

General Shareholders' Meeting

May 9, 2007

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Dr.-Ing. Herbert Lütkestratkötter
Chairman of the Executive Board

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Check against delivery.

Dear shareholders,

Dear shareholder representatives,

Ladies and gentlemen,

I wish you a very warm welcome to the HOCHTIEF General Shareholders' Meeting 2007. We are very pleased to have you here—your presence demonstrates your interest in what is happening in, as well as your close ties with, our company. My sincere words of welcome also go out to the representatives of the press and many of our employees who are staff shareholders.

This year for the first time, I have the honor of representing HOCHTIEF as Chairman of the Executive Board. I can tell you quite openly that I am looking forward to my work in this capacity—even if, or precisely because, the challenges in our business and our markets are tough ones. It is my unequivocal goal and that of my Executive Board colleagues to advance your company—in its service offerings, its presence in attractive markets and, of course, also in terms of earnings power. HOCHTIEF is a company well positioned to achieve future successes. Of that I am convinced. We aim to go on justifying your trust in

the HOCHTIEF Group, in the same way as we inspire the confidence and meet the expectations of our clients and partners all over the globe. This is our daily aspiration, it is what drives us on.

As you know, HOCHTIEF's ownership structure recently changed: The Spanish company Actividades de Construcción y Servicios, known for short as ACS, is a new major shareholder of HOCHTIEF. Custodia AG sold its 25.08 percent stake to ACS in March. The price per share was EUR 72. The competent authorities approved the sale in April.

In the market, HOCHTIEF is perceived as an attractive and strategically compelling company. After Custodia had made known its plans to sell its stake, many parties voiced their interest. We conducted negotiations with a number of them, including ACS. Incidentally, ACS is no stranger to HOCHTIEF. We have known the company for many years from our partnership-based collaboration. ACS and HOCHTIEF jointly operate the Vespucio Norte Express toll freeway, for example, and we are building the San Cristóbal tunnel together in Chile.

We very much welcome having a stable ownership structure again with ACS. The speculation over recent months has not been beneficial to the company. This speculation is now well and truly at an end. HOCHTIEF will remain independent and can resolutely continue to pursue its successful business strategy. We have held several talks with ACS in the meantime. These were highly constructive and professional—building on the successful and amicable cooperation already mentioned, a cooperation through which both companies have already known each other for years.

Review of 2006: Strategic milestones

Before outlining in detail our HOCHTIEF strategy, I would first of all like to take a look back at 2006.

In the past fiscal year, we once again demonstrated our dynamism and set a fast pace. Here are the major milestones along the way:

- We have dovetailed our service portfolio such that we are able to serve and cover the value chain of properties, facilities and infrastructure projects to optimum effect. In 2006, we pressed ahead with our **Group-wide networking** and convinced clients with our integrated Group service offerings. This is reflected in high-margin projects in which several HOCHTIEF companies are involved with a diverse array of services.
- As planned, we **expanded our concessions** business. Major new contracts were won in the field of public-private partnership, among them the A5 Vienna northeastern bypass as well as several school projects in the UK and Ireland. In negotiations regarding a stake in Budapest Airport, we are on the home straight and anticipate closing the deal soon.
- We **broadened our international reach**, notably harnessing the growth potential in Central and Eastern Europe. There, HOCHTIEF is operating with new companies and branches. Also in the growth markets of India and the Gulf region, we have intensified our involvement through our subsidiaries Leighton and Turner.
- As planned, we **streamlined our business portfolio**. The sale of our stakes in Aecon and Concor is now complete; we disposed of our Aecon shareholding in November 2006. The proceeds are being used to expand those areas of business in which we intend to grow.
- We **achieved growth**. Notably in the Asia Pacific division, we attained a record earnings contribution. Yet also in the Americas division, we succeeded in substantially boosting profits as promised.
- We **confirmed our top position in the market**. This is outwardly documented by our ranking from Engineering News-Record, an international trade journal, which once again rates HOCHTIEF as the world's third biggest

construction services provider; we are the most internationalized company in the global industry.

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- Last but not least, we also **compellingly demonstrated our sustainable management practices**. HOCHTIEF became the first German company in the industry and one of just six construction services providers in the world to feature in the Dow Jones Sustainability Index in 2006. In the selection criteria, a company's ecological and social commitment is reviewed alongside its business performance.

Ladies and gentlemen, as you see, we have once again come a significant step closer to reaching our goals.

Yet the success of fiscal 2006 would not have been possible without our expert **employees**. I would therefore like to take this opportunity to thank all at HOCHTIEF on behalf of the Executive Board: Thanks for your dedication, your constructive efforts and the active commitment with which you bring your expertise to bear in the company day in, day out. Each in his or her own way and all of you together, you are a driving force behind HOCHTIEF's achievements.

Key figures of 2006

This success is also reflected in the key figures of fiscal 2006. I would like to share the most important of these with you. Added up, this makes for an altogether gratifying task: The positive forecasts we communicated at the beginning of 2006 were not only endorsed at the end of each quarter but in some cases even adjusted upward. Of course, you will find details and additional figures in the recently published 2006 Annual Report and Consolidated Financial Statements and the Annual Financial Statements of HOCHTIEF Aktiengesellschaft.

- **New orders** in particular were so outstanding in fiscal 2006 that we adjusted our forecast upward in the course of the year. New orders reached an all-time record level. At EUR 20.56 billion, they were almost 32 percent above the previous year's figure.

In line with the high level of new orders, the **order backlog** once again rose substantially, also reaching a peak at EUR 25.13 billion. Our order books are brimming and, in terms of figures, secure the Group as a whole a forward order book of one and a half years — despite growth in work done.

- We boosted **work done** by virtually 13 percent to EUR 16.72 billion. This, too, marks a new record for HOCHTIEF. Of Group work done, 86.7 percent was generated outside Germany. A high quota that underscores our company's systematic international focus.
- **Sales** similarly showed an exceptional rise to EUR 15.51 billion, equivalent to 13.6 percent above the previous year's figure.
- **Profit before taxes** stood at EUR 338.1 million. The prior-year figure was improved upon despite it having included the exceptional gain from the airport investment partnership. Adjusting for this gain would put the year-on-year increase at 18.5 percent.
- At EUR 201.4 million, **profit after taxes** was 28.9 percent higher than the previous year.
- When it comes to **consolidated net profit**, we exceeded our own expectations: The 2006 figure of EUR 89.1 million surpassed the previous year's figure by 31.6 percent. This means we have almost reached our medium-term profit target of EUR 100 million within the space of one year.

- Group **shareholders' equity** increased to EUR 2.35 billion. This represents a gain of just under seven percent. At 28 percent, the equity ratio—shareholders' equity as a percentage of total assets—was just under one percentage point up on the previous year—further clear proof of the sound nature of our balance sheet.

The performance charted by our **stock price** mirrors this positive trend.

HOCHTIEF stock gained 45.9 percent in value—an impressive figure! Our stock stood at EUR 55.20 at the close of 2006, clearly outperforming both the MDAX and the DAX, which were up by almost 29 percent and by 22 percent respectively. The favorable performance of our stock is also apparent when making a long-term comparison: Since the sale of RWE's major shareholding in HOCHTIEF, for instance, it has gained a very respectable 140 percent in value.

Key impetus for the good stock valuation came from our listing in the **Dow Jones Sustainability Index** mentioned earlier, a globally leading index for listed companies operating along sustainable lines. The index, whose members are selected and assessed to stringent criteria, has major influence in the financial world. Investment companies in no less than 14 countries use the assessments to guide their investment strategies. Some five billion US dollars are currently directly linked to the index. This amount is on the rise, because the market for sustainable investments is continuously growing. Our company stands to benefit from this trend.

Ladies and gentlemen, following this brief review of the strategic milestones and key figures of 2006, allow me to draw my first conclusions: HOCHTIEF is an absolute frontrunner in its markets and has succeeded in making substantial progress. We have fully attained our business and strategic objectives. And we have paved the way for continued success. We have launched into the new fiscal year with dynamic forward thrust.

It goes without saying that you as shareholders will also profit from our Group's highly gratifying development: The Executive Board and Supervisory Board propose a **dividend** amounting to EUR 1.10 per no-par-value share this year. This means we will have increased our dividend by an average of 17 percent a year for five years in succession.

Dear shareholders, it is said that prosperous day-to-day business is the stepping-stone to success for every growth strategy. Our day-to-day business plays out in the four modules of our service portfolio—in which, as it were, we follow the construction value chain. Let us now take a closer look at what is currently happening within our Group.

Insight: Current Group activities

Let us start with the **development module**. With our subsidiary HOCHTIEF Projektentwicklung, we are operating here in a favorable environment: The market in Germany is on the road to recovery. Vacancy rates are down, top lease rates are up significantly in several large cities. With its clear focus on high-quality office, hotel and special-purpose properties, HOCHTIEF Projektentwicklung has made an excellent name for itself. We are regarded as Germany's leading city center developer. As a trader/developer, the company develops projects for institutional and private investors. In fiscal 2006, it sold properties worth EUR 805 million. As of December 31, 2006, projects worth a total of EUR 468 million were being realized. Of the rentable space of 184,000 square meters, a total of 54 percent was rented out as of the balance sheet date—a clear reflection of our effective risk management.

Even at times of high vacancy rates in Germany's real estate market, we have managed every year with outstanding success to develop and let first-class properties and sell them to final investors.

And the first few months of this year have been no different: Most recent successes include the sale of the WestendDuo office complex in Frankfurt, the "brainfactory" residential and commercial property in Munich as well as the

“Capital Square” office building in Budapest. With that, the first project developed by our company HOCHTIEF Development Hungary was sold to an investor even before the start of construction work. Following the setup of project development companies in Hungary, Poland and the Czech Republic, we have also been present in Austria since 2006 with HOCHTIEF Development Austria.

As you see, we are harnessing the huge potential which notably the Central and Eastern European markets offer for real estate development projects—there is enormous demand for commercial properties in these regions. One only has to realize that office real estate space in major cities rose by 15 percent in 2006 alone. Last year, too, we succeeded in entering the lucrative product market segments of logistics, retail and care facilities. Among other things, we will be realizing a logistics project in the Czech Republic.

The development module spearheads the value chain of properties, facilities and infrastructure projects. This is why HOCHTIEF Projektentwicklung is increasingly assuming the task of incorporating other Group companies into projects—this is effective cross-selling to the benefit of all those involved in a project. For instance, in the WestendDuo development project, HOCHTIEF Construction was commissioned to carry out the building work while HOCHTIEF Facility Management took charge of operating the facility.

Let us now turn to the **construction module**, our Group’s traditional core business. Our building activities have long been international in nature. So join me as we take a trip around HOCHTIEF’s regional markets:

- In **Germany**, we can look back on a year that wasn’t easy for us. Unforeseeable challenges prevented the positive trend of the previous year from continuing. While construction costs rose sharply, price levels—especially in major projects in the building construction segment—remained low. This hit us very hard. We enjoyed no success in construction business in

Germany in 2006 and unexpectedly suffered losses in a number of building construction projects. Let me explain:

For ten years, construction activity in Germany slumped—along with prices and margins. Even a year ago when the market showed clear signs of recovery, the experts from economic research institutes failed to agree in their assessments. Most anticipated a wait-and-see trend. Then, growth unexpectedly reached 9.2 percent in the main construction segment alone. And suddenly, in the middle of the year, there was a shortage of construction materials. Prices rose sky high. Glass, for instance, shot up by 40 percent, aluminum by 35 percent and structural steel by 30 percent. Almost overnight, subcontractors reached full capacity and raised their prices; in some cases, they could only be contracted or retained with the incentive of special conditions. HOCHTIEF is particularly hard hit by these developments because a general contractor—which is what we are in Germany's building construction market—awards 70 to 80 percent of services agreed with the client to subcontractors and suppliers. At the time of our commissioning, of course, not all contracts have as yet been concluded with the subcontractors. In the past, it was even a good thing that these contracts were not immediately concluded—as it turned out, there was an excess supply and prices fell over time.

In late 2005 and early 2006, several large building construction projects were newly acquired in which, correspondingly, subcontracts were also particularly large. Only a handful of companies are in the running for such projects—and last year these were fully booked in the blink of an eye. The price hikes which set in by leaps and bounds in mid-2006 could not be compensated for by the escalator clauses in our contracts. We booked considerable losses on subcontracting. In a number of large-scale projects commissioned in 2005 and 2006, the awarding process has still not yet been completed until today. As a result, the current fiscal year is similarly impacted by this trend.

What to do? I can assure you that this topic is being dealt with in all openness. We have analyzed the problem project by project across the board. We have taken immediate **countermeasures**: Our organizational structure has been tightened. We have adapted our selection filter for new orders, as well as specifications for the costing and contractual terms in bids and contract negotiations. We aim to significantly reduce the volume of particularly low-margin general contractor business and instead focus on expanding our real estate development and PreFair business. We are also pressing ahead with reshaping our procurement processes and have set up the company HOCHTIEF Construction Trade Europe. This lets us increasingly buy in materials directly from the manufacturer, make savings and avoid supply shortages.

In a move to expand the basis for materials procurement from China, we last week signed a letter of intent with a logistics services provider based in Hong Kong. Agreements with an international technical inspection organization ensure that materials in China undergo supervision during production and receive certification prior to shipping. We will be in a position in the short term to provide a Group-wide supply concept. By the third quarter, the logistics chain is to be in place and a joint venture already operational.

As you see, we are getting to the root of problems in the building construction business and will find long-term solutions to them.

But there is one thing I would like to state loud and clear: There is no justification vis-à-vis our shareholders and employees when qualified, dedicated people with great ideas work night and day, only to end up losing both money and motivation under oppressive contracts. Both now and in the future, HOCHTIEF will continue to champion partnership-based contracting methods with fair remuneration and distribution of risks.

I am not in the business of chiding clients. That's not my place. But I have told a number of them—and I will tell a few more—that we are very happy to

build for them but, please, not in such a way that fee and risk distribution are so spectacularly at odds with one another. Then it would make more sense to take our qualified people and tap other markets more proactively, for instance, in Eastern Europe. Or to operate in markets where quality construction is more highly regarded than in Germany and where people are not exclusively guided by the “thrifty is nifty” motto. Of course, we have a large number of clients also in Germany with whom we would gladly build again at any time on a fair contractual basis. We know that for clients, too, costs and budgets have exceeded the projected forecasts. Yet together with these clients, we still managed to find fair and transparent solutions. And for that, I would like to express my sincere thanks at this juncture.

However, we believe the chances are good that, overall, the rules of the game are changing in Germany since clients are sensing the trend, too: Some are no longer receiving bids for their tenders—at least not at the prices and contractual terms that correspond with the general contractor’s services and assumption of risk. This will hopefully exert sustained pressure on all those involved in the construction process to work together in a greater spirit of partnership and break the long-standing vicious circle of price capping and, in some cases, roughshod passing on of risks. The move should also tend to result in higher margins for general contractors.

In the legislative arena, there are also encouraging signs of improvement thanks to new tendering and awarding methods—for example, what is known as the competitive dialog procedure. These new models, and the new types of contract derived from them, are based on greater partnership. We will play our part in helping to implement them, making sure that high-quality construction services regain a commensurate pricing level also in Germany. We have an outstanding workforce, plus the skills and capabilities to match—and we intend to use these assets in becoming an outstanding partner of choice. You, too, our shareholders, should reap the benefit of improved profits from our German construction business. We will leave no stone unturned in positioning ourselves such that we remain in the black on a

sustained basis. And we give you our word—I give you my word—that we will achieve that goal. However, in the current fiscal year, it will not be attainable. We made a detailed statement to the capital markets to this effect on May 4.

We started out 2007 with new orders. One of our current major projects is the Elbe Philharmonic Hall. HOCHTIEF Construction is realizing this high-margin flagship project in Hamburg's port area worth EUR 241 million. In this project, HOCHTIEF Construction is also operating successfully as real estate developer with over 40 luxury apartments in the complex, and sales are going splendidly. In real estate development, average margins of five percent are taken as read. Also in the case of the Elbe Philharmonic Hall, we scored additional points with our portfolio of integrated services: Sister company HOCHTIEF Facility Management will operate the prestige complex for a period of 20 years.

- The HOCHTIEF Europe division once again intensified its involvement in **Central and Eastern Europe** in 2006. Here, the construction markets continue to show healthy growth potential, with growth rates of five percent or more. Through our subsidiaries in Poland, the Czech Republic, Hungary and Russia as well as business units in Bulgaria, Romania and Ukraine, we are ready to meet this sustained high demand. High-margin orders are tracing an ongoing upward curve in our construction business.

Notably the building construction and infrastructure segments which are important to us are developing well—for instance, in Russia where HOCHTIEF Russia has just built the new terminal at Moscow's Sheremetyevo Airport. Incidentally, we are also active on the Russian market through our subsidiary Turner, erecting what will in future become Europe's tallest building: The multifunctional "Federation Complex" comprising offices, shopping plaza, five-star hotel and luxury apartments is currently taking shape in the heart of Moscow. On completion in 2009, the property will stand proud at a height of 354 meters.

Our long-term strategy is paying dividends: Since HOCHTIEF gained a foothold in these markets at an early stage, our companies are already known at grassroots level—which spells excellent prospects for further lucrative contracts.

- In the Americas division, we achieved a clear profit increase in 2006 in what is a stable construction market environment. In the **USA**, Turner is focusing even more closely on high-margin projects and has improved risk management. For Turner, 2006 was the strongest sales year in the company's history. For the first time, its order backlog surpassed the USD 10 billion mark—an impressive figure! A substantial number of large-scale projects were acquired in 2006—of these, 20 are worth more than USD 100 million each. This is a clear indication of just how strong Turner's positioning is. We are playing an instrumental part in shaping the US construction market: For example, in the growing market for "green building," our subsidiary is up among the frontrunners in the industry.

Also in the first quarter of 2007, we secured several large-scale contracts, notably in the field of healthcare facilities—a large market in which we have for years been the No. 1 provider in the USA. A medical complex in Seattle, a hospital extension in Pennsylvania and a new hospital construction project in Kentucky are just a handful of our new orders in this segment. Business in the USA is booming—not only in terms of volume but also increasing earnings power.

We are currently expanding our portfolio by offering an innovative type of concrete through a new U.S. company—opening up a completely new business segment: Our high-performance concrete DUCON combines the elasticity of steel with the compressive strength of concrete. Via strategic alliances with manufacturers of cement and concrete construction elements, we aim to offer DUCON throughout the construction industry. This type of concrete allows lighter weight components and concrete construction elements to be manufactured to completely new quality standards. These

are excellently suited to use in safety-relevant applications thanks to their high strength.

We sold our 43.5 percent stake in the Canadian Aecon Group last year. As no agreement could be reached with the remaining shareholders regarding the price for a full takeover of the company, it became clear to us that we will pursue our strategy of having no minority shareholdings in our international business portfolio. We are using the proceeds from the sale above all to explore involvement in new business segments. For example, we have begun tapping the North American public-private partnership market where Turner is already working closely with HOCHTIEF PPP Solutions.

- In the **Asia-Pacific region**, the trend of recent years at our subsidiary Leighton continues unabated: Record figures were achieved in new orders, work done and order backlog as well as in the company's earnings contribution. I am naturally very pleased to report that we can scarcely keep pace with our superlatives when it comes to Leighton's performance!

Australia's strong infrastructure business continues to secure outstanding projects for HOCHTIEF. We anticipate that the infrastructure building boom in Australia will continue to prevail in the coming years. Yet as we speak, we are setting our sights on other markets—notably the residential property market in Australia. Leighton has therefore acquired a 40 percent stake in Devine Limited, a leading residential developer in Australia.

We have also added new, high-caliber construction contracts in Macau to our portfolio. At the same time, we are intensifying our involvement in India and the Gulf states—by way of example, I can cite the construction of an oil pipeline in India and engineering work for the City of Arabia development in Dubai.

Ladies and gentlemen, let us turn now to the third HOCHTIEF module, our **services**. These range from construction planning through insurance to asset

management as well as property and facility management. Our services can be supplemented in modular fashion in every phase of a project along the construction value chain. And that benefits all those concerned. It's important to realize that, for example, the operating costs of a building are already determined in the planning phase—by planning at this early stage with an operator's expert eye, you end up with a more attractive bottom line later on.

Our activities in the services segment are developing exceptionally well. We can report with a certain pride that our investments in construction-related services have been completely worthwhile, and our clients are taking advantage of our service offerings more and more. For them, our services are very clearly a value-enhancing proposition.

In the film we just showed you, you were able to gain a foretaste of our **facility management business**. Facility management encompasses a host of frequently highly sophisticated service offerings. And our special strength lies in combining a number of different services for buildings and installations. The market for this so-called integrated facility management is growing at an annual rate of around 13 percent. Purely for comparison's sake: The traditional facility management sector records an annual growth rate of only around four percent.

HOCHTIEF Facility Management is today one of the leading providers in Europe. In 2006, services for the sports facilities and public-private partnership segments were added to the portfolio. Here, a number of contracts were secured in cooperation with HOCHTIEF Facility Management's sister companies, such as operating several of HOCHTIEF PPP Solutions' school projects in Ireland. The soccer stadium in Magdeburg, built by HOCHTIEF Construction, will also be operated by our facility management experts. In the healthcare segment, we improved our positioning in 2006 by acquiring a stake in two companies which offer specialized services in the hospitals sector.

Our outsourcing services accurately meet market demand. Many companies maintain their own departments or separate enterprises for operating their real

estate and facilities. Through concentration on core processes, these in-house services frequently become peripheral business segments which are not only increasingly difficult to run but also tie up resources. For us, this is core business—we are a partner of choice when it comes to outsourcing concepts. We take over these services long term, plus the qualified staff whom we can offer attractive jobs in our core business.

And the expansion of our portfolio continues: I am delighted to be able to tell you today that HOCHTIEF will be taking over the **property management** unit of Allianz Immobilien GmbH with effect from July 1, 2007. This move marks a sustained expansion of our property management service spectrum as well as a strengthening of our Group's service portfolio. We will be responsible for managing over 600 Allianz properties with a total rentable space of approximately three million square meters. HOCHTIEF and Allianz have concluded a ten-year service agreement. HOCHTIEF will be taking on board some 440 employees of Allianz Immobilien.

The property management segment will in future be taken over by HOCHTIEF Property Management GmbH, a new company under which we will pool all services thus far rendered to real estate investors. With managed rentable space of six million square meters, the company will start out as one of the leading providers of quality property management solutions in Germany. As a representative of owners' interests, HOCHTIEF Property Management will make a lasting contribution to optimizing returns on real estate investments.

I can assure you that, given the ever burgeoning service portfolio, the dynamic growth rates and increasingly also the profits, our service activities are a great source of enjoyment to us!

In conclusion, I would now like to turn to our **concessions and operation module**. It is here that we pool our public-private partnership projects, our airport holdings and our contract mining business—three lucrative and expansive

business segments. This is also reflected in the value of our **concessions portfolio**: As of December 31, 2006, according to a conservative valuation, our airport holdings and PPP projects have a total net value of EUR 1.068 billion—up from EUR 873 million at the end of 2005. This increase in value to the tune of just under EUR 200 million is attributable to expansion of the portfolio with our projects—but specifically also to the value growth we have managed to generate within ongoing projects.

Not least thanks to our attractive stake in five airports and 22 PPP projects, we remained one of the leading providers of privately financed infrastructure projects in 2006.

And we continue to grow:

- Fiscal 2006 was the most successful year to date in the history of **HOCHTIEF AirPort**. For the company founded in 1997, profit before taxes was 166 percent higher than the normalized previous year's profits. And for 2007, we anticipate excellent news in the shape of a significant improvement on the previous year's pretax profit figure. HOCHTIEF AirPort is evolving into a major value-driver for the entire Group.
- The **HOCHTIEF PPP Solutions** portfolio encompasses the market segments of public buildings and toll roads. We realize these projects for public-sector clients, thus catering to growing demand in times of empty public coffers. In its second year of operation, our company has managed to sustainably strengthen its position in both segments.

In the UK and Ireland alone, HOCHTIEF has succeeded within the space of less than three years in gaining a place among the top five infrastructure developers in the education sector. Our current portfolio for education projects in the British and Irish markets now stands at seven projects encompassing 22 schools. In late 2006, six of these projects were pooled within the new company HOCHTIEF PPP Schools Capital Ltd. in which the

British financial investor The PFI Infrastructure Company will acquire a 49 percent stake at the end of this year. This move marks a new investment partnership for HOCHTIEF—similar to the successful investment partnership HOCHTIEF AirPort Capital at sister company HOCHTIEF AirPort.

In December 2006, a HOCHTIEF consortium won the contract for the first PPP highway project in Austria, the A5 near Vienna. The project comprises designing, financing, building and operating a good 50-kilometer stretch of highway. HOCHTIEF Construction will play a key role in the project.

- Finally, in the area of **contract mining**—which is all about extracting mineral resources on behalf of mine owners—we are pleased to report a continued rise in earnings. The Leighton Group is therefore further expanding its activities in this sector. Following the takeover of mining activities from Henry Walker Eltin with 15 mines last year, Leighton made another acquisition in March 2007—that of CE Marshall. As a mining service sector company, CE Marshall serves to boost our position as the world’s largest contract miner.

Strategy outlook

Ladies and gentlemen, so much for our review of past events and presentation of details regarding current topics at HOCHTIEF. Let’s now take a look ahead.

First and foremost, let me say that I wholeheartedly endorse HOCHTIEF’s chosen path—one which I helped to steer not as captain but, as it were, as navigator: I was and still am responsible for the Group’s strategic development. In addition, over the past three years I have devoted much time and effort especially to services, PPP projects, project development and business in the Americas. For me, what has been and still remains of central importance is the close networking of all service offerings and capabilities within the Group to create a compelling service portfolio covering every link in the value chain over the entire project life cycle.

We know today that our strategy works. This is reflected in the successes we have already achieved with our integrated range of services. And there is still a great deal of added potential here. Leveraging that potential will be my, will be our main task in the coming years.

Today, a number of key factors have already become apparent. HOCHTIEF's competitive edge lies in its integrated approach to properties, facilities and infrastructure projects. We can offer services covering all phases of the value chain from a single source. When several HOCHTIEF units bring their diverse services to bear within a project, when sustained solutions are efficiently implemented—in short, when all four HOCHTIEF modules dovetail perfectly, the result is **added value**: added value for our clients, added value for our Group and ultimately also added value for you as shareholders. And, last but not least, we create added value for the people who work in our Group—for example, in that through their dedicated work they safeguard attractive, secure jobs.

Let the figures do the talking—here are some examples:

- Together with HOCHTIEF PPP Solutions, HOCHTIEF Construction generated contracts worth over EUR 500 million in the years 2005 and 2006.
- More than 30 percent of HOCHTIEF Facility Management's order backlog, namely around EUR 350 million, is attributable to joint projects with HOCHTIEF PPP Solutions.
- Through its cooperation with HOCHTIEF Projektentwicklung, HOCHTIEF Construction won building contracts worth EUR 180 million in 2006 alone.
- In all, HOCHTIEF has realized joint projects worth EUR 6 billion in this way in recent years.

Ladies and gentlemen, I come from Westphalia, an area of Germany not renowned for over-exaggeration. But when I hear these figures, I'm sure you'll forgive a brief moment of euphoria: This is a success story!

And it's one we aim to go on writing—through selective added value creation:

1. **We are banking on synergies generated by HOCHTIEF's networking.**

The close cooperation between our international subsidiaries leads to further high-margin contracts. Which is why we aim to go on improving internal parameters for optimizing cooperation, such as rapid communications channels as well as the efficient flow of information.

2. **We are banking on expanding our global concessions and services business.**

Both business segments continue to offer additional potential for HOCHTIEF—both nationally and internationally. We aim to adapt tried and trusted business models and transfer them to new markets. This is something we achieved in exemplary fashion with the partnership-based PreFair business model which we adopted from Turner in the USA and successfully “imported” to the German market. In this way, we aim to further broaden the international reach of our services business. We are currently working on expanding our portfolio of facility management services to include the Arab markets, as we did last year with Brazil. And with our successful concessions business model, we are also looking to become increasingly international. On the North American market where PPP has thus far played only a minor role, we will join with Turner in intensifying our efforts.

3. **We are banking on profitable new areas of business.**

Initiating new models and honing promising concepts is part and parcel of entrepreneurial activity. At HOCHTIEF PPP Solutions, for instance, we are currently exploring the possibility of entering the market for the operation of healthcare facilities which holds good prospects of success.

Ladies and gentlemen, it's said that the best way to tell the future is to shape it yourself. And it's a philosophy that sits well with HOCHTIEF. For us, it means anticipating markets and trends, remaining flexible and alert—in a word, being innovative. HOCHTIEF attaches great importance to **innovations**. For instance, ViCon, short for Virtual Design and Construction, has given us a substantial

competitive advantage—we are among the world’s leading users of this virtual construction technology. We are also devoting all our energies to the forward-thinking subject of intelligent building and are, for example, testing the use of intelligent technologies for properties with many different types of usage in conjunction with the Fraunhofer-Gesellschaft research organization.

Yet I would like to emphasize at this point that however good a strategy is, however compelling innovative ideas are—they can never be put into practice without the right **employees**. At HOCHTIEF, we are proud of our people—competent, totally committed experts who work hard every day in every way to make HOCHTIEF even better. We will continue to invest in the in-house training and further education of our employees as well as in fostering their development. This is the only way we can remain well equipped over the long term to meet tomorrow’s requirements. And I am delighted to report that our employees are also proud of their, of our joint company. In our 2006 employee survey, they gave us their confirmation of this. For the fantastic work they did in fiscal 2006, I would like to sincerely thank all at HOCHTIEF and call out to you: Keep up the good work!

For we have once again made big plans. On current forecasts, the losses in the German construction business that are projected to result in up to a EUR 120 million pretax loss in the Europe division will be compensated by in some cases substantial earnings increases in the Group’s other divisions. In the current fiscal year, we continue to set our sights on the following objectives:

- **New orders** will steady off at a high level. Given that we secured a number of exceptionally large contracts in 2006, new orders for 2007 are set to fall short of the prior-year total.
- Our forecast for the **order backlog** is on a par with the prior-year figure.
- **Group sales** will be at a similarly high level to the peak year of 2006.
- The Group aims to further boost earnings, with targets for both **profit before taxes** and **consolidated net profit** above prior-year levels.

Consolidated net profit is set to pass the EUR 100 million mark. This means

2007 will see HOCHTIEF already exceed the medium-term target it communicated during 2006.

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But we will not rest on our laurels. Throughout the year, we will review our targets and aim to make even more ambitious, more exacting plans for the years that follow.

To turn now to the **resolutions being proposed at this General Shareholders' Meeting:**

The Supervisory Board and the Executive Board are submitting a motion for approval by today's meeting to use the EUR 77 million unappropriated net profit for 2006 to pay a dividend of EUR 1.10 per no-par-value share.

Under agenda item six, the Executive Board and Supervisory Board propose an anticipatory resolution regarding holdings of our own shares. This corresponds to resolutions passed in earlier years and only needs renewal because the law stipulates an 18-month validity period. We are asking the General Shareholders' Meeting to renew the authorization issued last year to acquire and use our own shares, with a minor addition to the acquisition options as regards issuing shareholders with rights to tender shares for repurchase. There are currently no specific plans for a stock buy-back.

The profit and loss transfer agreement which the General Shareholders' Meeting is being asked to approve under item seven of the agenda has the purpose of establishing a tax group with regard to German municipal trade tax and German corporation tax. It allows the profits and losses of the subsidiaries concerned to be offset at HOCHTIEF Aktiengesellschaft level, thus cutting the tax burden under both taxes.

Under item eight of the agenda, the Executive Board and Supervisory Board propose resolutions to make an addition to the "Objects of the Company" section of the Articles of Association. This takes account of the heightened future importance of the Group's infrastructure activities.

The resolution tabled under item nine of the agenda is to give the company continued authorization to send shareholders—as holders of eligible securities—information by e-mail if they so wish. Following a change in the law, the company needs this authorization to communicate with shareholders by e-mail.

This brings me to the end of my address but, before I go, please let me give brief expression to my own personal sentiment: For me, HOCHTIEF is a fascinating company, a company filled with possibilities and opportunities. “We expand horizons,” as it says in our vision—and it’s a mindset we live and breathe in our Group, day in, day out. For me, too, these three words embody a wish, a task, a challenge and a commitment to work toward the successful future of HOCHTIEF.

Many thanks for your attention.