Business Results Press Conference 2008

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Ladies and gentlemen,

Allow me to join Dr. Lütkestratkötter in welcoming you to this press conference. Before we turn to the full results for the year, I would like to give a general overview by presenting some financial highlights:

- We have once again substantially added to our **forward order book**: Our order backlog is now enough to keep us busy for 19 months—that's quite an achievement.
- We further boosted HOCHTIEF's pretax **return on sales** to three percent. Back in 2006, this figure was still 2.2 percent.
- Despite major additions to total assets, we further increased our **equity ratio**, which now stands at 28.2 percent.
- We drove up **earnings per share** from EUR 1.37 to EUR 2.07—a rise of over 50 percent.

- And we plan a further increase in **dividends** for shareholders. The Management Board and Supervisory Board will be putting a record EUR 91 million dividend distribution to the General Shareholders' Meeting. This represents an increase of over 18 percent.

Ladies and gentlemen, that is the big picture. As you can see, it confirms that we exceeded our targets in fiscal 2007.

Turning next to the results, and first our record figures for orders and work done:

As has already been mentioned, **new orders** in 2007 totaled EUR 23.51 billion. We now generate 86 percent of new orders outside Germany. A look back over the last ten years well illustrates HOCHTIEF's impressive rise to become the world's most international construction services provider. You will recognize the milestones along the way, like the acquisition of Turner, the Group increasing its stake in Leighton, and the purchase of Flatiron last year.

We also achieved a sharp rise in **work done**, to EUR 18.77 billion. All divisions contributed to this growth, with HOCHTIEF Americas and HOCHTIEF Asia Pacific especially keeping up their strong forward momentum. In Germany, too, work done gained again for the first time since 2004. The chart clearly shows the distribution of work done by region.

The **order backlog** swelled to an unprecedented EUR 29.89 billion. That brought us very close indeed to breaking the magic EUR 30 billion barrier. Adjusted for exchange rate changes, we already did—as you can see here.

Now to the financials in detail, starting with the **balance sheet**:

Non-current assets came to EUR 4.3 billion, up EUR 1.8 billion on the prior year. The biggest categories are property, plant and equipment with EUR 1 billion and financial assets with EUR 2 billion. The additions to property, plant and equipment mostly reflect capital expenditure in the capital-intensive but profitable contract mining business. Financial assets were pushed up to an all-time high by our acquisitions—above all, the purchases of interests in aurelis, Budapest Airport and Al Habtoor.

Current assets increased by just under eight percent to EUR 6.4 billion. This reflected the strong growth in our operating business and the resulting boost to trade receivables.

Total assets rose substantially, passing the EUR 10 billion mark.

Shareholders' equity has now reached EUR 3 billion. This is a direct result of the growth in our consolidated net profit. An additional factor comprised sales of treasury stock. As reported, we channeled the proceeds from these sales primarily to the strategic expansion of our business portfolio.

Non-current liabilities, at EUR 1.8 billion, are substantially higher than the prior-year figure. The cause is an increase in amounts due to banks from borrowing to finance our major acquisitions—that is, to invest in the future of our Group.

The rise in **current liabilities** to EUR 5.8 billion mostly reflects higher trade receivables. Another factor is again borrowing for acquisitions.

Moving on to the **statement of earnings**:

Sales came to EUR 16.45 billion. We thus beat the prior-year figure by nearly a billion euros. Most of this strong growth was generated internationally.

Other operating income came to EUR 231 million, on a par with the prior year.

Materials and personnel costs rose in step with the sales growth, with a EUR 867 million increase.

The 20 percent rise in **other operating expenses** to EUR 1.1 billion is due among other things to higher leasing costs for property, plant and equipment at Leighton.

Profit from operating activities dropped 32 percent to EUR 123 million. It should be noted that this figure includes the full effect of the losses incurred in the German construction business, while the net income from our successful participating interests only comes in on the next line.

Net income from participating interests increased by no less than EUR 224 million. This mainly mirrors strong operating performance at our airport holdings and companies in Leighton's business portfolio. At Sydney Airport, we benefited from a EUR 47 million special dividend. The results for Hamburg Airport include a EUR 38 million boost to income thanks to a German corporate tax reform.

Net investment and interest income came to EUR 24 million, a slight decrease on the prior year. We were able to make up for the increased interest expense as a result of borrowing for acquisitions with higher net income from securities.

Profit before taxes is EUR 501 million, 48 percent up on the prior year. All divisions except for HOCHTIEF Construction Services Europe contributed to this increase. Some divisions considerably exceeded our expectations.

Income taxes are EUR 160 million, as expected higher than in the prior year. The increase was not as steep as that in pretax profit, however, so the effective tax rate dropped from 40.4 percent to about 32 percent. The lower effective tax rate is due among other things to higher contributions to earnings from regions with comparatively low taxes.

Profit after taxes rose by 69 percent to EUR 341 million.

Consolidated net profit came to EUR 140.7 million. As has already been mentioned, this is very substantially above the EUR 100 million mark we had set ourselves as a target.

The **minority interest** has increased to EUR 200 million and mainly relates to minority stakes in Leighton and our airport holdings.

Finally, a look at the **cash flow statement**. This chart shows the Group's cash flows: We started January 2007 with EUR 1.4 billion in cash and cash equivalents. Operating activities generated a net cash flow of EUR 609.3 million. This was lower than 2006, mostly due to the losses at HOCHTIEF Europe, but it was still strongly positive. The chart also shows cash used in our investing activities, which increased in 2007 with the Group's expansion to EUR 1.6 billion. Financing activities also changed the cash position, with sales of treasury stock and new borrowing to finance capital spending generating a cash inflow of over EUR 1 billion.

We closed the fiscal year with cash and cash equivalents of EUR 1.4 billion—in other words, on a par with the prior year-end. This means we are very well placed for the future.

Ladies and gentlemen, that brings us to the end of our brief look at the figures for fiscal 2007. Thank you.