

# General Shareholders' Meeting 2010

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May 11, 2010

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

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Check against delivery.

Dear shareholders,  
Dear shareholder representatives,  
Ladies and gentlemen,

A warm welcome to our 2010 General Shareholders' Meeting.

I am very happy that you have joined us in Essen today—in the European Capital of Culture 2010—to learn about what has been happening in and around your company. Welcome, too, to the members of the press and to all HOCHTIEF employees among us today as staff shareholders and helpers.

**Review 2009**

I would like to report today on HOCHTIEF's performance in 2009 and, of course, to take a forward look at current developments in your company.

2009 was a year of challenges. I am pleased and proud to report that HOCHTIEF mastered those challenges superbly and presents itself today in outstanding shape. The global **financial crisis** left scarcely any company untouched, and it goes without saying that we too felt its impact. But we kept on taking in new orders and generating profitable business in all divisions, clearly demonstrating HOCHTIEF's strength.

You, our shareholders, shall, of course, receive your due share in this success. We would like once again to increase the size of our profit distribution and are submitting a **dividend** of EUR 1.50 per share for approval at this General Shareholders' Meeting. That means we will have raised dividends by nearly 14 percent a year since 2005. And that, in turn, goes to show that to hold shares in HOCHTIEF is to invest in a company that creates enduring value.

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This point is borne out by the results for the past year, and I would now like to take a moment to present and say something about the key figures:

### **Key figures 2009**

- **New orders** totaled EUR 22.47 billion, returning to their normal range from the exceptionally high level set in the prior year. So new orders continue to exceed both sales and work done.
- Group **work done** did not match the very high prior-year figure but again reached a high level at EUR 20.56 billion.
- The **order backlog** set a new record in climbing to EUR 35.59 billion, 15 percent above the prior-year figure.

This is equivalent to a forward order book of nearly 21 months—a figure which, when compared with competitors, very clearly demonstrates our strong market position.

- In the midst of the financial crisis, we held **sales** steady at a high level: Sales in 2009 decreased by only 2.9 percent, to EUR 18.17 billion.
- **Profit before taxes** once again climbed sharply in fiscal 2009. At EUR 600.5 million, it beat the prior-year figure by more than 20 percent.
- **Profit after taxes** reached EUR 408.2 million—again a marked improvement on the prior year.
- **Consolidated net profit** showed substantial growth from the prior year, totaling EUR 195.2 million.

Our balance sheet as of the 2009 year-end also remains extremely solid. We have a strong financial base and our financing is secured for the long term. This gives us the scope needed for all projects.

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I would like to refer you to our annual report for further key figures and details on the annual and consolidated financial statements, and for comparative information from the prior year.

Ladies and gentlemen, in the difficult market environment during the 2009 year of crisis, we met all our targets. Some of them we even exceeded. That is a compelling demonstration of our strength. And we have received public recognition for it: In the recent Best of European Business 2010 awards, we took first prize in the “Growth despite crisis” category for large companies—a distinction we are proud of at HOCHTIEF, not least because it shows the effectiveness of our strategy.

Speaking of growth: Notably in the second half of 2009, **HOCHTIEF stock** at last began gaining in value again; prior to that, our stock price reflected the prevailing capital market volatility. The past year showed once more how, with regrettable frequency, events on the capital markets are driven by irrationality. Above all near the start of the year, movements in the price of HOCHTIEF stock bore no relation to the Group’s actual performance. A low for the year of EUR 20.93 in March 2009 compared with a high of EUR 59.52 in October. At the year-end, HOCHTIEF’s market capitalization nearly reached EUR 3.8 billion.

Our stock price showed an overall gain of almost 50 percent over the length of the year. This represents above-average growth against indices such as Germany’s MDAX, which rose by 34 percent. So HOCHTIEF stock directly benefited from the incipient market recovery—but the above-average gain against the index also reflected our stable operating results, a strong influx of new orders and the positive onward business outlook. No wonder the majority of analysts view HOCHTIEF’s performance in a positive light and flag our stock with a buy recommendation. On average, analysts expect a further marked rise in the stock price.

The performance of our business in 2009 has proven to us without any doubt that our **strategy** delivers results. Our foundations are rock solid and we are strongly positioned internationally. We are able to make full use of our opportunities in all key markets—from Europe to North America, Asia-Pacific and the Gulf.

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We made the most of our dovetailed range of services: We create added value for clients with capabilities spanning the infrastructure project, real estate and facility life cycle. We further stepped up teamwork within the Group in 2009 under the banner of “One roof—all solutions.” This makes sure Group companies work closely together, across national borders and continents. In Group-wide best-practice projects, we learn from each other and so drive forward the process of continuous improvement.

By combining forces, we can offer added value that sets us apart from the competition. This pays for HOCHTIEF, of course, because by working together we can harvest extra earnings potential. For instance, about 17 percent of HOCHTIEF Europe’s year-end order backlog related to cooperation with HOCHTIEF Concessions; the latest figure for HOCHTIEF Services was 16 percent.

Exchange and teamwork also help us make targeted additions to our range of services. As an example, we plan to further extend our capabilities for serving the growth market in offshore wind power. Wind power has its greatest potential at offshore locations, far from shipping routes and ports. This presents an opportunity for our considerable hydro engineering expertise. HOCHTIEF has already put up a number of marine wind farms. To work safely at even greater depths and meet increasingly demanding requirements in offshore wind farm construction, we have had a new jack-up platform built specially for the purpose. Our Thor jack-up platform was christened at Hamburg just last week. It stands on 80-meter legs and can operate at depths of up to 50 meters. Its on-board heavy-lift crane has a capacity of 500 metric tons. This floating innovation gives HOCHTIEF the technical and commercial means to serve offshore markets.

We will continue building on our expertise in this segment. We now plan to construct special-purpose vessels in partnership with Beluga Shipping, a company focused on heavy-lift cargo and project shipping. Talks in connection with signing the charters for these vessels are going well and we expect to be able to commission the shipbuilding work soon.

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Strong demand for energy-efficient, resource-conserving solutions also opens up more and more market opportunities in green building. We are already among the market leaders in this segment and continually add to our range of services within the Group network. You already saw some innovative solutions sponsored by HOCHTIEF in the film. We can naturally use the knowledge from Darmstadt Technical University's solar house project in our own work. While we are on the subject, I would like to repeat my invitation for you to take a look at this fantastic project right here in Essen. We have brought the house you saw in the film back to Essen and re-erected it on Burgplatz, a square in the center of town. Students from the winning team at Darmstadt are on hand and will be pleased to answer your questions. Here in this building, we have set up a stand where you can also learn more about the subject.

Ladies and gentlemen, we are holding strong to our long-term strategic orientation. This means supporting clients from the initial idea for a project to the completion of work and through to ongoing operation. HOCHTIEF today is project developer, construction specialist, real estate and business portfolio manager, energy contractor and concessionaire—uniting all capabilities under one roof as a one-stop service provider. Our resulting capacity to perform and deliver is widely appreciated. Our clients have confidence in us and in our expertise—as new orders and contract renewals clearly demonstrate.

### **Divisions at a glance**

Let us turn to the main developments in our divisions.

Regarding the **HOCHTIEF Americas division**, I would like to start with some breaking news: I am pleased to announce that we have just taken over EE Cruz and Company, a New York-based heavy construction company, with retrospective effect from January 1, 2010. This is a precisely targeted acquisition

in a strong growth market. Cruz specializes in civil and structural engineering projects in the New York metropolitan region, where there are many outdated roads, bridges and tunnels and major modernization and building works are planned. Cruz has completed many infrastructure projects since it was established in 1984, including the construction and modernization of bridges, highways, tunnels and pipelines.

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This acquisition further strengthens our position in the growing market for US infrastructure projects. The company will be held as a joint subsidiary of Flatiron and Turner. Together, our three US subsidiaries make up one of the strongest players in competition for the coming investment spending—the ideal platform for success in contracting.

**Turner** kept its position as number one general builder in 2009 and held on to its lead in a US market weakened by crisis. We profited here from our key market segments—education, healthcare and green building—being largely crisis-resistant. New orders included hospitals for the universities of Princeton and Yale and a cancer research center for the University of Chicago. These three healthcare projects alone run to a total of EUR 675 million. Numerous contracts are also carried out to green building standards. Green building is increasingly important to Turner: Projects in which sustainability criteria played a significant part already made up 50 percent of all contracts by value in 2009—up from 30 percent a year earlier.

**Flatiron**, our civil engineering specialist, performed very well despite the financial crisis—partly helped along by the US government’s infrastructure program, under which the company has so far secured two highway upgrade projects. A special highlight was the award of our US company’s largest project to date: Flatiron is part of a consortium building the new Port Mann Bridge in Vancouver. The contract is worth over EUR 1.5 billion.

We also scored again on the teamwork front: For the second time, Turner and Flatiron successfully joined forces on an airport project. They are to take a key part in building the new Terminal 2 at San Diego International Airport. The contract is expected to be worth some EUR 375 million.

The North American market harbors further strong potential for HOCHTIEF in 2010. We expect to see a stabilization in building construction and more growth in civil and structural engineering. With our successful companies, we are optimally placed to seize new opportunities as they arise. We expect profit before taxes to exceed the prior-year figure.

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We also had another successful year in 2009 at our **HOCHTIEF Asia Pacific division**. Companies under our subsidiary Leighton secured new contracts in all segments. In total, new orders came to well over EUR 12 billion. The infrastructure and contract mining segments once again proved key business drivers. Top new contracts in 2009 included construction of a seawater desalination plant in Australia worth some EUR 2.1 billion. Leighton's subsidiary Thiess will build the plant as part of a consortium in what is one of the world's largest public-private partnership projects. The contract mining segment saw a large number of renewals on existing contracts. This reflects first and foremost a high level of customer satisfaction with Leighton and also shows the long-term nature of business relationships in contract mining.

New orders were also generated in the Gulf region. The Al Habtoor Leighton Group is building a EUR 273 million container and industrial port in Abu Dhabi and the St. Regis Hotel and Residences project for EUR 345 million on the island of Saadiyat.

The financial crisis had little impact on the Asia-Pacific region given its robust economy. A positive general economic climate and sustained strong demand from China for raw materials make for a favorable outlook. We consequently predict a further rise in profit before taxes at HOCHTIEF Asia Pacific in 2010. Leighton remains our largest and most successful investment. The company has an experienced team and is situated in a region with the most resilient growth in the world.

**HOCHTIEF Concessions**, too, contributed significantly to earnings and the Group's success in 2009. The concessions portfolio grew strongly, with its net present value rising to just short of EUR 1.6 billion—up nearly nine percent from the prior-year figure.

In the airports segment, despite a sharp drop in business travel, our six airport holdings fell only 1.4 percent short of their prior-year performance in terms of passenger numbers, with nearly 90 million passengers passing through their gates in 2009. Sydney and Tirana even increased their passenger figures. On the strength of its airport management experience, HOCHTIEF AirPort is also in demand for consulting services to other airports. Riga and Geneva were among the airports served by our expert consultants in 2009.

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We also solidified our strong market position in the roads segment. The new section of the A4 highway built by HOCHTIEF in Thuringia, Germany, was opened to traffic in January after only two years under construction—a whole year before the contractually appointed date. A great accomplishment which benefits not just motorists, but us as well.

I also have good news to report on the third business segment at HOCHTIEF Concessions—the social infrastructure segment. In a strategically important development in the UK, we secured work under the government’s Building Schools for the Future program with a contract to build and subsequently operate several schools. More than 3,000 secondary schools are to be renovated or built there in the next 15 years.

I am very pleased to record a key milestone in North America with the award in April of our first PPP building construction project there. HOCHTIEF PPP Solutions North America is to design, finance, build and operate ten schools in the Canadian province of Alberta. The contract runs for 30 years and is worth EUR 242 million. The capital outlay comes to about EUR 61 million.

We project strong business performance for HOCHTIEF Concessions overall. The aviation sector expects more than two percent growth in 2010 and further expansion in years to come. A steady pipeline of projects is likewise developing in the division’s other segments. Adjusted for extraordinary income from a reversal of provisions booked in 2009, profit before taxes in this division will probably be above the prior-year figure.

Ladies and gentlemen, let me say a few words about our contemplated initial public offering of HOCHTIEF Concessions AG. We decided in December to shelve the plans for the time being as the capital market environment had taken a significant turn for the worse. An IPO was no longer feasible without restrictions and as such was out of the question for us. We nonetheless still consider it a good idea to create market transparency regarding the HOCHTIEF Concessions business portfolio in the form of a stock exchange listing. We are therefore keeping the option open. We will once again subject any future attempt to very careful advance scrutiny.

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Finally on this division, I would like to say something about the current position in Greece where we are involved in a number of projects through HOCHTIEF Concessions. Our situation as a result of the Greek debt crisis is as follows: At Athens Airport, based on the strong first quarter of 2010 with a ten percent rise in passenger numbers, we expect to meet our targets for 2010. We had already reduced our volume forecast for this year at the end of 2009, partly in response to weaker demand. The recessionary overall situation in Greece also adversely impacts transportation volumes—in the medium term, we expect about a ten percent decrease, depending on the country's onward economic development. I would like to emphasize, however, that the Greek state has so far honored its payment obligations toward our Maliakos-Kleidi and Elefsina-Patras project companies. We do anticipate a general rise in credit risk, however, but this is taken into account in our risk management system.

At the **HOCHTIEF Europe division**, we achieved turnaround in the German building construction market despite the economic crisis, and recorded a positive year. In Germany, key contracts for **HOCHTIEF Construction** in 2009 included Tower 185 in Frankfurt and revitalization of the former Unilever headquarters in Hamburg. Both projects incidentally comply with special green building standards; the German market for projects certified to LEED or DGNB standards is steadily growing. Top international contracts in 2009 included Barwa Commercial Avenue in Qatar. The contract for the business and shopping complex is worth EUR 1.3 billion, making it HOCHTIEF Construction's biggest single contract to date.

I would like at this point to highlight two further recent successes by HOCHTIEF companies in the Gulf region: **HOCHTIEF ViCon** is to coordinate the use of 3D simulation in urban development planning for Lusail City in Qatar. And **HOCHTIEF Construction Middle East** has just secured a contract in Abu Dhabi to erect a reception building for state guests at the Emirate's international airport.

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We comfortably attained our target of one percent pretax return on sales at the HOCHTIEF Europe division in 2009. While contract awards are expected to be held back given the state of the economy in 2010, we are confident in light of our international positioning in this division that we will continue the strong earnings trend in 2010 and anticipate that profit before taxes will exceed the prior-year figure.

The **HOCHTIEF Real Estate division** faced a tough real estate market environment in fiscal 2009, but our companies held up well and benefited as usual from a seasonal spurt in business at the year-end. In December 2009 alone, HOCHTIEF Projektentwicklung and aurelis Real Estate generated a total of EUR 600 million from sales of buildings, land and development projects.

**HOCHTIEF Projektentwicklung** successfully placed a number of top-of-the-line properties on the market in 2009, including the new Unilever building in Hamburg and the former Lufthansa building in Cologne. Named "Best Developer in Germany," the company had 20 projects in progress at the end of 2009 worth a sum total of EUR 667 million.

**HOCHTIEF Property Management** took on further work for Deka Immobilien in the year under review. We now look after 75 percent of Deka's properties.

The division currently expects a slight positive trend in the investment markets and we are budgeting for strong profit before taxes on a par with the prior year.

The companies in the **HOCHTIEF Services division**, which provide real estate-related and industry-related services, performed well in 2009. **HOCHTIEF Facility Management** stepped up its international activities and soon secured a

number of new contracts, including a EUR 85 million contract only a few months ago for facility management at Bahrain International Airport.

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Work secured by our facility management company in Germany included the contract for facility management of the Zollverein Coal Mine Industrial Complex, a UNESCO World Heritage site. We are also active in the cultural arena this current year: HOCHTIEF Facility Management has taken charge of technical management for RUHR.2010 European Capital of Culture. This is part of our contribution as sponsors of the Capital of Culture. As an Essen-based company, we are fully behind our metropolitan region and aim with our expertise to take an active part in ensuring that RUHR.2010 is a great success.

Our company **HOCHTIEF Energy Management** likewise generated attractive new orders in 2009, including a contract awarded by the Berlin Senate to reduce energy costs and emissions at 18 of the city's properties, among them the Rotes Rathaus city hall.

We expect moderate growth in the HOCHTIEF Services division in 2010 with profit before taxes above the prior-year figure. The strategic focus is on expanding international activities.

Ladies and gentlemen, we made some rigorous changes at home over the last few years. Our turnkey building construction activities have been slimmed down. Thanks to greater selectivity in parallel with improved processes, such projects now return a profit again. At the same time, we have once again stepped up the marketing of German construction expertise outside of our home market. The Barwa project in Qatar is a notable success and just one example to show how our specialists' experience is held in high regard internationally.

Several times now, I have mentioned teamwork spanning the entire value chain and the project life cycle. This creates competitive advantage, added value and efficiency. Business generated in this way now runs to over EUR 2 billion—with margins well above those to be had on piecemeal contracts. We have therefore launched a project to further strengthen the capabilities of each business and in particular to further intensify teamwork.

In large cities, we are bringing the offices of our various companies together at a single location—hence the slogan, “One roof—all solutions.” This streamlines administration and boosts efficiency. Our corporate headquarters will focus even more strongly in the future on the Group’s onward strategic development in attractive markets. We expect major efficiency gains from the project, which we will bring to completion this year.

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Ladies and gentlemen, as you have seen from my report on our activities, HOCHTIEF is successful the world over. This success would not be possible without the magnificent teamwork of over 66,000 HOCHTIEF **employees**. Around the world, they have once again demonstrated their considerable skills and ability to deliver in a supreme team effort. Out of loyalty and commitment to HOCHTIEF and our clients, many employees have once again accepted personal restrictions and sacrifices in 2009 to make possible another highly successful year. I would like to take this opportunity to express our heartfelt thanks to the entire workforce. I think our team deserves a big round of applause.

HOCHTIEF delivered on its promises for 2009. The outlook for 2010 is strong. If I may summarize:

- At HOCHTIEF, we look at the big picture. Our successful life cycle service portfolio is about added value from a single source: “One roof—all solutions.” We have already raised bid success rates and margins as a result.
- Our financing is secure for the long term—and we have the scope needed for new projects. We will naturally continue to plan conservatively into the future. A selective approach to new business and high return-on-investment targets are integral to our business strategy. We stay true to our strict rule of profitability before volume growth.
- We have further improved our access to attractive markets and have a presence in all key markets around the world. Our strong global activities allow us to make up in part for regional economic fluctuations.
- We work constantly to align our structure to the market.

From this strong base, we can move on to our **outlook** for fiscal 2010. In this connection, we anticipate a slow recovery in the markets during 2010. Working on the assumption that the financial and capital markets will normalize again in the current fiscal year, there will not be a sustained recessive setback in the world economy and areas of political tension remain in control, our forecast for 2010 is as follows:

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- **New orders** and an **order backlog** slightly below the prior-year level;
- **Sales** roughly on a par with 2009;
- **Profit before taxes** and **consolidated net profit** slightly above the 2009 level—not least thanks to our very healthy order backlog and current opportunities.

In the medium term, we aim for **profit before taxes** of EUR 1 billion.

Ladies and gentlemen, that brings me to the **motions brought before the General Shareholders' Meeting:**

As mentioned at the beginning, the Supervisory Board and Executive Board are bringing before the Meeting a proposal to use the unappropriated net profit for 2009 to pay a dividend of EUR 1.50 per share.

Dr. Kohlhaussen has already reported in detail on the system of compensation for members of the Executive Board proposed for approval under item 5 of the agenda.

Under agenda item 7, the Executive Board and Supervisory Board put forward an anticipatory resolution regarding holdings of our own shares. This largely corresponds to resolutions passed in earlier years and needs renewal because the validity period of the prior year's authorization is limited to 18 months. We are asking the General Shareholders' Meeting to renew the authorization issued last year to acquire and use our own shares.

The resolutions proposed in agenda items 8 and 9 relate to the creation of conditional capital and authorized capital. This is necessary because the

conditional and authorized capital created in 2005 expires this year. The conditional and authorized capital give HOCHTIEF Aktiengesellschaft the flexibility required to obtain additional capital on the capital market in the coming years, should the need arise.

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The profit and loss transfer agreements which the General Shareholders' Meeting is being asked to approve under items 10 and 11 of the agenda has the purpose of establishing a tax group with regard to German municipal trade tax and German corporation tax. The control agreement with HOCHTIEF Concessions AG submitted for approval under agenda item 12 is a logical complement to the profit and loss transfer agreement with this subsidiary approved at the General Shareholders' Meeting in the prior year.

The purpose of the amendments to the Articles of Association proposed under item 13 of the agenda is to bring the Articles in line with changes in the German Stock Corporations Act.

Ladies and gentlemen, HOCHTIEF is a strong group superbly positioned for the future. We will do our utmost to hold this successful course.

Many thanks for your attention.