

## Press Conference Q3/2010

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Dr. rer. pol. Burkhard Lohr

Member of the Executive Board

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Ladies and gentlemen,

Allow me, too, to welcome you to this press conference. Before we turn to the financial statements, I would first like to cast a brief look over the key figures for the last nine months.

- We have boosted **sales** compared with the prior-year period by 3.1 percent to EUR 14.20 billion.
- **Cash resources** are at EUR 2.80 billion, up 8.6 percent on December 31, 2009, so we have further strengthened our financial base.
- We have kept earnings rising despite a reduced contribution from Leighton. As mentioned before, our **pretax profit** and **consolidated net profit** remain above the comparative figures from 2009. Consolidated net profit has even climbed by 17.3 percent, to EUR 142.7 million.

In accordance with its conservative accounting practice, HOCHTIEF made early allowance for the affected road construction project at Leighton—the Airport Link in Brisbane—with a provision recognized in the HOCHTIEF

financial statements for 2009. Any impact over and above this is offset by the strong operating performance of other divisions in the HOCHTIEF Group and the strong Australian dollar.

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- **Earnings per share** improved as a result from EUR 1.83 to EUR 2.14— an increase of 16.9 percent.

This is a very strong performance, as you will doubtless agree.

Now to the figures. First, the **balance sheet**:

We have increased **total assets** by 12.1 percent to EUR 14.01 billion.

**Non-current assets**, at EUR 5.92 billion, are well up on the prior year-end.

Property, plant and equipment now stands at EUR 1.79 billion and financial assets come to EUR 2.54 billion. Major spending on plant and equipment and exchange rate effects caused property, plant and equipment to increase by EUR 294.9 million. Financial assets are up EUR 284.2 million. This relates to changes in the carrying amounts of investments in associates and purchases of non-current securities. It also includes positive exchange rate effects.

**Current assets** have risen by a substantial 9.5 percent to EUR 8.1 billion. This mainly reflected growth in operating trade receivables. Other factors included supplementing our securities portfolio and the improvement in our cash position.

**Shareholders' equity** reached EUR 3.52 billion as of the September 30, 2010 balance sheet date. This means we have increased shareholders' equity by EUR 254.5 million or 7.8 percent during the current fiscal year. Shareholders' equity was increased by EUR 293.7 million in profit after taxes and additionally by currency translation differences and changes in the fair value of financial instruments. In the other direction, dividend payments totaled EUR 267.6 million. The increase in shareholders' equity meant that despite the marked rise in total

assets, the equity ratio (shareholders' equity to total assets) came to 25.1 percent. Our equity ratio consequently remains at a high level.

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**Non-current liabilities** stood at EUR 3.52 billion, an increase of EUR 765 million on the prior year-end. This mostly reflected higher financial liabilities. The main factors here were the placement of a promissory note loan for a total of EUR 240 million by HOCHTIEF and a EUR 292.7 million, US dollar-denominated bond issue by Leighton.

**Current liabilities** increased by EUR 490.1 million to EUR 6.98 billion. This is attributable to higher trade payables, mainly due to exchange rate effects.

Turning now to the **statement of earnings**:

**Sales** amounted to EUR 14.20 billion, beating the figure for the prior-year period by EUR 430.8 million and corresponding to an increase of 3.1 percent. The HOCHTIEF Asia Pacific division did especially well, benefiting both from operating growth and the Australian dollar exchange rate trend. With a total of EUR 7.19 billion and an increase of 24.7 percent, the division made a very healthy contribution to Group sales.

**Other operating income** came to EUR 143.3 million. This was down on the EUR 170.9 million recorded in the prior-year period. The prior-year figure was dominated by larger exchange rate gains and proceeds from disposals of property, plant and equipment at our subsidiary Leighton.

These two items from the statement of earnings taken together show clearly that we have further increased our vertical integration.

**Materials** were 1.2 percent down on the prior-year period. A substantial increase at HOCHTIEF Asia Pacific was countered by decreases relating to output in the HOCHTIEF Americas and HOCHTIEF Real Estate divisions.

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In contrast, **personnel costs** increased by EUR 394.8 million to EUR 2.96 billion. The main factor here was a significant expansion of the workforce at Leighton.

**Other operating expenses** amounted to EUR 990.7 million, up eight percent on the prior-year period. This includes costs of leasing property, plant and equipment at Leighton and insurance costs at Turner.

We generated a substantial EUR 402 million in **profit from operating activities**, although this was 7.3 percent down on the EUR 433.6 million prior-year comparative figure. This primarily reflects a deterioration in earnings from the Airport Link infrastructure project in Brisbane.

**Net income from participating interests**, on the other hand, rose substantially by 11.8 percent to EUR 131.7 million. The main factors here were larger contributions to net income from participating interests at Turner and Flatiron as well as a solid profit from aurelis Real Estate.

**Net investment and interest income** likewise improved significantly compared with the prior-year period, by EUR 22.4 million to minus EUR 103.5 million. We benefited here as international financial markets picked up over the course of the year, resulting in higher net investment income.

Overall, we slightly increased **profit before taxes** in the first nine months of 2010 compared with the same period of the prior year. At EUR 430.2 million, profit before taxes was EUR 4.7 million or 1.1 percent higher than the comparative prior-year figure.

**Tax expense** dropped by EUR 12.4 million to EUR 136.5 million. This gives an effective tax rate of 31.7 percent, compared with 35 percent for the prior-year period.

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**Profit after taxes** rose by 6.2 percent to EUR 293.7 million.

**Consolidated net profit** climbed more strongly still, by no less than 17.3 percent. HOCHTIEF increased the total figure from EUR 121.6 million in the first three quarters of 2009 to EUR 142.7 million in the period under review. This clearly brings out the significant growth in the contribution to earnings from the divisions that do not have minority shareholders.

Now a look at our **cash flows**: This chart shows the positive trend in cash and cash equivalents over the year to date. From the start of the year, cash and cash equivalents increased from EUR 1.77 billion to EUR 1.83 billion.

HOCHTIEF had planned a bond issue for approximately EUR 500 million to furnish the Group with supplementary long-term liquidity. The bond placement had to be called off, however, following announcement of the takeover offer by ACS. We are currently examining alternative sources of finance.

Ladies and gentlemen, that covers the main facts and figures. Thank you for your attention.