

# GREEN TREASURES

3<sup>rd</sup> Taking ESG into Account 2009  
Annual EFFAS Conference on Integration  
of Extra-Financials, Frankfurt

9 September 2009

Dr. Lars Petzold, Head of Investor Relations

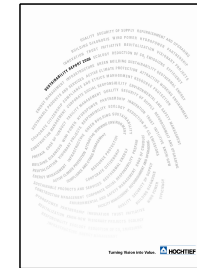


## HOCHTIEF – Committed to sustainability

- **Corporate social responsibility (CSR)** established as an **integral part of the corporate strategy**
- Publishing **Environmental and Sustainability Reports** since 2001 – still the only construction company in Germany
- Member of the **UN Global Compact** since 2008, supporting ten principles for human rights, labour standards, environmental protection and anti-corruption
- Member of **Transparency International** since 1999, – still the only participating construction company in Germany



2007



Publication  
November 2009



## HOCHTIEF – Committed to sustainability

- Founder member of **German Sustainable Building Council** (DGNB) and supported the development of a certificate for sustainable buildings in Germany; HOCHTIEF represented in Board of Directors
- Member in the **US Green Building Council** (through our US subsidiary Turner). Turner #1 Green builder in the US (completed 85 LEED Certified projects registered with the U. S. Green Building Council), 1,100+ accredited professionals
- Represented via subsidiary Leighton in the **Green Building Council of Australia** (GBCA)



## HOCHTIEF's sustainable engagement recognized by financial markets

- Included in September 06, HOCHTIEF is the **first German construction company** and one of only six construction service providers worldwide **in the DJSI World**
- Since 08/09 HOCHTIEF is member of the **Sustainability Leaders Sam Gold Class** in DJSI in Sector Heavy Construction
- HOCHTIEF is **one of the world's 100 most sustainable corporations**. Published on the World Economic Forum 2009 in Davos. First time ranking for HOCHTIEF. Only seven German corporations belong to the Global 100



## Table of contents

1. The Company
2. Special Topic: Energy efficiency and sustainability
3. Services examples
4. Outlook



## HOCHTIEF – the life cycle view

- **We cover the whole life cycle of infrastructure, real estate and industrial facilities**

We develop, finance, invest in, design, construct, maintain and operate projects, provide asset management for third parties

- **We have a very broad international base**

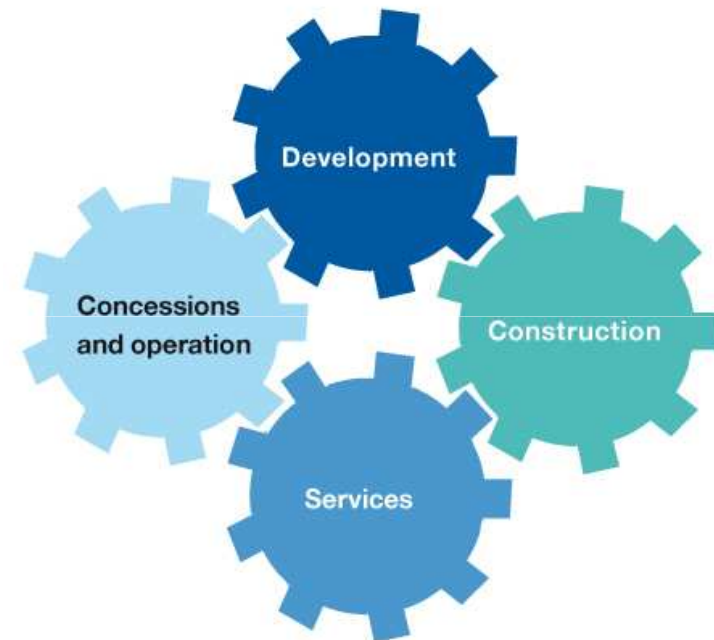
> 85% of Group sales non-German

- **We actively manage our portfolio for further growth**

- Focus on concessions & operation and services – stable cash flow / earnings streams
- Inter-segment know-how transfer – open up new business fields (such as for geothermal plants / health facilities)

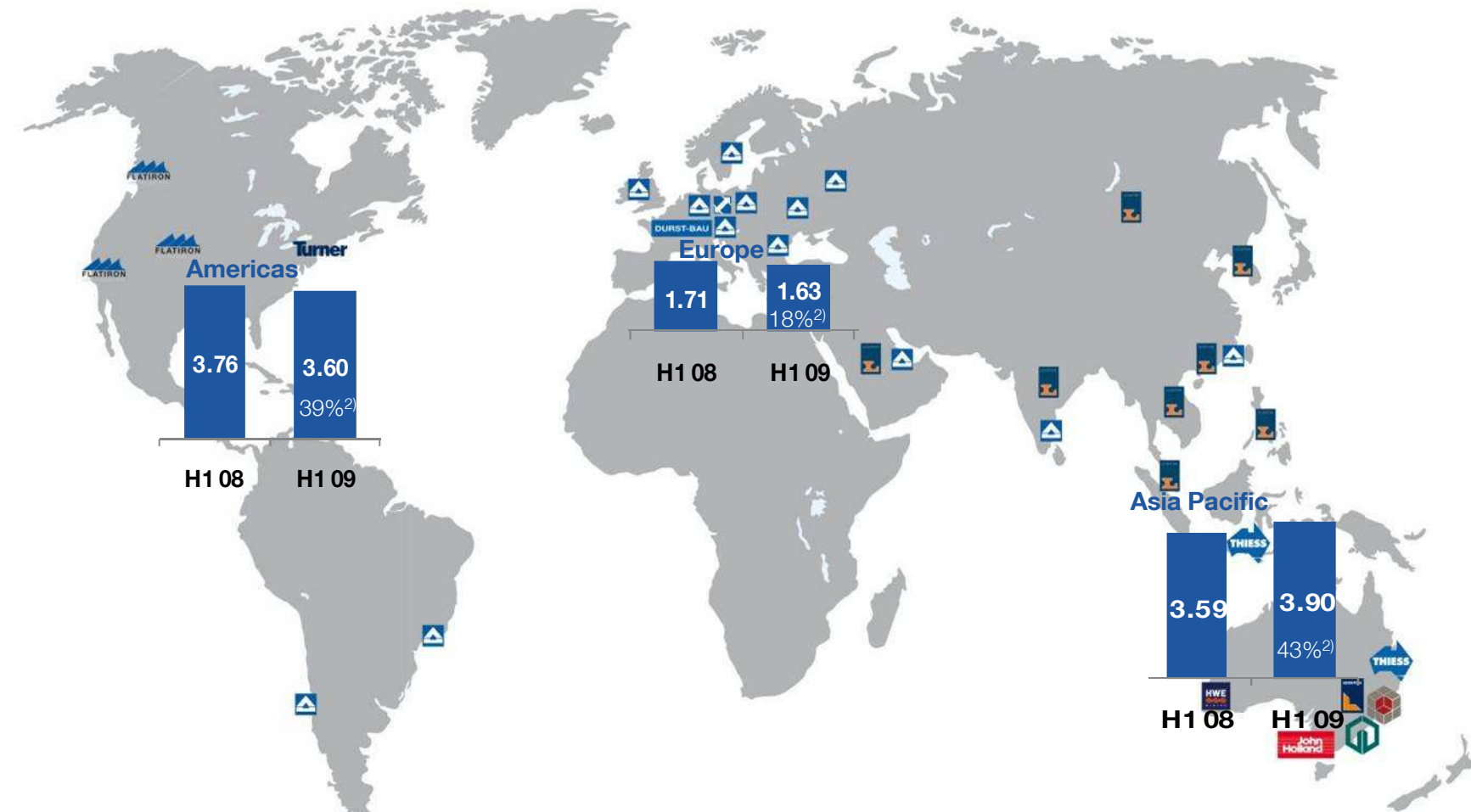
- **We live sustainability**

- Integrated live cycle management
- Earnings growth



## Broad international base – strong business expansion

Group sales Jan-Jun 09: EUR 9,129m<sup>1</sup>); +0,7% yoy



1) of which 88% non-domestic, 12% domestic

2) %-age of total Group sales

## HOCHTIEF structure

Integrated solutions around the world

					
<b>HOCHTIEF Americas</b>	<b>HOCHTIEF Asia Pacific</b>	<b>HOCHTIEF Concessions</b>	<b>HOCHTIEF Europe</b>	<b>HOCHTIEF Real Estate</b>	<b>HOCHTIEF Services</b>
<p>Turner: Building construction</p> <p>Flatiron: transportation infrastructure construction</p> <p>HOCHTIEF do Brasil: small contractor</p>	<p>Leighton Holdings:</p> <ul style="list-style-type: none"> <li>- Civil engineering,</li> <li>- Contract mining,</li> <li>- Building construction,</li> <li>- Property development</li> </ul> <p>in Australia, Asia, Gulf region</p>	<p>Industrial infrastructure investor and operator;</p> <p>Manager of concessions portfolio</p> <ul style="list-style-type: none"> <li>- Airports,</li> <li>- Roads,</li> <li>- Social infrastructure,</li> <li>- Infrastructure ventures</li> </ul>	<ul style="list-style-type: none"> <li>- Building construction,</li> <li>- Civil engineering</li> </ul> <p>in Germany, CEE, selected other countries</p>	<p>Services around real estate and real estate portfolios:</p> <ul style="list-style-type: none"> <li>- Property development,</li> <li>- aurelis property portfolio,</li> <li>- Asset / Property mgmt.</li> </ul>	<p>Comprehensive facility mgmt. services for</p> <ul style="list-style-type: none"> <li>- real estate,</li> <li>- industrial facilities,</li> <li>- infrastructure</li> </ul> <p>Energy contracting</p>

## Networking at HOCHTIEF

Profit centers adding value through Group-wide cooperation<sup>1)</sup>



- **PPP:**

- Order volume of current construction projects for **HOCHTIEF Europe** (HTE)
  - **Toll roads** EUR 1.09bn (current order backlog value EUR 756 m; i.e. 21.2% of HTE's total order backlog)
  - **Public buildings** EUR 280 m (current order backlog value EUR 119 m, i.e. 3.3% of HTE's total order backlog)
- Order volume of current projects for **HOCHTIEF Services**: EUR 500 m (current value EUR 163 m, i.e. 10.4% of HOCHTIEF Services' total order backlog)
- **PPP project pipeline** (June 09): approx. EUR 6.0 bn investment / contract volume with further potential

- **Further project examples:**

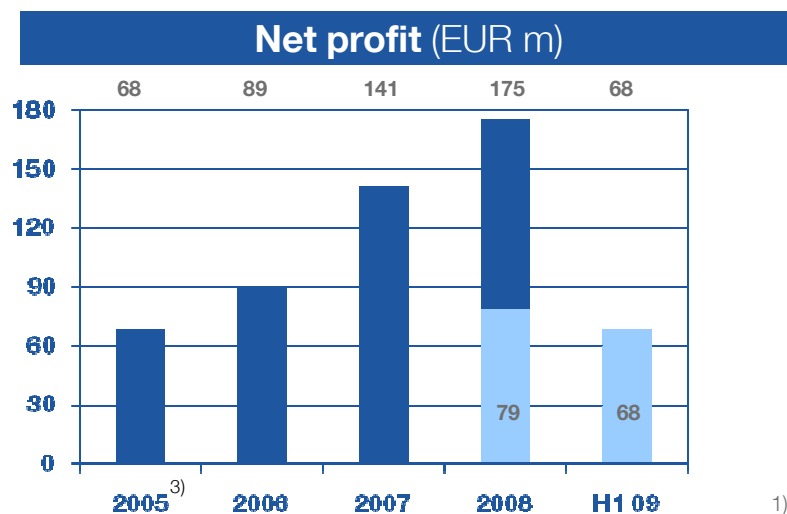
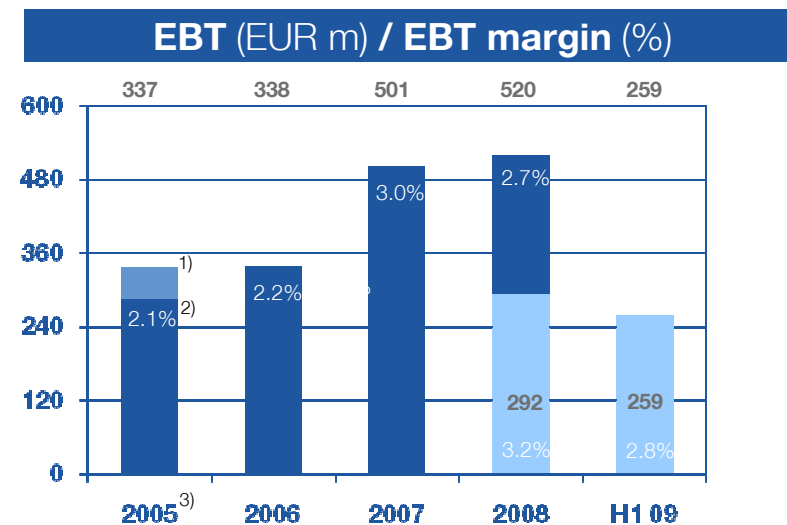
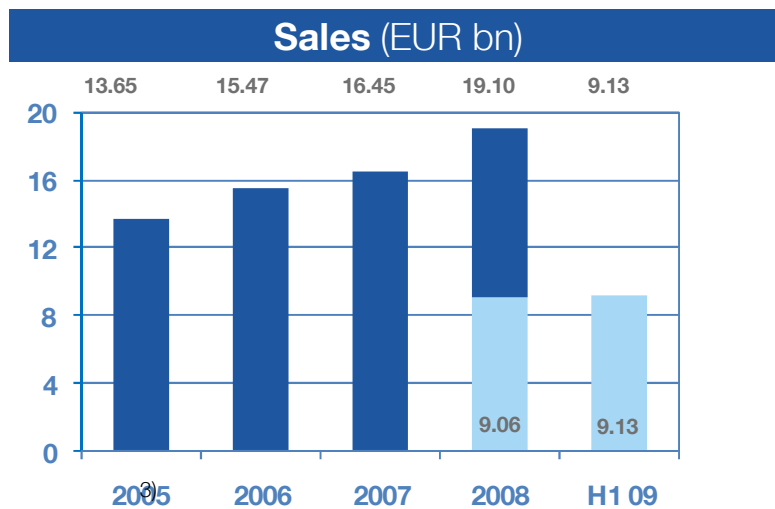
- **Flatiron** and **Turner** jointly modernizing Sacramento Intl. Airport (EUR 182 m)
- **HOCHTIEF Property Management**, part of the Real Estate division, is providing comprehensive property management services for **aurelis**

- **Best practice exchange / financial interrelations:**

- Successful **Turner** model “subguard insurance” (subcontractor insurance scheme) implemented at **HOCHTIEF Europe**
- USD 4.8 bn **bonding / guarantee** line **for Turner and Flatiron** in Northern America (can be increased any time to USD 5 bn), backed by HOCHTIEF Group, basis to win contracts for various major projects.

<sup>1)</sup> All figures refer to FY 08

## Healthy business performance...



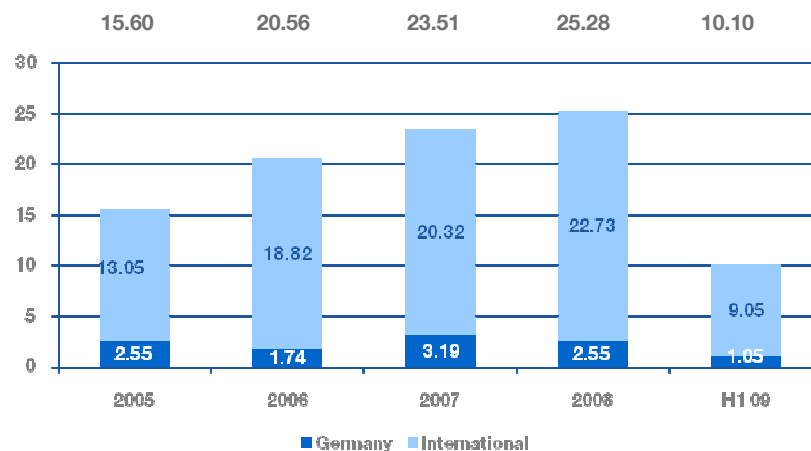
### H1 09 vs. H1 08:

- **Sales:** +1%
- **EBT:** -11%, f/x adjusted -3%; despite positive non-recurring operational effects in H1 08
- **Net profit:** -14%; f/x adjusted -2%

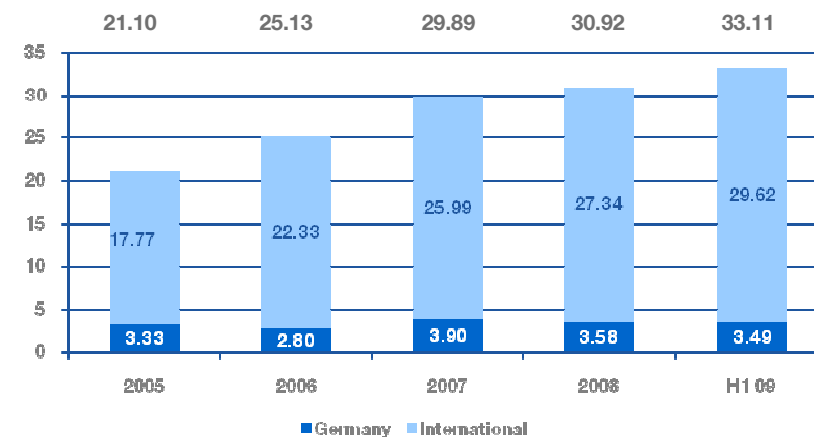
1) Incl. EUR 52 m HTAC net effect 2) Referring to adjusted 05 figure (excl. HTAC effect of EUR 52 m) 3) Restated

## ...growth in volume...

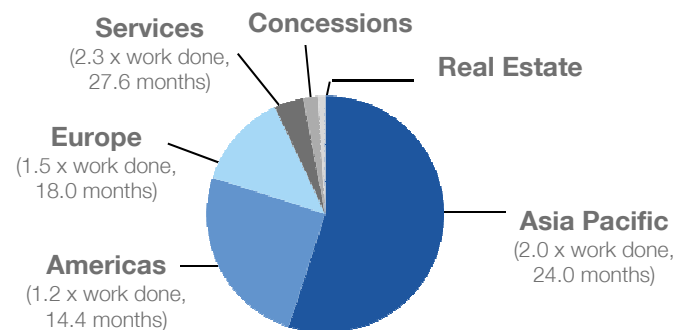
### New orders (EUR bn)



### Order backlog (EUR bn)



### Order backlog H1 09/work done (by division)



- **New orders (H1 09): EUR 10.10 bn (-18%)**
- **Order backlog (H1 09): EUR 33.11 bn (+4%);** theoretical forward order book to cover more than 19 months...an excellent basis for 09 and beyond

## Sustainability – what is HOCHTIEF’s contribution?

- Combining economic growth and shareholder value creation with socially responsible business models and attitudes is a clear must and opportunity for us.
  
- Our international platform and our strategy
- Our economic development and our financials
- Our life cycle services
  
- ...this is HOCHTIEF  
...this is what we see as basis for our sustainable success.

## HOCHTIEF – pursuing sustainability in a wide range of areas

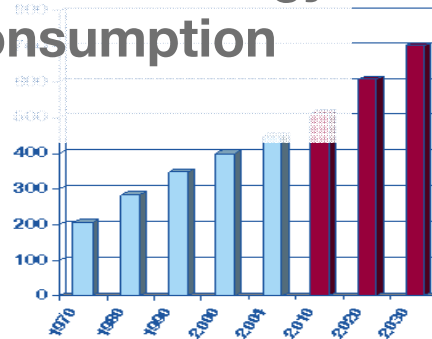
Clear sustainability objectives defined in six areas

Area:	Objectives:
1. Sustainable products and services	Become the global market leader in sustainable construction and construction-related services
2. Active climate protection	We aim to save CO <sup>2</sup> emissions together with our clients
3. Resource protection	We aim to conserve natural resources and optimize the use of resources
4. An attractive working environment	In the long term establish ourselves as the most attractive employer in the industry
5. Corporate citizenship	We aim to get involved in the community wherever our company is at work
6. Compliance and ethics management	We aim to set standards in business ethics and do our utmost to apply those standards

## Special topic: Energy efficiency and sustainability

Effects of excessive consumption

### Excessive energy consumption



## Special topic: Energy efficiency and sustainability

### Our services

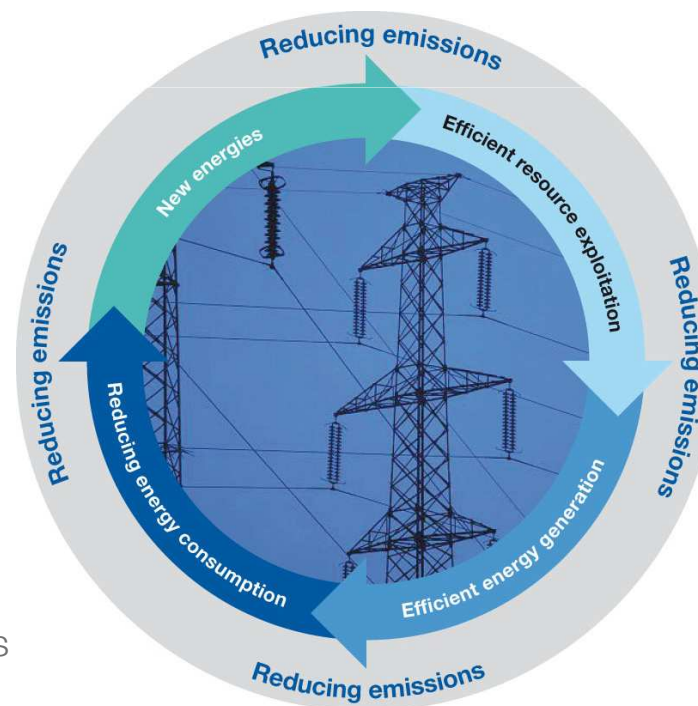
With our services, HOCHTIEF covers the entire energy life-cycle and – in four steps – contributes to efficient energy production, a sparing consumption of resources and the reduction of CO<sub>2</sub> emissions.

#### ④ Promoting new energies

- Deep geothermal energy
- Offshore wind energy
- Biomass

#### ③ Reducing energy consumption

- Sustainable construction
- Refurbishment and upgrading
- Building diagnosis
- Energy contracting
- Energy management
- Sustainable infrastructure solutions



#### ① Exploiting resources in a nature-conserving and efficient way

- Contract mining

#### ② Producing energy efficiently

- Power plant construction

## Services examples

### ① Efficient and nature-conserving exploitation of resources

#### Example: Contract mining

- HOCHTIEF, the **world's biggest contract miner** (more than 100 million tons of each coal and iron ore per year)
- In Australia and Asia, HOCHTIEF extracts resources on behalf of mine owners/concessionaires
- In carrying out mining operations, HOCHTIEF attaches **particular importance to efficiency**:
  - satellite-controlled blasting
  - precise sequencing of transports and payload management
  - turbo management ensures fuel efficiency
  - modern extraction methods ensure maximum production volumes
- After completion of mining works, **extensive renaturalization** measures are implemented



## Services examples

### ① Efficient and nature-conserving exploitation of resources

#### Contract mining example: Mt Owen Complex, New South Wales, Australia<sup>1)</sup>

- Thiess' largest coal mining operation in NSW (open cut coal mine), 15 year agreement (1996-2011)
- Responsibility: Design, construction and infrastructure, including coal washing and processing plant
- Award: High commendation for environmental monitoring
- Installation of real-time dust and noise monitoring systems
  - Identify areas and activities requiring further controls
  - Identify high noise activities and mitigate the impacts
  - Ensure the long-term viability of the mine
  - Meet regulatory dust and noise requirements
- Implementation of a proactive approach to contamination control leading to improved ability of machines and lower costs



Mount Owen Coal Mine, Australia

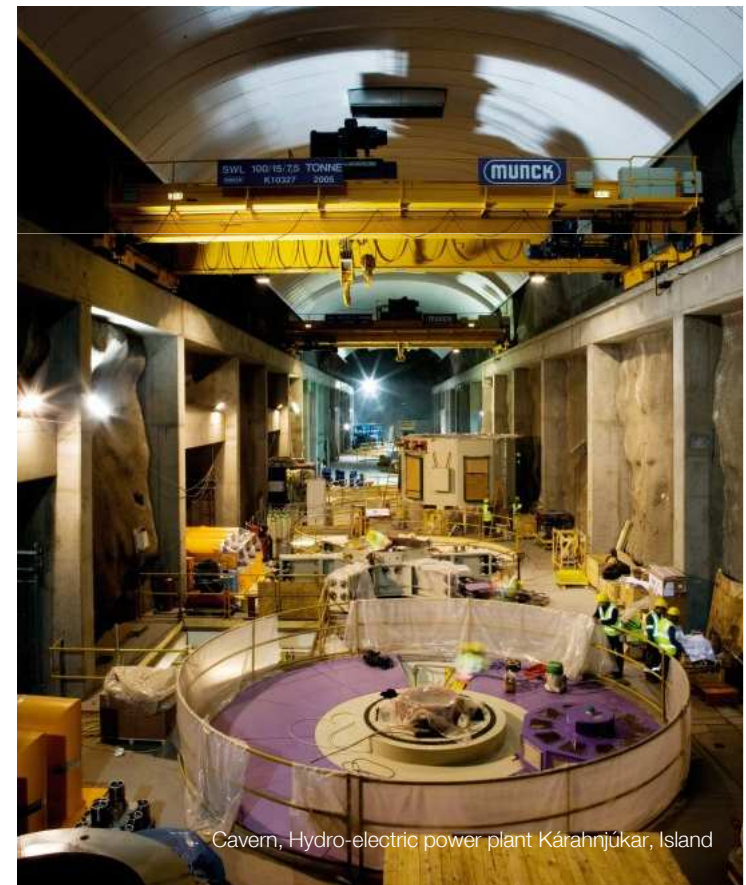
<sup>1)</sup> Additional project information: <http://www.thiess.com.au/Projects/MtOwenComplex/index.htm>

## Services examples

### ② Efficient energy production / Reducing emissions

#### Example: Powerplant construction

- HOCHTIEF Construction builds state-of-the-art coal-fired and hydro-electric power stations as well as waste incineration plants
- HOCHTIEF Consult is one of the **the leading powerplant designers worldwide**. In the Rhineland's brown-coal region, for example, HOCHTIEF constructed five powerplants with a combined capacity of 9,500 MW
- By **developing alternative solutions**, HOCHTIEF Construction **improves the efficiency and sustainability** of plants



Cavern, Hydro-electric power plant Kárahnjúkar, Island

## Services examples

### ② Efficient energy production / Reducing emissions

#### Power plant example: Hydro-electric power plant Glendoe, Scotland<sup>1)</sup>

- 100 MW hydro-electric power plant
- Special project feature: powerhouse turbine works invisibly in a cavern 250 meters under ground
- In close cooperation with nature conservation authorities, HOCHTIEF ensured that even the most complex requirements set on landscape, water and wildlife conservation were met
- The climate-friendly underground hydro-electric power station is proof of our competence in the field of future-proof technology and infrastructure



<sup>1)</sup> Additional project information: [http://www.hochtief-construction.com/construction\\_en/135.jhtml?pid=14&t=50](http://www.hochtief-construction.com/construction_en/135.jhtml?pid=14&t=50)

## Services examples

### ③ Reducing energy consumption and emissions

#### Example: Project development

- HOCHTIEF as project developer **cares whether or not buildings are energy-efficient**
- A **lower "second rent"** – i.e. lower service costs – today has become an important argument for winning users and investors for a property
- HOCHTIEF projects therefore includes a number of buildings such as the WestendDuo in Frankfurt or the Dominion in Cologne which not only stand out by way of their architectural design but also by their **low energy consumption**



ConventPark, Hamburg, Germany

## Services examples

### ③ Reducing energy consumption and emissions

#### Project development example: WestendDuo, Frankfurt<sup>1)</sup>

- Planned by HOCHTIEF Projektentwicklung, built by HOCHTIEF Construction, operated by HOCHTIEF Facility Management
- Opened in 2006, 96 meters high, 26 stories, 32,700 square meters of space
- received "special commendation" for sustainability at the German Architecture Museum's 08 Int'l Highrise Awards; building consumes 35 percent less energy than a conventionally operated, comparable building
- Cools and heats by means of near-surface geothermal energy
- Double-shell facade insulates the building and allows natural ventilation
- Innovative decentral ventilation system including heat recovery
- Heating and cooling adjustable individually in every room



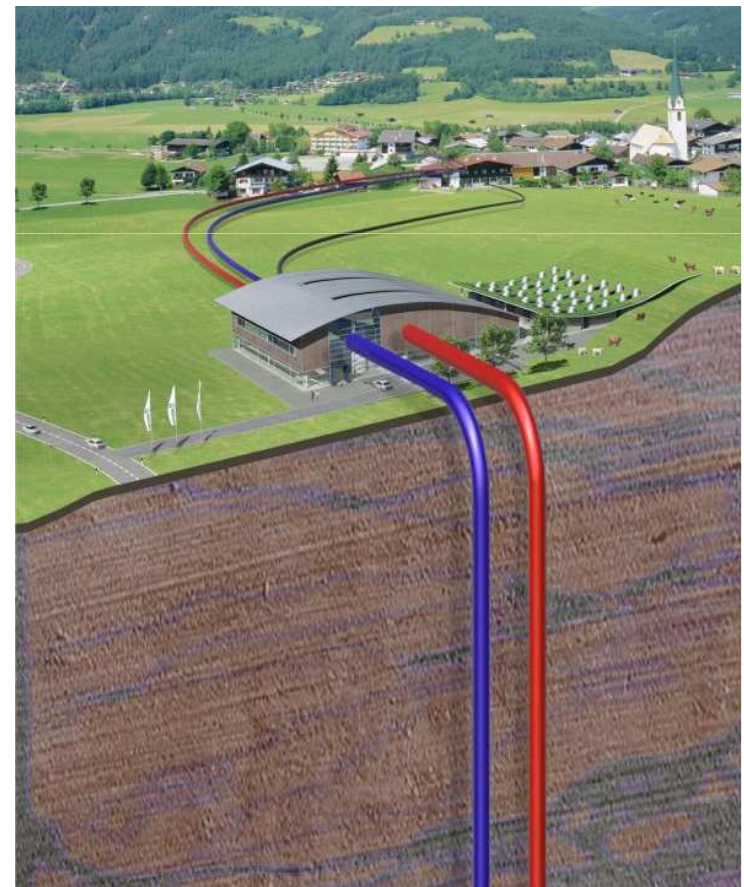
<sup>1)</sup> Additional project information: [http://www.hochtief.com/hochtief\\_en/9009.jhtml?id=90](http://www.hochtief.com/hochtief_en/9009.jhtml?id=90)

## Services examples

### 4 New energies

#### Example: Deep geothermal energy

- Süddeutsche Geothermie Gesellschaft (SGG) founded in 2007 by HOCHTIEF PPP Solutions and partners; **SGG plans and constructs hydrothermal geothermal power plants in the South of Germany**



## Services examples

### 4 New energies

#### Example: Deep geothermal project Dürnhaar in the Molasse Basin, south of Germany

- Planning, financing and construction via the participating company, Süddeutsche Geothermie-Projekte GmbH (SSG, HOCHTIEF shareholding: 40%)
- Involved HOCHTIEF units: HOCHTIEF PPP Solutions and HOCHTIEF Construction; HOCHTIEF subsidiary Streif Baulogistik to provide 52-meter-high deep drill system
- Both drillings (Sep 07 and Apr 08, approx. 3,600 and 3,700m deep) have been successfully carried out



## ...Group guidance for 2009 again confirmed

	2008		2009E
New orders	EUR bn 25.28	➔	Settle back to normal level, below 08
Order backlog	EUR bn 30.92	➔	Settle back to normal level, below 08
Sales	EUR bn 19.10	➔	Settle back to normal level, below 08
EBT	EUR m 520	➔	Similarly high level as in 08
Net profit	EUR m 175	➔	Similarly high level as in 08



## Disclaimer

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## Financial calendar and IR contact

- 12 Nov 09     Nine months results 2009 and Conference Call with Analysts and Investors  
25 Mar 10     Full year results 2009 and Analysts' and Investors' Conference

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