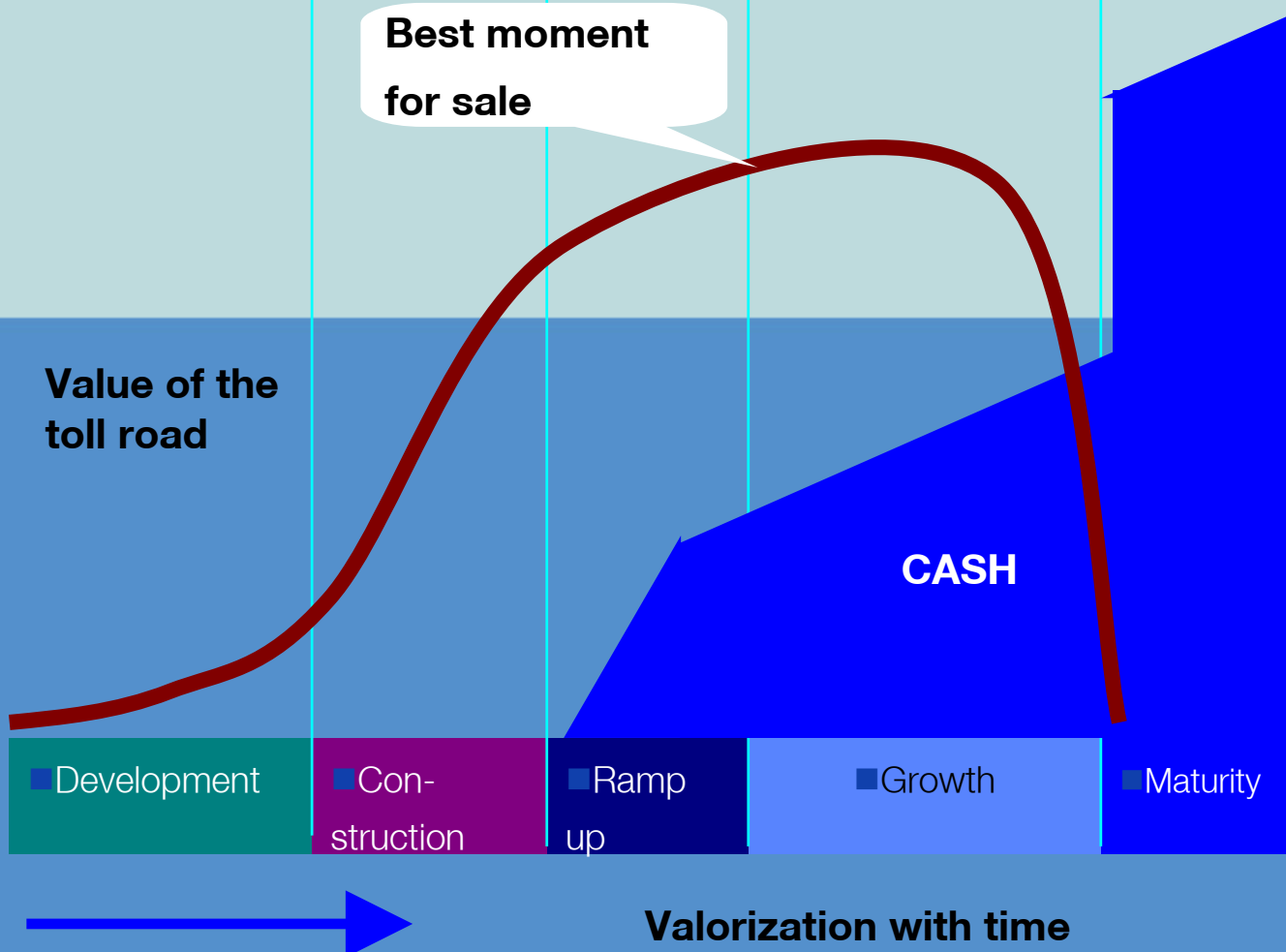
... ready to acquire a major part of emerging German PPP - market (2003 - 2008)

Increase of return and reduction of capital requirements by sale of shares to institutional investors (after ramp up phase)

Why do institutional investors like buying in a toll road concession during operation?

- **Steady Cash Flows**
- **EBITDA margin about 80 %**
- **Robust traffic growth in a quasi monopolistic position**
especially bottle-neck situations for users
- **Increase of earnings via real toll increase or indexed toll tariffs**
Often toll tariffs may be increased (subject to inflation/ depreciation); in these cases the investment appears like an indexed bond.
- **Potential added value by refinancing (leverage)**
- **Options for the future**
Introduction of electronic tolling allows increase of capacity of a toll road at a very reduced cost rate


The business model: sale of shares to investors (I)



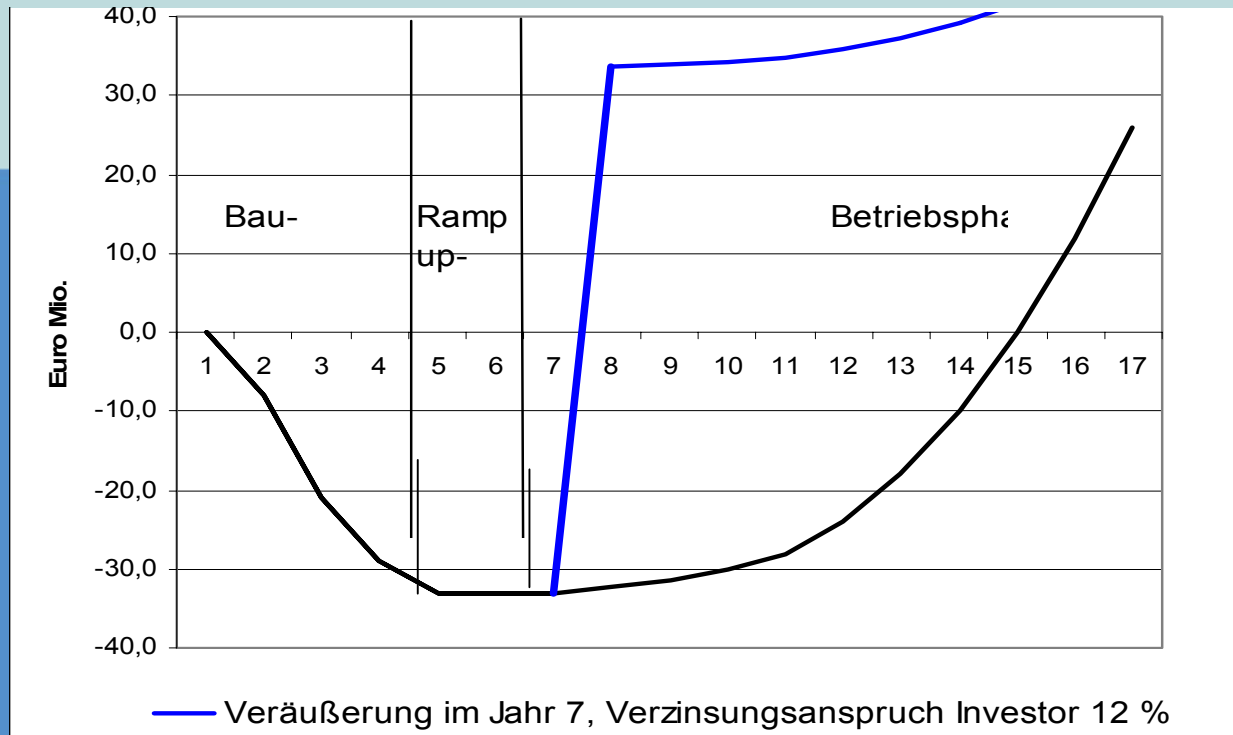
Growing maturity goes along with an increase of share value.

After the ramp up phase there is the opportunity to refinance the project and to increase the leverage of the project company in order to generate cash which may be distributed to the shareholders.

The business model: How Investors buy cash flows(II)

 <p>Realization phase</p> <p>Construction</p>	<p>Ramp up phase</p>	<p>Utilization phase</p> <p>Operation</p>
<p>We take risks:</p> <ul style="list-style-type: none"> •Construction in time •Construction on budget •Traffic at start operation •Ramp up Rate •Normal Traffic 	<p>Less Risks during Ramp up:</p> <p>Ramp up Rate Normal Traffic</p>	<p>Even Less risks during operation</p> <p>Interferences on normal traffic (construction/enhancement of alternative roads)</p>
<p>Risk premium: 6-8%</p> <p>interest rate for DCF: 15%</p>	<p>Risk premium: 3-5%</p> <p>interest rate for DCF: 12%</p>	<p>Risk premium: 1-3%</p> <p>interest rate for DCF: 10%</p>

...the business model: sale of shares to investors(III): How to generate the net present value



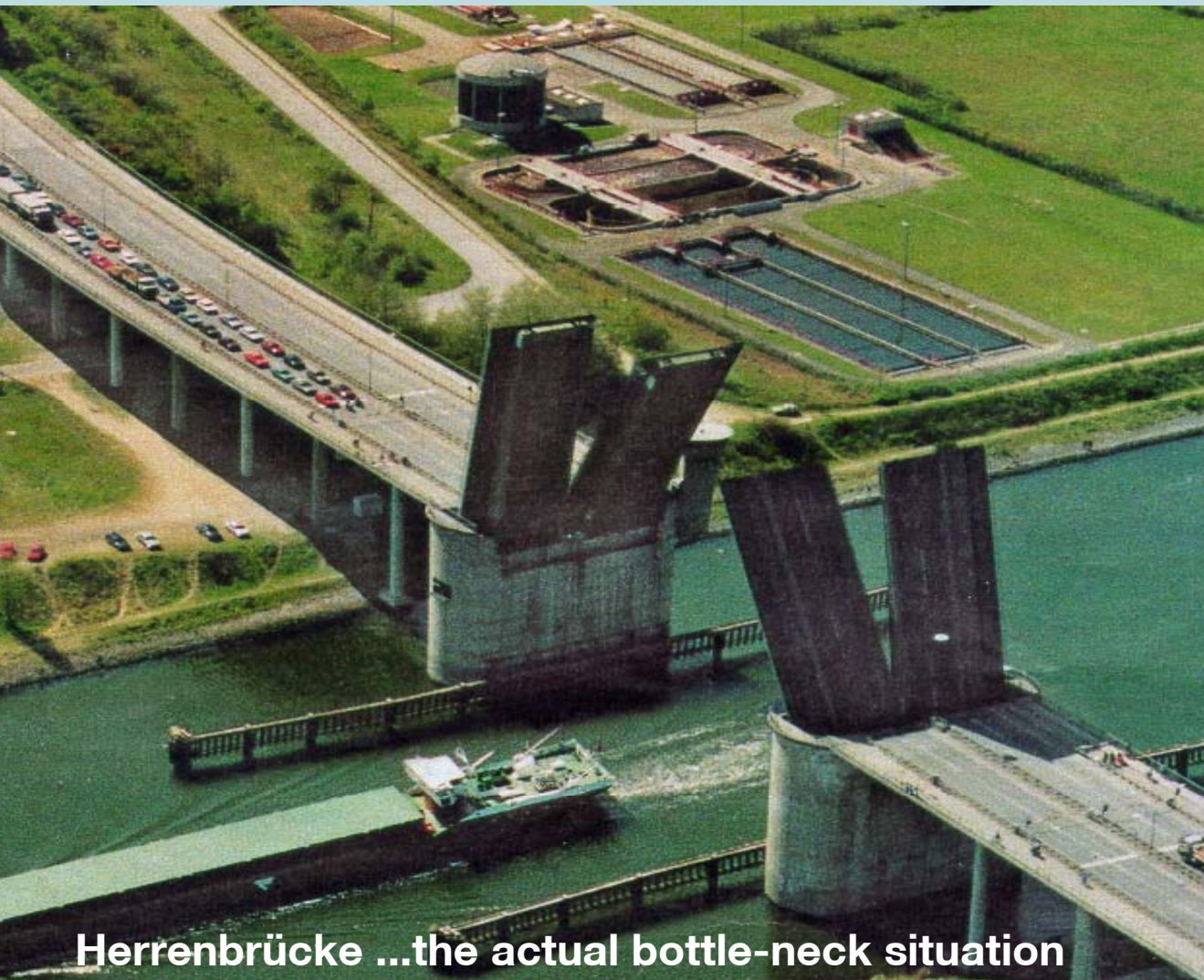
- HOCHTIEF RoCE increase from 15 % to 21 %
- By sale of 3/4 of HOCHTIEF shares to an institutional investor with a requested return of min. 12 %
- HOCHTIEF maintains operation as service provider

Infrastructure Development - Projects

HTD project pipeline: Germany, Europe, International

Project	Market Research	Pre-Qualification	Tender	Implementation	Comments
GERMANY					
Herrentunnel Lübeck				●	Start construction 10/01, comission 2005
Strelasundquerung			●		Prequalified (17.12.01), Tender 09/02
Hochmoselquerung		●			PQ 03/02
Albaufstieg A81		●			PQ expected 2003
10 highway concessions „Bodewig-Program“	●				First tender set expected end of 2002
EUROPE					
Ireland, Waterford Bypass			●		Tender submission 03/ 02
Ireland, Dundalk			●		Tender submission 05/02
Norway, E39 Klett-Bardshaug			●		Tender sub 08/02 (prequalified 02/02)
Greece, 1. Package		●			Shortlisting expected 03/02
Greece, 2. Package		●			Shortlisting expected 02/02
INTERNATIONAL					
Chile, Americo Vespucio Norte				●	Implementation, commissioning 12/04
Argentina, Puentes del Litoral				●	Commissioning / operation 9/2002

Herrentunnel Lübeck (I)



Award of a concession for the replacement of the bridge “Herrenbrücke Lübeck” by the tunnel “Herrentunnel”

bottle-neck situation:

Daily traffic: 40.000 cars

Investment: 175 m EUR

Subsidy: 86 m EUR

Equity ratio: 25 %

HTP share: 50 %

Concession: 30 years

RoCE: ca. 12-12,5 %

Herrenbrücke ...the actual bottle-neck situation

Herrentunnel Lübeck (II)

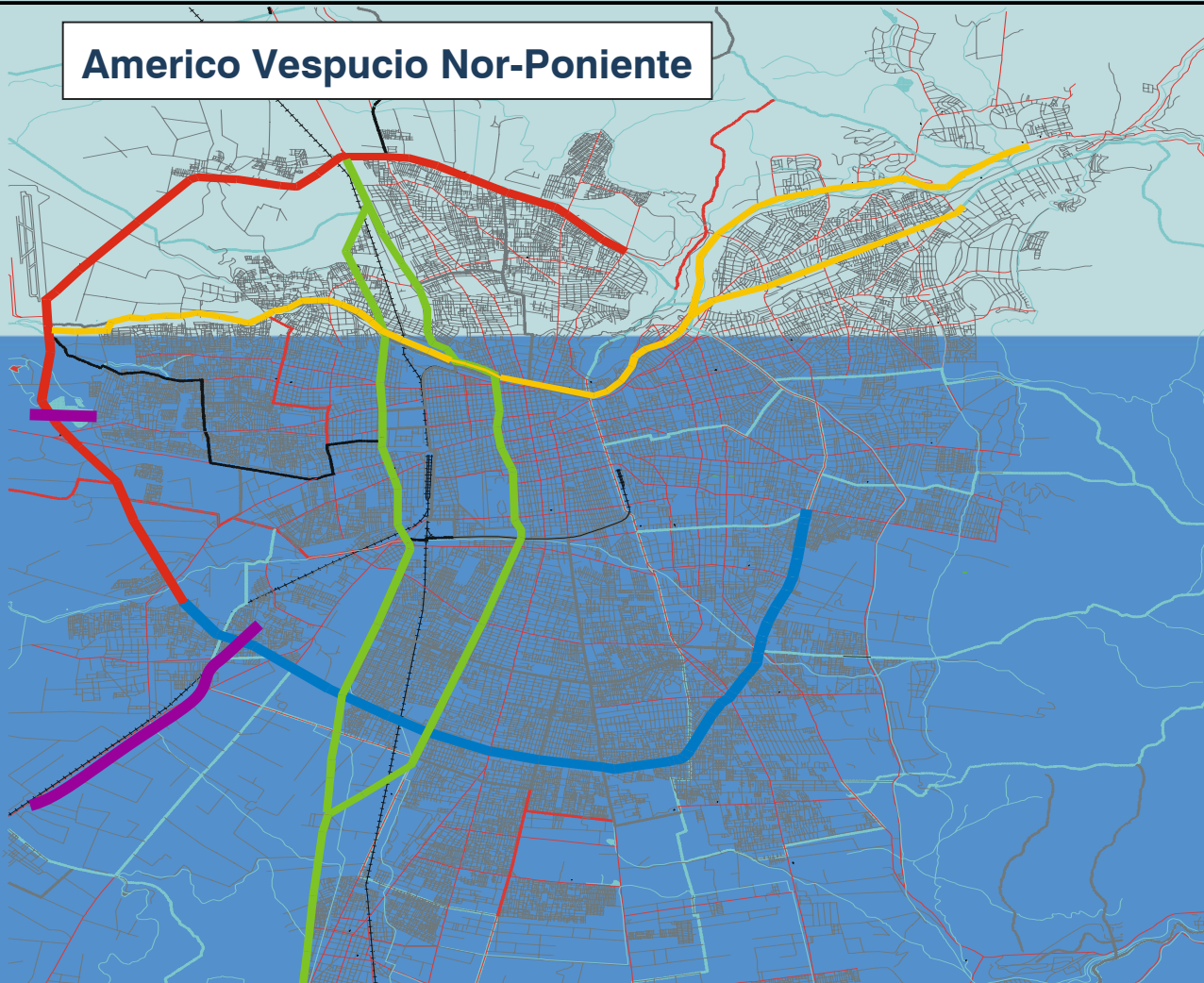


A typical time schedule:

- Concession
3/1999
- Building License
4/2001
- Financial Close
6/2001
- Start Construction
10/2001
- Commissioning
07/2005
- Transfer
2035

Americo Vespucio Nor-Poniente, Santiago de Chile (I)

Americo Vespucio Nor-Poniente



- 29 km urban highway system
- Ring road with access to the airport and major highways
- Fully electronic free flow
- Multi lane tolling and traffic management system
- **Daily traffic** 75.000 cars
- **Investment:** USD 518 m
- **Construction:** USD 263 m
- **Consortium:**
HTP 45 %/Dragados 55 %
- **30 years concession**
(2003-2033)
- **RoCE (after tax):** 13,5-15 %

Infrastructure Development: The future outlook - toll roads product group

In 5 years from now will

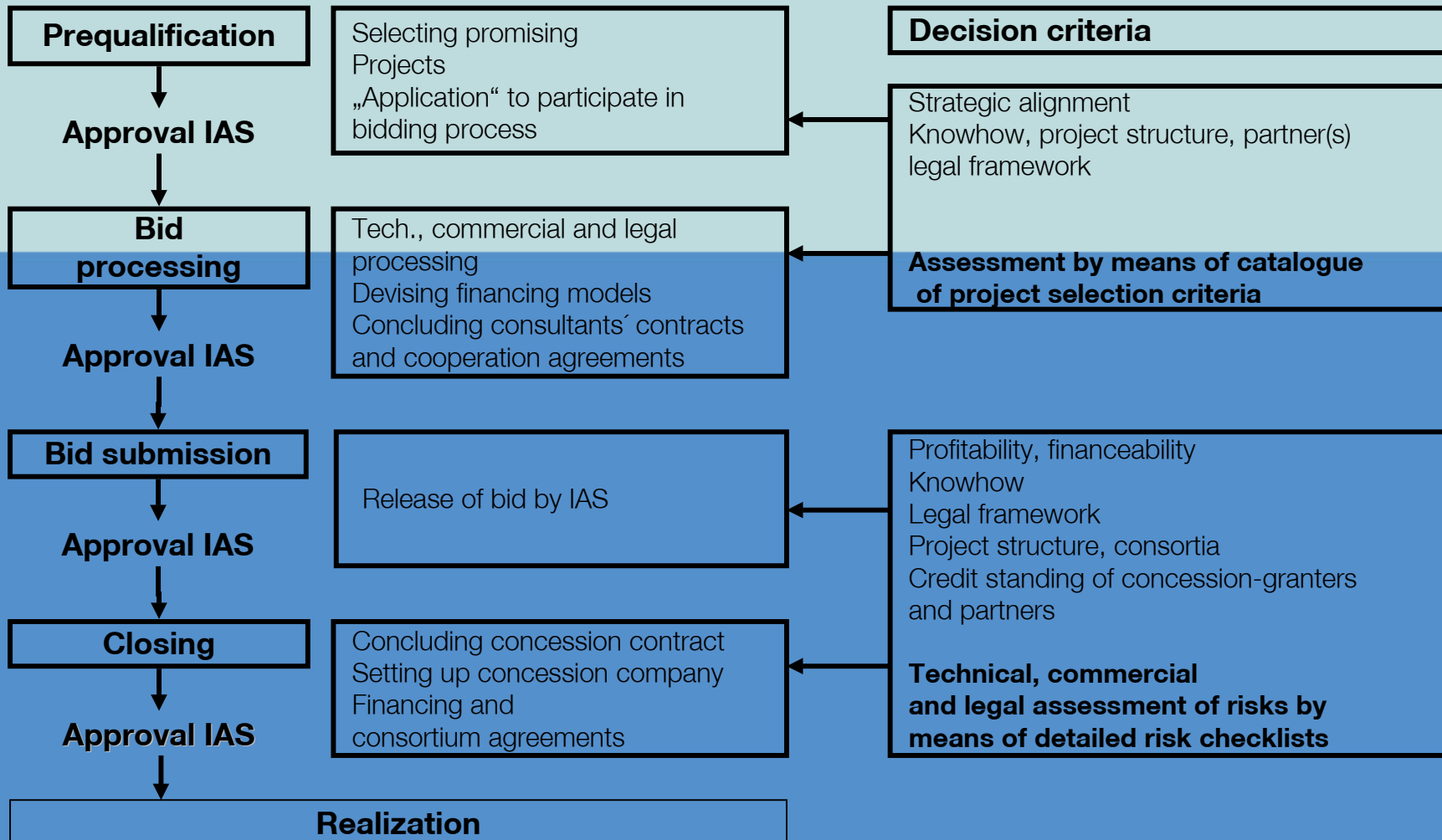
- **have a toll roads concession order book of 400 m Euro**
- **contribute profits of ≥ 10 m Euro p.a.**

In 10 years from now toll roads will

- **have reached an RoCE of ≥ 15 %**
- **be one of the top European road concessionaires**

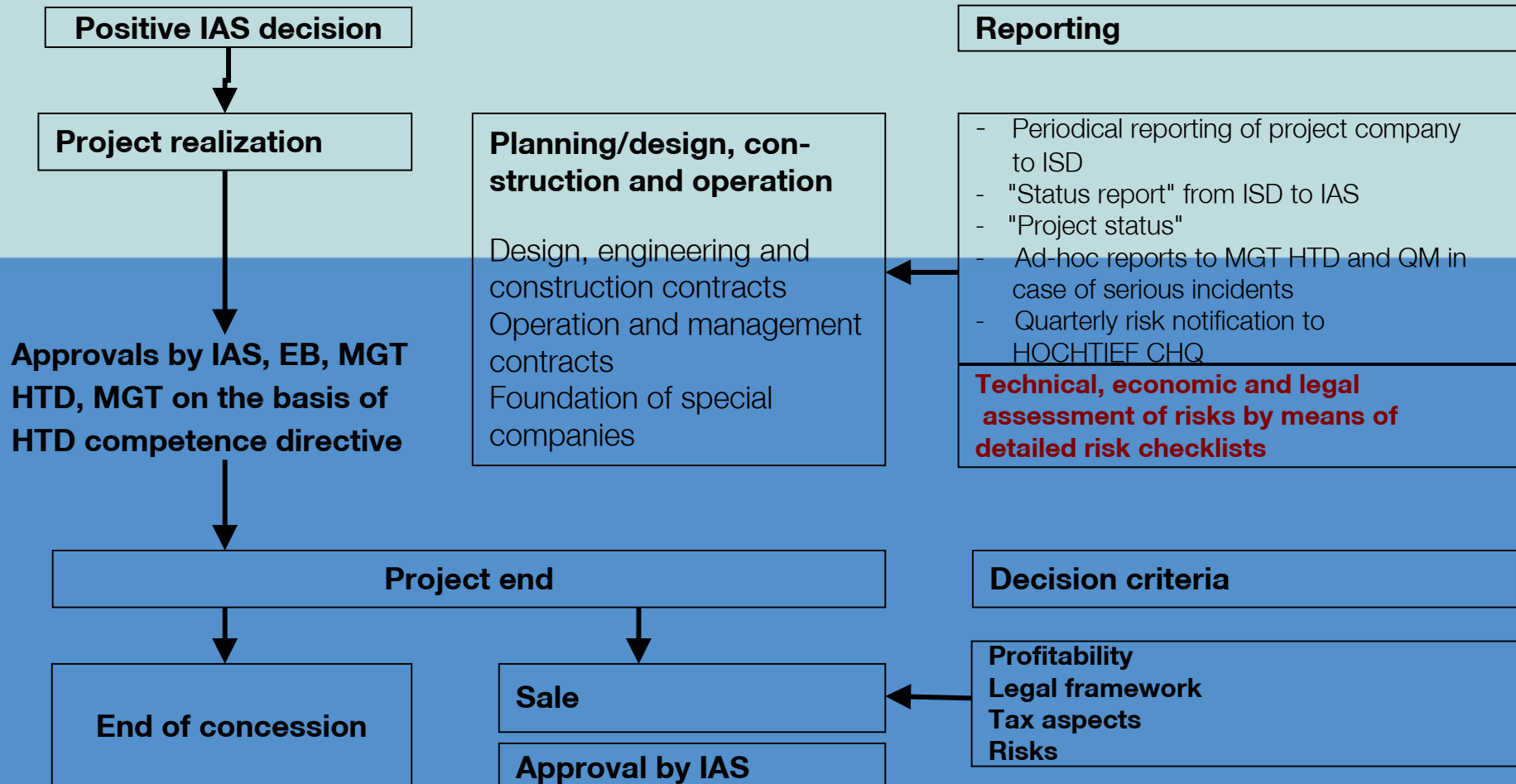
Risk management at ISD

Sequence of ISD projects through to closing / Specifics to complement Sheet.....



Risk management at ISD

Operative risks of ISD projects during realization / Specifics to complement Sheet...



Infrastructure Development

