

QUALITY SECURITY OF SUPPLY

REFURBISHMENT AND UPGRADING **BUILDING DIAGNOSIS**

WIND POWER HYDROPOWER

PARTNERSHIP **INNOVATION** TRUST

INITIATIVE REVITALIZATION

KNOW-HOW **VISIONARY PROJECTS**

RESPONSIBILITY ECOLOGY

REDUCTION OF CO₂ EMISSIONS **EFFICIENCY**

ENERGY MANAGEMENT

INFRASTRUCTURE **GREEN BUILDING**

SUSTAINABILITY **GEO THERMAL ENERGY**

Annual Financial Statements of HOCHTIEF Aktiengesellschaft as of December 31, 2008

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The 2008 Annual Financial Statements and Management Report of HOCHTIEF Aktiengesellschaft are published in the electronic Bundesanzeiger (Federal Official Gazette). A combined Management Report for HOCHTIEF Aktiengesellschaft and the HOCHTIEF Group is presented beginning on page 34 of the Annual Report.

The combined list of subsidiaries, associates and other equity interests held by the HOCHTIEF Group and HOCHTIEF Aktiengesellschaft (pursuant to Sections 285 (11) and 313 (2) 1–4 of the German Commercial Code) is published in the electronic Bundesanzeiger.

Balance Sheet of HOCHTIEF Aktiengesellschaft

(EUR thousand)	See note	Dec. 31, 2008	Dec. 31, 2007
Assets			
Fixed assets	(1)		
Intangible assets		5,822	4,635
Property, plant and equipment		36,816	41,244
Financial assets		1,853,941	1,514,979
		1,896,579	1,560,858
Current assets			
Inventories	(2)	28,358	32,016
Receivables and other assets	(3)	867,904	945,609
Marketable securities	(4)	616,757	587,502
Of which: legally owned by HOCHTIEF Pension Trust e.V.		[235,149]	[258,468]
Cash and cash equivalents	(5)	288,220	60,690
Of which: legally owned by HOCHTIEF Pension Trust e.V.		[867]	[221]
		1,801,239	1,625,817
Prepaid expenses	(6)	12,465	7,724
		3,710,283	3,194,399
Liabilities and Shareholders' Equity			
Shareholders' equity	(7)		
Subscribed capital*		179,200	179,200
Reserves		1,212,217	1,179,662
Unappropriated net profit		98,000	123,555
		1,489,417	1,482,417
Provisions	(9)	388,728	438,445
Other liabilities	(10)	1,832,138	1,273,537
		3,710,283	3,194,399

* Plus conditional capital with a nominal value of EUR 38,400,000

Statement of Earnings of HOCHTIEF Aktiengesellschaft

(EUR thousand)	See note	2008	2007
Sales	(12)	195,045	150,416
Change in the balance of construction work in progress		695	(359)
Other operating income	(13)	95,448	379,822
Materials	(14)	(116,901)	(96,702)
Personnel costs	(15)	(83,208)	(99,735)
Depreciation and amortization	(16)	(6,229)	(7,462)
Other operating expenses	(17)	(112,790)	(136,455)
Net income from financial assets	(18)	182,787	44,559
Net interest income	(19)	(17,547)	8,418
Writedowns on financial assets and marketable securities	(20)	(35,047)	(205,220)
Profit from ordinary activities		102,253	37,282
Income taxes	(21)	(4,322)	(1,890)
Net profit before changes in reserves		97,931	35,392
Net profit brought forward		32,624	4,554
Changes in revenue reserves	(7)	(32,555)	83,609
Unappropriated net profit		98,000	123,555

Movements in Fixed Assets

(EUR thousand)	Cost of acquisition or production	
	Jan. 1, 2008	Additions
Intangible assets		
Concessions, industrial property and similar rights and assets and licenses in such rights and assets	11,450	5,414
	11,450	5,414
Property, plant and equipment		
Land, similar rights and buildings, including buildings on land owned by third parties	111,906	–
Technical equipment and machinery	3,121	104
Other equipment and office equipment	9,209	1,169
Prepayments and assets under construction	56	–
	124,292	1,273
Financial assets		
Shares in affiliated companies	1,117,643	307,161
Long-term loans to affiliated companies	610,500	72,000
Other participating interests	17,504	–
Long-term securities investments	21,977	3,940
Other long-term loans	30	–
	1,767,654	383,101
Total fixed assets	1,903,396	389,788

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Essen, February 16, 2009

HOCHTIEF Aktiengesellschaft

The Executive Board

Dr. Lütkestratkötter

Ehlers

Dr. Lohr

Dr. Noé

Dr. Rohr

Auditors' Report

We have audited the annual financial statements—comprising the balance sheet, the income statement and the notes to the financial statements—together with the bookkeeping system, and the report on the position of the Company and the Group of HOCHTIEF Aktiengesellschaft, Essen, for the business year from January 1 to December 31, 2008. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB (German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the

framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of HOCHTIEF Aktiengesellschaft, Essen, comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, February 16, 2009

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Dr. Göttgens)
Wirtschaftsprüfer
(German Public Auditor)

(Dr. Reichmann)
Wirtschaftsprüfer
(German Public Auditor)

Notes to the HOCHTIEF Aktiengesellschaft Financial Statements

General information

These Annual Financial Statements are prepared in accordance with the German Commercial Code (HGB) and Stock Corporations Act (AktG). For purposes of clarity, a number of items are combined in the Balance Sheet and in the Statement of Earnings. Such items are broken down into their constituents and commented on elsewhere in these Notes. The Statement of Earnings is presented in vertical format using the nature of expense method of analysis. The financial statements are presented in euros, and all monetary amounts in the text of these Notes are rounded to the nearest thousand euros unless specifically stated otherwise.

The Executive Board and Supervisory Board have issued a declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporations Act (AktG). The declaration is available for shareholders to view at all times in the Annual Report and on the HOCHTIEF website.

Accounting policies

Intangible assets and property, plant and equipment are stated at cost of purchase or production (at the amount required to be capitalized under tax law), less depreciation, amortization and writedowns due to impairment. Borrowing costs are not included in purchase or production cost. Depreciation and amortization are charged to the full extent permissible under tax law. Minor assets with a cost of up to EUR 150 are expensed in the year of purchase or production and are not recognized as assets. Minor assets with a cost of more than EUR 150 but less than EUR 1,000 are grouped and depreciated as a group over five years.

Financial assets are normally reported at acquisition cost. Certain shares in affiliated companies and participating interests are reported at fair value if this is lower. Long-term securities investments are stated at the lower of acquisition cost or their current stock market price or fair value.

Inventories are stated in accordance with the lower of cost or market principle either at cost of purchase or at the cost of production that is required to be recognized for tax purposes. Cost of production of construction work in progress includes direct materials, direct labor, direct expenses, and an appropriate proportion of material overhead, labor overhead and production-related depreciation of fixed assets. Progress payments received from clients are deducted from inventories up to the amount of the cost of production for each project. Advance payments in excess of these amounts are reported as liabilities.

The valuation of receivables and other current assets normally measured at nominal value includes appropriate provision for specific doubtful accounts. A global allowance is also deducted to cover general credit risks and allow for any failure to yield interest.

Marketable securities are reported at the lower of acquisition cost or their current stock market price or fair value.

If the cost of purchase or production of any asset is higher than its fair value on the balance sheet date, its carrying amount is written down accordingly.

Subscribed capital is stated at nominal value.

Provisions for pensions, long-service bonuses, and semi-retirement programs for older employees are determined using actuarial tables. The discount factor applied is 3.5 percent. Pension provisions are determined in accordance with the German Teilwert method (an actuarial present value method) using the Prof. Dr. Klaus Heubeck 2005 G tables. The 2005 G tables are generational tables that state probabilities for pension factors such as mortality, loss of earning capacity or marriage rates classified by birth year as well as by age and sex.

Other provisions are recognized in an amount appropriate to cater for all identifiable risks; the amount provided for reflects the anticipated future charge.

Liabilities are normally reported as the amount due.

Currency translation

Assets and liabilities in foreign currency are reported in the financial statements at the central rate or the spot rate applicable at the time of initial entry in the accounts. Losses due to changes in exchange rates are recognized as expense.

Explanatory Notes to the Balance Sheet

1. Fixed assets

The aggregated fixed assets categories reported in the balance sheet are subclassified, with details of changes in each item relative to the prior year, in the statement of Movements in Fixed Assets on page 6 and 7.

The EUR 307,161,000 increase in stakes in affiliated companies mainly consists of payments into the capital reserve at HOCHTIEF Asia Pacific GmbH, Essen (EUR 225,625,000) and at HOCHTIEF Americas GmbH, Essen (EUR 21,142,000), and the transfer of ownership interests in HOCHTIEF Erste Vermögensverwaltungsgesellschaft mbH, Essen, to Eurafrika Baugesellschaft mbH, Essen (EUR 43,143,000). The EUR 43,143,000 in the disposals column relates to the intra-Group transfer of interests in HOCHTIEF Erste Vermögensverwaltungsgesellschaft mbH.

The additions to long-term loans to affiliated companies relate to HOCHTIEF AirPort GmbH, Essen. EUR 504,500,000 of the year-end total relates to HOCHTIEF AirPort GmbH and EUR 178,000,000 to HOCHTIEF Projektentwicklung GmbH, Essen.

A list of the main subsidiaries, associates and other equity interests held by the HOCHTIEF Group is provided on page 30 and 31. A complete list of HOCHTIEF Aktiengesellschaft's equity interests is published in the electronic Bundesanzeiger (Federal Official Gazette).

Long-term securities investments consist in their entirety of mutual fund units linked to a deferred compensation plan to provide a supplementary pension for employees; these units are pledged in full to employees. The figure includes EUR 3,940,000 in additions to long-term securities investments in 2008.

2. Inventories

(EUR thousand)	Dec. 31, 2008	Dec. 31, 2007
Construction work in progress	32,709	32,014
Less: progress payments received	(4,353)	-
Raw materials and supplies	2	2
	28,358	32,016

3. Receivables and other assets

(EUR thousand)	Dec. 31, 2008	Of which: residual term above 1 year	Dec. 31, 2007	Of which: residual term above 1 year
Trade receivables	49,732	-	30,852	-
Receivables from joint ventures	4,598	-	1,387	-
Receivables from affiliated companies	686,883	225,095	780,501	282,229
Receivables from companies in which the Company has participating interests	15	-	16	-
Other assets	126,676	65,332	132,853	51,372
	867,904	290,427	945,609	333,601

Receivables from affiliated companies are largely connected with intra-Group financial management.

Other assets include pension liability insurance entitlements, tax refund entitlements, interest receivables from securities and fixed-term deposit investments, premiums receivable on derivative financial instruments, entitlements to insurance reimbursements, entitlements from real estate sales, other non-trade receivables and other assets.

4. Marketable securities

Marketable securities comprise EUR 405,543,000 (2007: EUR 565,686,000) in shares in investment funds and fixed-interest investments and EUR 24,310,000 (2007: EUR 21,816,000) in holdings of equity shares. The item also includes 6,999,703 (2007: -) shares of treasury stock with a carrying amount of EUR 186,904,000 (2007: -).

Marketable securities to the value of EUR 235,149,000 (2007: EUR 258,468,000) are legally owned by HOCHTIEF Pension Trust e. V., of which EUR 94,672,000 (2007: -) consists of treasury stock.

5. Cash and cash equivalents

Cash and cash equivalents mostly comprise euro bank balances.

Cash and cash equivalents to the value of EUR 867,000 (2007: EUR 221,000) are legally owned by HOCHTIEF Pension Trust e. V.

6. Prepaid expenses

Prepaid expenses include a loan discount of EUR 125,000 (2007: EUR 420,000). They also include prepaid bank guarantee and loan commitment fees, rents, insurance premiums and taxes applicable to later accounting periods.

7. Shareholders' equity

(EUR thousand)	Amount on Jan. 1, 2008	Dividends distributed	Net profit for the year	Transfer to revenue reserves	Reclassifications	Amount on Dec. 31, 2008
Subscribed capital	179,200	-	-	-	-	179,200
Capital reserve	400,806	-	-	-	-	400,806
Revenue reserves						
Statutory reserve	1,492	-	-	-	-	1,492
Reserve for own stock	-	-	-	-	186,904	186,904
Other revenue reserves	777,364	-	-	32,555	(186,904)	623,015
Total reserves	1,179,662	-	-	32,555	-	1,212,217
Unappropriated net profit	123,555	(90,931)	97,931	(32,555)	-	98,000
	1,482,417	(90,931)	97,931	-	-	1,489,417

As in the previous year, HOCHTIEF Aktiengesellschaft's subscribed capital of EUR 179,200,000 is divided into 70,000,000 no-par-value shares. Each share accounts for EUR 2.56 of capital stock.

The capital reserve comprises premium on shares issued by HOCHTIEF Aktiengesellschaft.

The Executive Board is unaware of any restrictions on voting rights or transfers of securities.

There are no shares with special control rights. The Executive Board is not aware of any employee shares where the control rights are not exercised directly by the employees.

Statutory rules on the appointment and replacement of Executive Board members are contained in Sections 84 and 85 and statutory rules on the amendment of the Articles of Association in Sections 179 and 133 of the German Stock Corporations Act (AktG). Under Section 7 (1) of the Company's Articles of Association, the Executive Board comprises at least three individuals. Section 23 (1) of the Articles of Association provides that resolutions of the General Shareholders' Meeting require a simple majority of votes cast unless there is a mandatory requirement stipulating a different majority. In instances where the Act requires a majority of the capital stock represented at the time of the resolution in addition to a majority of votes cast, Section 23 (3) of the Articles of Association provides that a simple majority will suffice unless there is a mandatory requirement stipulating a different majority.

Pursuant to Section 4 (5) of the Articles of Association, the Executive Board is authorized subject to Supervisory Board approval to increase the capital stock by issuing new no-par-value bearer shares for cash or non-cash consideration in one or more issues up to a total of EUR 53,760,000 by or before May 17, 2010 (Authorized Capital I). Detailed provisions are contained in the stated section of the Articles.

Pursuant to Section 4 (4) of the Articles of Association, the Company's capital stock has been conditionally increased by up to EUR 38,400,000 divided into up to 15,000,000 no-par-value bearer shares (conditional capital). Detailed provisions are contained in the stated section of the Articles.

Authorization to repurchase shares:

The Company is authorized by resolution of the General Shareholders' Meeting of May 8, 2008 to repurchase its own shares in accordance with Section 71 (1) 8 of the German Stock Corporations Act (AktG). The authorization expires on November 7, 2009. It is limited to ten percent of the capital stock at the time of the General Shareholders' Meeting resolution, with the quantity of shares able to be acquired by the use of call options limited to a maximum of five percent of the capital stock at the time of the resolution. The authorization can be exercised directly by the Company or by third parties engaged by the Company and allows the share repurchase to be executed in one or more installments covering the entire amount or any fraction. The repurchase may be effected through the stock exchange or by public offer to all shareholders, or by the issue to the shareholders of rights to sell shares or by the use of call options. The conditions governing the repurchase are set forth in detail in the resolution.

By resolution of the General Shareholders' Meeting of May 8, 2008, the Executive Board is authorized, subject to Supervisory Board approval, in the event of a sale of repurchased shares effected by way of an offer to all shareholders, to issue subscription rights to the shares to holders of any warrant-linked and/or convertible bonds issued by the Company or by any subordinate Group company. The Executive Board is also authorized, subject to Supervisory Board approval, to sell repurchased shares other than through the stock exchange and other than by way of an offer to all shareholders provided that the shares are sold for cash at a price not substantially below the current stock market price for Company shares of the same class at the time of sale.

The HOCHTIEF Aktiengesellschaft Executive Board is authorized, subject to Supervisory Board approval and the conditions set out in the following, to offer and transfer repurchased shares other than through the stock exchange and other than by way of an offer to all shareholders. Such transactions may take place in the course of acquisitions of business enterprises in whole or part and in the course of mergers. They are also permitted for the purpose of obtaining a listing for the Company's shares on foreign stock exchanges where it is not yet listed. The shares may also be offered for purchase by employees or former employees of the Company or its affiliates. Holders of warrant-linked and/or convertible bonds which the Company or a Group company subordinate to it issues or has issued under the authorization granted at the General Shareholders' Meeting of May 18, 2005 (agenda item 10) may also be issued with the

shares upon exercising the warrant and/or conversion rights and/or obligations attached to the bonds.

Shareholders' statutory subscription rights to such shares are barred pursuant to Sections 71 (1) 8 and 186 (3) and (4) of the German Stock Corporations Act (AktG) to the extent that the shares are used in exercise of the authorizations set out above.

The Executive Board is also authorized, subject to Supervisory Board approval, to retire repurchased shares without a further resolution of the General Shareholders' Meeting being required for the share retirement itself or its execution.

The conditions governing awards of subscription rights and the sale, transfer and retirement of treasury stock are set forth in detail in the General Shareholders' Meeting resolution.

As of December 31, 2008, HOCHTIEF Aktiengesellschaft held a total of 3,499,753 shares of treasury stock as defined in Section 160 (1) 2 of the German Stock Corporations Act (AktG). These shares were purchased over the course of the year. The holdings of treasury stock represent EUR 8,959,368 (4.9996 percent) of the Company's capital stock.

Transactions relating to treasury stock:

53,000 of the Company's own shares were purchased in January 2008 for a total price of EUR 3,488,163 (an average of EUR 65.81 per share) in order to offer them for purchase by persons in the Company's employment or the employment of an affiliate. These shares represent EUR 135,680 (0.08 percent) of the Company's capital stock.

3,468,000 of the Company's own shares were purchased, under the stock buy-back program adopted on October 21, 2008, in the period October 23 to December 5, 2008 for a total price of EUR 90,023,514 (an average of EUR 25.96 per share) and for the purposes provided for in the authorizing resolution of the General Shareholders' Meeting of May 8, 2008. These shares represent EUR 8,878,080 (4.95 percent) of the Company's capital stock.

21,247 shares of treasury stock were sold in July 2008 to employees of HOCHTIEF or its affiliates. Of these shares, 11,754 were sold at a price of EUR 50.94 each and 9,493 at a price of EUR 53.94 each. The shares represent EUR 54,392 (0.03 percent) of the Company's capital stock.

As of December 31, 2008, HOCHTIEF Pension Trust e.V. held a total of 3,499,950 shares of treasury stock as defined in Section 160 (1) 2 of the German Stock Corporations Act (AktG). HOCHTIEF Pension Trust e.V. purchased the shares on the account of HOCHTIEF Aktiengesellschaft in the period October 22, 2008 to December 15, 2008 for a total price of EUR 94,577,491 (an average of EUR 27.02 per share) and for the purposes provided for in the authorizing resolution of the General Shareholders' Meeting of May 8, 2008. These shares represent EUR 8,959,872 (4.9999 percent) of the Company's capital stock.

Following the purchases of the Company's own shares, an amount of EUR 186,904,000—equal to the carrying amount of the treasury stock—was transferred in accordance with statutory requirements to the reserve for own stock. The amount was transferred from other revenue reserves.

In accordance with the resolution of the General Shareholders' Meeting of May 8, 2008, EUR 32,555,000 of the 2007 net profit before changes in reserves was transferred to revenue reserves (under Section 58 (3) of the German Stock Corporations Act (AktG)).

8. Share-based payment

The following Group-wide share-based payment systems were in force for managerial staff of HOCHTIEF Aktiengesellschaft and its affiliates in 2008:

Long-term Incentive Plan 2003

The Long-term Incentive Plan 2003 (LTIP 2003) was launched by resolution of the Supervisory Board in 2003 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. LTIP 2003 is based on stock appreciation rights (SARs).

LTIP 2003 had a waiting time of two years followed by an exercise period of three years. The plan therefore ended in 2008.

The SARs could only be exercised if, for at least ten consecutive stock market trading days before the exercise date, the ten-day average stock market closing price of HOCHTIEF stock was higher relative to the issue price compared with the ten-day average closing level of the CDAX Construction index relative to the index base (relative performance threshold) and the stock market closing price of HOCHTIEF stock on the last stock market trading day before the exercise date was at least ten percent higher than the issue price (absolute performance threshold). The relative performance threshold was waived if the average stock market price of HOCHTIEF stock exceeded the issue price by at least 20 percent on ten consecutive stock market trading days after the end of the waiting period.

Provided that the targets were met, SARs could be exercised at any time after the waiting period except during a short period before any business results were published. The number of SARs that could be exercised depended on the size of the gain in the average price of HOCHTIEF stock over ten consecutive stock market trading days relative to the issue price, with a minimum 10, 15 or 20 percent price gain permitting 25 percent, 60 percent or all SARs to be exercised. When SARs were exercised, the issuing entity paid out the difference between the current stock price and the issue price. The difference was capped at 100 percent of the issue price.

Long-term Incentive Plan 2004

The Long-term Incentive Plan 2004 (LTIP 2004) was launched by resolution of the Supervisory Board in 2004 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. The conditions differ from those of LTIP 2003 only as regards the relative performance threshold described in the following.

The SARs can only be exercised if, for at least ten consecutive stock market trading days before the exercise date, the ten-day average stock market closing price of HOCHTIEF stock is higher relative to the issue price compared with the ten-day average closing level of the MDAX index relative to the index base.

Top Executive Retention Plan 2004

The Top Executive Retention Plan 2004 (TERP 2004) was launched by resolution of the Supervisory Board in 2004 in connection with the sale of RWE Aktiengesellschaft's stake in HOCHTIEF Aktiengesellschaft and is open to Executive Board members and selected managerial employees. The TERP complements existing measures in helping to forge long-term ties with HOCHTIEF and retain expertise within the Company. The plan is based on stock appreciation rights (SARs).

The issued SARs have accrued in three tranches, with waiting periods of between two and four years. The exercise periods are between three and five years, depending on the tranche.

The SARs can only be exercised if the average (arithmetic mean) closing price of HOCHTIEF stock over the ten stock market trading days preceding the exercise date increases by a greater percentage relative to the issue price than the average closing level of the MDAX index increases over the same ten trading days relative to the index base (relative performance threshold) and the stock market closing price of HOCHTIEF stock on the last stock market trading day before the exercise date is at least 25 percent higher than the issue price (absolute performance threshold). The relative performance threshold is waived if after the end of the waiting period the average stock market price of HOCHTIEF stock over the ten consecutive stock market trading days immediately preceding the exercise date is at least 30 percent higher than the issue price.

Provided that the targets are met, SARs under the plan can be exercised at any time after the waiting period except during a short period before any business results are published. The number of SARs that can be exercised depends on the size of the gain relative to the issue price in the average price of HOCHTIEF stock over ten consecutive stock market trading days during the exercise period for the respective tranche of SARs, with a minimum 25, 30 or 35 percent price gain permitting 25 percent, 60 percent or all SARs to be exercised. When SARs are exercised, the issuing entity pays out the difference between the current stock price and the issue price. During

the exercise period, this amount is limited to a specific fraction of the maximum possible difference (capped), the fraction increasing according to the exercise date and thus with the passage of time. At the end of the period, the difference is capped at 100 percent of the issue price.

Long-term Incentive Plan 2005

The Long-term Incentive Plan 2005 (LTIP 2005) was launched by resolution of the Supervisory Board in 2005 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. The conditions essentially differ from LTIP 2004 only as regards the absolute performance threshold described in the following.

SARs can only be exercised if return on net assets, as determined from the most recent approved consolidated financial statements, is at least ten percent. Provided that the targets are met, SARs can be exercised at any time except during certain barred periods.

Long-term Incentive Plan 2006

The Long-term Incentive Plan 2006 (LTIP 2006) was launched by resolution of the Supervisory Board in 2006 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. Alongside grants of stock appreciation rights (SARs), LTIP 2006 also provides for grants of stock awards.

The conditions for granting SARs essentially differ from those of the preceding LTIP 2005 only in two points:

1. The relative performance threshold is waived if the average stock market price of HOCHTIEF stock exceeds the issue price by at least ten percent on ten consecutive stock market trading days after the end of the waiting period.
2. The gain is capped at 50 percent of the issue price.

Provided that the targets are met, SARs can be exercised at any time after the waiting period except during certain barred periods.

The LTIP conditions for stock awards stipulate that for each stock award exercised within a two-year exercise period following a three-year waiting period, entitled individuals receive at HOCHTIEF Aktiengesellschaft's choice either a HOCHTIEF share or a compensatory amount equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date. The gain on each stock award is limited to 150 percent of the stock market closing price on the day before the issue date.

Long-term Incentive Plan 2007

The Long-term Incentive Plan 2007 (LTIP 2007) was launched by resolution of the Supervisory Board in 2007 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. The conditions do not differ in any material respect from those of LTIP 2006.

Long-term Incentive Plan 2008

The Long-term Incentive Plan intended for issue in 2008 was already launched as the Long-term Incentive Plan 2008 (LTIP 2008) by resolution of the Supervisory Board in November 2007 and is open to Executive Board members and upper managerial employees of HOCHTIEF Aktiengesellschaft and its affiliates. The conditions do not differ from those of LTIP 2007. The term of the plan has been extended compared with earlier plans to ensure that the exercise system is not changed despite the earlier issue.

Retention Stock Awards 2008

In May 2008, the Human Resources Committee adopted a resolution to launch for members of the Executive Board, on the basis of LTIP 2008 (stock awards), a Retention Stock Award plan (RSA 2008) consisting of three tranches and running for seven years, and granted a first tranche of awards under the plan. The conditions for the first tranche of RSA 2008 differ from LTIP 2008 solely with regard to the cap, which is set at EUR 160 per stock award.

Top Executive Retention Plan 2008

The Executive Board also resolved in June 2008 to launch a Top Executive Retention Plan 2008 (TERP 2008) for selected managerial employees.

This plan is likewise based on stock awards and consists of three tranches. Only the first tranche was granted in the year under review.

The total term of the plan is ten years. The waiting period after the granting of each tranche is three years. The exercise period is between five and seven years, depending on the tranche.

The conditions stipulate that, after the waiting period, entitled individuals receive for each stock award either a HOCHTIEF share or, at HOCHTIEF Aktiengesellschaft's choice, a compensatory amount equal to the closing price of HOCHTIEF stock on the last stock market trading day before the transfer date. The gain is capped for each year of the exercise period. The cap rises annually up to a maximum gain at the end of the term. The maximum gain on the first tranche is set to EUR 160 per stock award.

Other information

The conditions of all plans stipulate that on the exercise of SARs or stock awards—and the fulfillment of all other requisite criteria—HOCHTIEF Aktiengesellschaft normally has the option of delivering HOCHTIEF shares instead of paying out the gain in cash. Where the entitled individuals are not employees of HOCHTIEF Aktiengesellschaft, the expense incurred on exercise of SARs or stock awards is met by the affiliated company concerned.

Provisions recognized for the stated share-based payment arrangements totaled EUR 16,773,000 as of the balance sheet date (2007: EUR 38,432,000). The total gain recognized for the stated arrangements in 2008 was EUR 9,653,000 (2007: total expense of EUR 18,490,000). The intrinsic value of SARs exercisable at the end of the reporting period was EUR 3,140,000 (2007: EUR 6,159,000).

The quantities of SARs and stock awards granted, expired and exercised under the plans are as follows:

	Originally granted	Outstanding at Dec. 31, 2007	Granted in 2008	Expired in 2008	Exercised in 2008	Outstanding at Dec. 31, 2008
LTIP 2003	1,010,900	6,600	–	6,600	–	–
LTIP 2004	1,055,900	10,000	–	–	–	10,000
TERP 2004	1,853,901	1,711,739	–	–	568,193	1,143,546
LTIP 2005	885,150	2,700	–	–	–	2,700
LTIP 2006 – SARs	445,774	434,307	–	2,233	432,074	–
LTIP 2006 – stock awards	165,243	158,451	–	2,992	–	155,459
LTIP 2007 – SARs	430,450	423,100	–	15,100	–	408,000
LTIP 2007 – stock awards	110,650	109,100	–	4,450	–	104,650
LTIP 2008 – SARs	41,250	41,250	263,325	8,180	–	296,395
LTIP 2008 – stock awards	26,950	26,950	75,035	2,425	–	99,560
RSA 2008/Tranche 1	122,012	–	122,012	–	–	122,012
TERP 2008/Tranche 1	130,900	–	130,900	4,800	–	126,100

9. Provisions

(EUR thousand)	Dec. 31, 2008	Dec. 31, 2007
Provisions for pensions	298,719	303,345
Provisions for taxes	16,727	14,570
Other provisions	73,282	120,530
	388,728	438,445

Provisions for pensions are recognized for current and future benefit payments to active and former employees and their surviving dependants. Pension payments totaled EUR 22,624,000 in 2008 (2007: EUR 22,373,000).

Under a contractual trust arrangement (CTA) effective the end of 2004, HOCHTIEF Aktiengesellschaft set up a legally separate pension fund to hold assets used to fund pension benefit payments for HOCHTIEF Aktiengesellschaft. HOCHTIEF Aktiengesellschaft retains beneficial ownership of the trust assets.

Other provisions cover items such as risks in real estate and equity holdings, anticipated losses related to pending transactions not accounted for elsewhere, internal and external costs of preparing the annual financial statements, stock appreciation rights (SARs) and stock awards, outstanding employee leave, costs of semiretirement programs for older employees, payments for damages, and other uncertain liabilities.

10. Other liabilities

(EUR thousand)

	Dec. 31, 2008	Of which: with residual term of up to 1 year	Dec. 31, 2007	Of which: with residual term of up to 1 year
Amounts due to banks	1,181,311	449,642	621,795	7,977
Advance payments received	37,992	37,992	3,722	3,722
Trade payables	3,016	3,016	27,490	27,490
Amounts due to affiliated companies	551,530	516,724	572,867	572,867
Amounts due to companies in which the Company has participating interests	1,172	1,172	1,174	1,174
Sundry other liabilities	57,117	55,258	46,489	46,315
Of which: from taxes	[30,944]	[30,944]	[23,308]	[23,308]
Of which: from social insurance contributions	[155]	[155]	[102]	[102]
	1,832,138	1,063,804	1,273,537	659,545

Amounts due to banks include EUR 200,000,000 in promissory note loans granted in 2004 with an original term of five years and a five percent coupon. HOCHTIEF Aktiengesellschaft took out two further promissory note loans on July 4, 2008, comprising one for a nominal amount of EUR 200,000,000 and a term of five years and one for a nominal amount of EUR 50,000,000 and a term of seven years. The coupon on both is equal to six-month EURIBOR plus an appropriate margin. On November 22, 2005, HOCHTIEF Aktiengesellschaft signed a EUR 600 million syndicated revolving credit facility with an international banking syndicate. The amount utilized was EUR 477,000,000 (2007: EUR 358,000,000). Drawings on the facility are subject to interest at the EURIBOR rate applicable for the length of the drawing plus an appropriate margin. The facility runs to November 22, 2012.

Amounts due to affiliated companies largely relate to intra-Group financial management.

Sundry other liabilities include tax liabilities, payroll liabilities, social insurance liabilities, other non-trade payables and other obligations.

Liabilities totaling EUR 50,000,000 (2007: -) have a remaining time to maturity of more than five years.

11. Contingencies, commitments and other financial obligations

(EUR thousand)	Dec. 31, 2008	Dec. 31, 2007
Obligations from guarantees, sureties and letters of support	1,293,955	750,525
Of which: for affiliated companies	[1,279,340]	[739,686]

HOCHTIEF Aktiengesellschaft is additionally liable for joint venture guarantees given by Flatiron Construction Corp. up to a maximum of the total contract value. This amounted to EUR 887,464,000 as of December 31, 2008.

The commitments and potential obligations primarily serve as security for bank loans, contract performance, warranty obligations and advance payments. Most guarantees as of the reporting date related to participating interests and construction joint ventures.

HOCHTIEF Aktiengesellschaft increased the syndicated revolving guarantee facility to EUR 2.0 billion in October 2007. The facility ensures the availability of guarantees for ordinary activities, mainly of the HOCHTIEF Europe, HOCHTIEF Concessions and HOCHTIEF Real Estate divisions. The syndicated revolving guarantee facility has a tenor of five years. It was utilized in the amount of EUR 1.17 billion (2007: EUR 1.19 billion) as of December 31, 2008.

HOCHTIEF Aktiengesellschaft has provided an unlimited bonding guarantee in favor of US insurance companies in respect of obligations of the Turner Group and the Flatiron Group. Bonding is a statutory form of security used in the US to guarantee performance of public projects. It is also used with other selected customers. The total bonding amount is USD 4,758 million (2007: USD 4,812 million). USD 3,579 million was utilized in the year under review (2007: USD 3,559 million). No recourse has ever been made to this guarantee provided by HOCHTIEF, and none is currently anticipated for the future.

In addition, HOCHTIEF Aktiengesellschaft has available a further EUR 1.01 billion (2007: EUR 1.22 billion) in revolving guarantee facilities provided by insurance companies and banks. EUR 0.62 billion (2007: EUR 0.85 billion) of these facilities is utilized as of December 31, 2008.

As in the previous year, a nominal EUR 6,000,000 in marketable securities is pledged by way of security for employee benefit entitlements under semiretirement programs.

Other financial obligations include EUR 220,895,000 (2007: EUR 211,712,000) in commitments under long-term contracts for the supply of goods and services. These represent obligations under long-term rental contracts and are partly offset by anticipated rental income totaling EUR 123,897,000 (2007: EUR 117,008,000).

Derivative financial instruments

HOCHTIEF uses forward foreign exchange transactions and other derivative financial instruments to offset the effects of exchange rate and interest rate fluctuations in its international operations and financing activities. All Group companies are bound by guidelines laying down rules on the use of such instruments, separate monitoring and lines of responsibility. Derivatives may only be used in designated hedging relationships to hedge risks. The counterparties in hedging transactions are invariably banks with first-rate credit standing.

Hedged items are valued as a unit with their corresponding hedging transactions if they are objectively and intentionally complementary in use and function such that gains and losses from the hedged item and the hedging transaction are highly likely to cancel each other out.

The EUR 430,000,000 nominal value of the hedged items (2007: EUR 180,000,000) is hedged with a total of seven interest rate swaps; the hedges and hedged items are accounted for as a unit. The increase in nominal value from the prior year reflects two promissory note loans for a combined total of EUR 250,000,000 taken out in July 2008. The nominal amount allows inferences to be drawn as to the overall use made of derivatives, but does not reflect the level of risk involved in their use. The fair value of the interest rate swaps as of December 31, 2008 was a negative EUR 37,297,000 (2007: negative EUR 3,797,000). Three of the interest rate swaps were entered into reciprocally on identical terms with an affiliated company. These have a positive fair value of EUR 15,438,000 as of December 31, 2008 (2007: EUR 3,797,000).

Two index options on the DAX have been taken out to hedge investment fund units included in marketable securities. The two options—a put and a call—had a net fair value of a negative EUR 1,636,000 as of December 31, 2008 (2007: –). Seven forward contracts on stock and three options on stock were taken out to hedge our share-based compensation plans.

The stock forward contracts had a fair value of EUR 3,100,000 as of December 31, 2008 (2007: –). The options had a net fair value of EUR 2,113,000 (2007: –). Provisions are recognized as necessary for onerous contracts.

The forward exchange contracts taken out as exchange rate hedges had a fair value of a negative EUR 5,114,000 at the balance sheet date (2007: EUR –). The contracts have a nominal value of PLN 147,828,000 (EUR 40,125,000). They are accounted for as a unit with the corresponding foreign-currency loans (the hedged items).

All derivatives are measured at fair value by discounting expected future cash flows using the market interest rates applicable for the remaining lifetimes of the derivative contracts.

Explanatory Notes to the Statement of Earnings

12. Sales

Following the reorganization of HOCHTIEF Aktiengesellschaft as a strategic management holding company in 2001 and the transfer of construction operations to the legally independent HOCHTIEF Construction AG, reported sales comprise revenue from performing the functions of a holding company. The sales figure also includes EUR 111,498,000 (2007: EUR 79,043,000) in revenue from construction projects where the completion of contract performance and processing was left with HOCHTIEF Aktiengesellschaft for organizational reasons in the context of the transfer just mentioned. The international share of sales was EUR 112,305,000 (2007: EUR 75,466,000).

13. Other operating income

This item primarily includes income from the disposal of property, plant and equipment, corporate headquarters charges, sales of securities, reversals of provisions, and derivatives. In 2007, the item also included income from sales of treasury stock.

14. Materials

(EUR thousand)	2008	2007
Raw materials, supplies and purchased goods	6,145	1,506
Purchased services	110,756	95,196
	116,901	96,702

15. Personnel costs

(EUR thousand)	2008	2007
Wages and salaries	59,844	71,713
Social insurance and support	6,611	6,298
Pensions	16,753	21,724
	83,208	99,735

Employees

(average for the year)	2008	2007
Waged/industrial employees	10	10
Salaried/office employees	610	575
	620	585

The increase in the number of salaried/office employees is mainly due to activities taken over from operational units and the expansion of existing activities.

16. Depreciation and amortization

(EUR thousand)	2008	2007
Intangible assets	4,227	3,667
Property, plant and equipment	2,002	3,795
	6,229	7,462

Depreciation and amortization are charged in the amount permitted for tax purposes. EUR 4,036,000 (2007: EUR 4,195,000) is accounted for by depreciation and amortization as such, and EUR 2,193,000 (2007: EUR 3,267,000) by impairment charges. The impairment charges relate in their entirety to intangible assets; EUR 1,662,000 of the impairment charges recognized in 2007 related to intangible assets and EUR 1,605,000 to property, plant and equipment.

17. Other operating expenses

Other operating expenses primarily include rentals and lease payments, consulting fees, banking costs, insurance premiums, discounting of receivables, court costs, attorneys' and notaries' fees, travel and other business expenses, losses on asset disposals and sales of marketable securities, foreign exchange losses, costs of preparing the annual financial statements, and other social benefits payable that are not reported elsewhere. Other taxes included here come to EUR 401,000 (2007: EUR 1,187,000).

18. Income from financial assets (net)

(EUR thousand)	2008	2007
Income from profit/loss transfer agreements	196,379	216,039
Income from participating interests	59,934	13,414
Of which: from affiliated companies	[59,933]	[13,413]
Expenses from transfer of losses	(108,678)	(204,740)
Income from other securities and long-term loans	35,152	19,846
Of which: from affiliated companies	[35,144]	[19,082]
	182,787	44,559

19. Interest expense

(EUR thousand)	2008	2007
Other interest and similar income	71,664	72,993
Of which: from affiliated companies	[44,428]	[35,789]
Interest and similar expenses	(89,211)	(64,575)
Of which: to affiliated companies	[(30,676)]	[(17,639)]
	(17,547)	8,418

20. Writedowns on financial assets and marketable securities

This item mainly consists of reductions in the carrying amount of other marketable securities to the market price at the balance sheet date. In 2007, it included a EUR 203,806,000 reduction in the carrying amount of shares in a domestic affiliated company.

21. Income taxes

Income taxes include foreign taxes on profits. Other taxes are disclosed under other operating expenses.

22. Total Executive Board and Supervisory Board compensation

Executive Board compensation for the 2008 fiscal year

At the proposal of the Human Resources Committee, the full Supervisory Board decides on the Executive Board compensation system including its main contractual elements and reviews this system on a regular basis.

Specifics regarding the amount of Executive Board compensation are decided by the Human Resources Committee.

Executive Board member compensation comprises a fixed salary supplemented by variable, performance-linked components.

The fixed component constitutes basic compensation not linked to performance and is paid as a monthly salary; Executive

Board members additionally receive supplementary compensation in the form of non-cash benefits. Non-cash benefits mostly comprise amounts to be recognized for tax purposes for private use of company cars and accident insurance.

The value of performance-linked compensation depends on the consolidated profit before taxes and the personal performance of the Executive Board members themselves.

In the event of full compliance with the targets, the total cash compensation comprises around 50 percent fixed and 50 percent performance-linked components. The performance-linked compensation consists of the Company bonus (60 percent) and an individual bonus (40 percent)—assuming full compliance with targets.

Executive Board compensation also includes pension awards, other awards in the event of termination of office, and participation in the Group's variable compensation arrangements combining long-term incentives with an element of risk.

Executive Board compensation for past fiscal years

Amounts paid in 2008 for offices held within the Group comprised EUR 35,000 in fixed compensation to Dr. Noé and EUR 578,000 in additional performance-linked compensation paid retroactively for FY 2007 (EUR 269,000 to Dr. Lütkestratkötter, EUR 48,000 to Mr. Ehlers, EUR 73,000 to Dr. Lohr, EUR 115,000 to Dr. Noé and EUR 73,000 to Dr. Rohr).

Compensation for the 2008 [2007] fiscal year

(EUR thousand)	Fixed compensation	Performance-linked compensation	Non-cash benefits	Total	
Dr. Lütkestratkötter	785 [672]	807 [863]	16 [12]	1,608	[1,547]
Mr. Ehlers	523 [480]	538 [616]	24 [24]	1,085	[1,120]
Dr. Lohr	523 [453]	538 [582]	29 [29]	1,090	[1,064]
Dr. Noé	523 [480]	538 [616]	18 [18]	1,079	[1,114]
Dr. Rohr	523 [453]	538 [582]	25 [24]	1,086	[1,059]
Executive Board total 2008	2,877 [2,538]*	2,959 [3,259]*	112 [107]*	5,948	[5,904]*

* Prior-year figures excluding figures for Dr. Keitel, who retired from office as Chairman of the Executive Board in 2007 (total: EUR 485,000)

Variable pay components combining a long-term incentive effect with an element of risk

Executive Board compensation also includes participation in the Company's long-term incentive plans (LTIPs). These comprise grants of stock appreciation rights (SARs) and stock awards (phantom stock).

If the applicable exercise targets are met after a two-year waiting period, the stock appreciation rights grant the Executive Board members a monetary claim against the Company, which they can exercise over the then following three years. The amount of the claim depends on the development of the share price within the waiting and exercise periods. In addition, relative and absolute performance targets, which cannot be modified retroactively, have to be met.

The terms of stock awards provide that after the three-year waiting period, those entitled have, for each stock award and for a further two-year exercise period, a monetary claim against the Company equal to the closing price of HOCHTIEF stock on the last day of stock market trading prior to the exercise date.

The value of all entitlements under long-term incentive plans is capped so that the amount of compensation stays appropriate in the event of extraordinary, unforeseeable developments. In fiscal 2008, the stock appreciation rights under LTIP 2006 were exercised in full by all members of the Executive Board. The sums paid out amounted to EUR 1,485,000 (EUR 297,000 each to Dr. Lütkestratkötter, Mr. Ehlers, Dr. Lohr, Dr. Noé and Dr. Rohr).

* Value at grant date as per actuarial appraisal

** Prior-year figures excluding figures for Dr. Keitel, who retired from office as Chairman of the Executive Board in 2007 (EUR 2,822,000)

Executive Board compensation also includes long-term SARs under the Top Executive Retention Plan 2004 (TERP 2004)—a plan set up on the sale of RWE Aktiengesellschaft's stake in HOCHTIEF Aktiengesellschaft. Stock appreciation rights worth EUR 4,448,000 were exercised in 2008 under TERP 2004 (EUR 1,400,000 by Mr. Ehlers, EUR 1,400,000 by Dr. Lohr, and EUR 1,648,000 by Dr. Noé).

In May 2008, the Human Resources Committee launched a Retention Stock Award plan (RSA 2008) and granted the first tranche of awards under the plan. The Committee also resolved to grant a second tranche in 2009 and a third in 2010, each identical in amount to the first.

The plans have also granted SARs and stock awards to members of upper management.

For his activities on the Turner Board, Dr. Lütkestratkötter has been granted awards under the Phantom Stock Award Plan for The Turner Corporation top managers and Board members in past years. The plan is based on the granting of stock appreciation rights and phantom stock units whose performance is measured with reference to a phantom stock price based on earnings.

Further information on the plans is provided in the Notes to the Consolidated Financial Statements of HOCHTIEF Aktiengesellschaft on pages 15–18.

For fiscal 2008, the Executive Board members received fixed compensation in a total amount of EUR 2,877,000, perform-

Variable pay components combining a long-term incentive effect with an element of risk

	LTIPs granted in 2008				RSA 2008/Tranche 1		LTIP income 2008 [expense 2007]	
	Stock appreciation rights		Stock awards		Number	Value (EUR thousand)*	Value (EUR thousand)	Value (EUR thousand)
	Number	Value (EUR thousand)*	Number	Value (EUR thousand)*				
Dr. Lütkestratkötter	11,250	186	7,350	494	33,276	2,041	(1,314)	[2,079]
Mr. Ehlers	7,500	124	4,900	329	22,184	1,361	(358)	[1,399]
Dr. Lohr	7,500	124	4,900	329	22,184	1,361	(358)	[1,366]
Dr. Noé	7,500	124	4,900	329	22,184	1,361	(1,082)	[2,086]
Dr. Rohr	7,500	124	4,900	329	22,184	1,361	(1,025)	[1,671]
Executive Board total 2008	41,250	682	26,950	1,810	122,012	7,485	(4,137)	[8,601]**

ance-linked compensation totaling EUR 2,959,000 and combined non-cash benefits of EUR 112,000. Long-term compensation components from LTIP 2008, amounting to EUR 2,492,000, were also allocated for fiscal 2008. Total compensation for the 2008 fiscal year thus amounts to EUR 8,440,000 (2007: EUR 9,606,000).

The granting of the first tranche of the newly launched Retention Stock Award plan (RSA 2008) resulted in a EUR 7,485,000 extraordinary increase in the total compensation amount, raising total compensation for fiscal 2008 to EUR 15,925,000. Although RSA 2008 runs for seven years, each of its three tranches is required to be accounted for at fair value at the grant date. This value is determined as of the grant date using the Black/Scholes option pricing model. The fair value at the end of the waiting period differs from the fair value at the grant date and depends on the future performance of the HOCHTIEF stock price. As of the audit date of the consolidated financial statements, plans launched in the past and still in force had lost about half of their value as of the grant date. Some of the stock appreciation rights plans are currently valueless due to the high issue price.

Pensions

All Executive Board members have pension awards under individual contracts setting the minimum pension age at 60. The pension amount is determined as a percentage of fixed compensation, the percentage rising with each member's term of office. The maximum amount for the Executive Board members is 65 percent of their final fixed compensation. Surviving dependants receive 60 percent of the pension.

Executive Board members whose contract is not extended or is prematurely terminated before they reach the age of 50 receive a transitional benefit payable until the commencement of regular pension payments and equaling 50 percent of the pension entitlement accumulated prior to leaving the Company or 75 percent in the case of members leaving at age 50 or older; where applicable, other income is partly deductible from the transitional benefit.

Dr. Herbert Lütkestratkötter, Dr. Burkhard Lohr and Dr. Peter Noé have received pension awards for their work on the Leighton Board. An expense of EUR 7,000 for Dr. Herbert Lütkestratkötter, EUR 1,000 for Dr. Burkhard Lohr and EUR

(EUR thousand)	Transfers to pension provisions in fiscal 2008 [2007]		Estimated benefit amount
			(as of Dec. 31, 2008)
Dr. Lütkestratkötter	839	[2,084]	334
Mr. Ehlers	311	[450]	183
Dr. Lohr	289	[324]	183
Dr. Noé	386	[514]	235
Dr. Rohr	339	[867]	235
Executive Board total	2,164	[4,239]*	1,170

* Prior-year figures excluding figures for Dr. Keitel, who retired from office as Chairman of the Executive Board in 2007 (EUR 649,000)

10,000 for Dr. Peter Noé was incurred for this purpose by Leighton in the 2007/2008 fiscal year.

The present value of pension benefits for current and former Executive Board members is EUR 51,919,000 (2007: EUR 49,842,000).

Pension payments to former members of the Executive Board and their surviving dependants were EUR 3,116,000 in 2008 (2007: EUR 2,822,000).

EUR 36,318,000 (2007: EUR 36,430,000) in provisions have been recognized for pension obligations to former members of the Executive Board and their surviving dependants.

Severance awards for members of the Executive Board

If shareholders obtain control of HOCHTIEF Aktiengesellschaft as defined in Sections 29 and 30 of the German Securities Acquisition and Takeover Act (WpÜG), all members of the Executive Board in office in the year concerned are entitled—under agreements entered into with them before 2008—to resign from office and simultaneously terminate their contracts at six months' notice. The members of the Executive Board are each similarly entitled in the event of other takeover-like contingencies specified in their contracts (including, among other things, the obtaining of a majority of voting rights at general shareholders' meetings). Executive Board members also have such a right if confronted by sustained and substantial pressure from shareholders demanding that they resign or take specific action which the members concerned are unable to reconcile with their personal responsibility for the exercise of office. In

the event that their contracts are terminated by notice, terminated by mutual agreement or expire within nine months following a takeover, the departing Executive Board members receive in compensation for termination of their contracts a severance award equaling two-and-a-half years' benefits comprising their fixed annual compensation plus performance-linked compensation in the amount budgeted for in their contracts. If an Executive Board member's contract has more than two-and-a-half years left to run from the effective date of termination, the severance award increases by an appropriate amount. No earlier than two-and-a-half years following termination of their contracts, the departing Executive Board members are paid a contractual transitional benefit in accordance with their contractual pension arrangements. Regarding all entitlements under their contractual pension arrangements,

the departing Executive Board members are treated as if their contract had three years left to run from the termination date. Regarding any entitlements under the Company's long-term incentive plans, the departing Executive Board members have a right to demand settlement of entitlements under plans currently in force. Departing Executive Board members who do not exercise the right to settlement are treated under the long-term incentive plans as if their contract had three years left to run from the termination date.

Supervisory Board compensation

Supervisory Board compensation is determined at the General Shareholders' Meeting and is governed by Section 18 of the Company's Articles of Association. Supervisory Board compensation for fiscal 2008 based on the dividend proposed for approval at the General Shareholders' Meeting in May 2009 is shown in the table below.

Supervisory Board compensation

(EUR thousand)	Fixed remuneration	Variable remuneration	Attendance fees	Total
Dr. Martin Kohlhaussen	36	195	8	239
Gerhard Peters	24	130	8	162
Ángel García Altozano	18	97	8	123
Alois Binder	18	97	8	123
Detlev Bremkamp	20	108	8	136
Günter Haardt	18	97	8	123
Lutz Kalkofen	12	65	8	85
Prof. Dr. Hans-Peter Keitel	14	76	8	98
Dr. Dietmar Kuhnt	16	90	6	112
Raimund Neubauer	12	65	8	85
Udo Paech	12	65	8	85
Gerrit Pennings	12	65	8	85
Prof. Dr. Heinrich von Pierer	12	65	8	85
Prof. Dr. Wilhelm Simson	18	97	8	123
Tilman Todenhöfer	4	21	2	27
Marcelino Fernández Verdes	12	65	8	85
Klaus WieseHügel	18	97	6	121
Supervisory Board total	276	1,495	126	1,897

23. Auditing fees

Fees for services provided by auditors Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft were paid and recognized as expenses in 2008 as follows:

(EUR thousand)	2008	2007
Financial statement audits	396	388
Other auditing and valuation services	–	80
Tax consulting	–	–
Other services provided for HOCHTIEF Aktiengesellschaft	–	81
	396	549

The fees for financial statement audits comprise fees charged by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft for auditing the annual financial statements of HOCHTIEF Aktiengesellschaft, the HOCHTIEF Group consolidated financial statements and the combined HOCHTIEF Group and HOCHTIEF Aktiengesellschaft management report.

24. Disclosures on ownership structure pursuant to Section 160 (1) 8 of the German Stock Corporations Act (AktG)

The following changes in the ownership structure of HOCHTIEF Aktiengesellschaft pertaining or arising during 2008 or the reference period must be reported under Section 26 and/or Section 21 (1) of the German Securities Trading Act (WpHG):

On April 25, 2007, we were notified by **CARIÁTIDE S.A. ('Cariátide')**, registered office Madrid, Spain, pursuant to section 21 paragraph 1 of the German Securities Trading Act ('WpHG'), that: On 24 April 2007, the voting share in HOCHTIEF Aktiengesellschaft, Opernplatz 2, D45128 Essen, held directly by Cariátide exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% and amounts to 25.08% of the voting rights (17,554,000 voting rights).

On April 25, 2007, we were notified by **ACS, Actividades de Construcción y Servicios, S.A. ('ACS')**, Madrid, Spain, pursuant to section 21 paragraph 1 of the German Securities Trading Act ('WpHG'), that: On 24 April 2007, the voting share in HOCHTIEF Aktiengesellschaft, Opernplatz 2, D45128 Essen, held indirectly by ACS exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% and amounts to 25.08% of the voting rights (17,554,000 voting rights). All of these voting rights are attributable to ACS according to section 22 paragraph 1 sentence 1 no. 1 WpHG. The voting rights are held indirectly through ACS' subsidiary CARIÁTIDE S.A.

Sparinvest Holding A/S, Tastrup, Denmark, sent us the following 'Correction of Notification of 6th of July 2007' on July 10, 2007: We hereby correct our telefax of 6th of July 2007. Regarding sec. 21 para. 1 WpHG the voting interest of Sparinvest Holding A/S in HOCHTIEF Aktiengesellschaft, Opernplatz 2, 45128 Essen, exceeded the threshold of 3 % and amounts to 3,06 % (2.141.052 voting rights) on 19th of June 2007. 3,06 % of these voting rights (correction: 2.141.052 shares) are attributable to Sparinvest Holding A/S according to section 22 para 1 sent. 1 no. 6 WpHG in connection with sent. 2 and 3 WpHG.

On July 31, 2007, we were notified by **Gartmore Investment Management Ltd of Gartmore House**, London, Great Britain, pursuant to section 21 paragraph 1 of the German Securities Trading Act ('WpHG'), that: We hereby give notice, pursuant to sec. 21 para. 1 of the WpHG, that on 24/07/2007 our voting interest in HOCHTIEF Aktiengesellschaft went above the threshold of 3 % and on that day amounted to 3.091 % (equivalent to 2,163,632 shares). 3.091 % of the voting rights (equivalent to 2,163,632 shares) are attributable to us in accordance with sec. 22 para. 1 sent. 1 no. 6 and sec. 22 para. 1 sent. 2 of the WpHG.

On October 08, 2008, **Allianz SE**, München, Deutschland has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on HOCHTIEF Aktiengesellschaft, Essen, Deutschland, ISIN: DE0006070006, WKN: 607000, have exceeded the 3% limit of the Voting Rights on October 02, 2008 and now amount to 3.27% (this corresponds to 2286013 Voting Rights).

According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 3.27% of the Voting Rights (this corresponds to 2286013 Voting Rights) is to be attributed to the company.

In addition, it is hereby clarified, that the Voting Rights to be attributed to Allianz SE, Munich, Germany, were held by the following companies which are controlled by Allianz SE and whose Voting Rights on HOCHTIEF Aktiengesellschaft each amounted to 3% or more:

Allianz Deutschland AG, Munich, Germany
Jota Vermögensverwaltungsgesellschaft mbH, Munich, Germany
Allianz Lebensversicherung AG, Stuttgart, Germany

On October 08, 2008, **Allianz Deutschland AG**, München, Deutschland has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on HOCHTIEF Aktiengesellschaft, Essen, Deutschland, ISIN: DE0006070006, WKN: 607000, have exceeded the 3% limit of the Voting Rights on October 02, 2008 and now amount to 3.25% (this corresponds to 2275013 Voting Rights).

According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 3.25% of the Voting Rights (this corresponds to 2275013 Voting Rights) is to be attributed to the company from Jota Vermögensverwaltungsgesellschaft mbH/Allianz Lebensversicherung AG.

On October 08, 2008, **Jota Vermögensverwaltungsgesellschaft mbH**, München, Deutschland has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on HOCHTIEF Aktiengesellschaft, Essen, Deutschland, ISIN: DE0006070006, WKN: 607000, have exceeded the 3% limit of the Voting Rights on October 02, 2008 and now amount to 3.25% (this corresponds to 2275013 Voting Rights).

According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 3.25% of the Voting Rights (this corresponds to 2275013 Voting Rights) is to be attributed to the company from Allianz Lebensversicherung AG.

On October 08, 2008, **Allianz Lebensversicherung AG**, Stuttgart, Deutschland has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on HOCHTIEF Aktiengesellschaft, Essen, Deutschland, ISIN: DE0006070006, WKN: 607000, have exceeded the 3% limit of the Voting Rights on October 02, 2008 and now amount to 3.25% (this corresponds to 2275013 Voting Rights).

Executive Board proposal for the use of net profit

The Executive Board and the Supervisory Board propose a resolution on the use of net profit as follows:

The unappropriated net profit of HOCHTIEF Aktiengesellschaft for fiscal 2008 in the amount of EUR 98,000,000.00 will be used to pay a dividend of EUR 1.40 per eligible no-par-value share, and the amount of the dividend that would have been payable on non-eligible shares, amounting to EUR 9,799,584.20, will be carried forward.

The dividend is payable on the day following the General Shareholders' Meeting.

The number of eligible shares may change by the date of the General Shareholders' Meeting. In this event, a revised proposal for the appropriation of net profit will be submitted to the General Shareholders' Meeting, leaving the dividend unchanged at EUR 1.40 per eligible no-par-value share.

Subsidiaries, Associates and Other Significant Participating Interests of the HOCHTIEF Group at December 31, 2008

	Percentage stock held	Shareholders' equity Local currency (thousand)	EUR thousand	Profit/(loss) for the year (EUR thousand)
I. Affiliates included in the Consolidated Financial Statements				
HOCHTIEF Americas Division				
HOCHTIEF Americas GmbH, Essen	100		551,536	- ¹
The Turner Corporation, Dallas, USA	100 ²	USD 424,247	304,843	34,324 ³
Flatiron Construction Corp., Delaware, USA	100 ²	USD 91,957	66,076	23,366 ³
HOCHTIEF do Brasil S.A., São Paulo, Brazil	91.5 ²	BRL 30,773	9,487	(23,776)
HOCHTIEF Asia Pacific Division				
HOCHTIEF Asia Pacific GmbH, Essen	100		1,126,040	- ¹
Leighton Holdings Limited, Sydney, Australia	55 ²	AUD 2,383,472	1,175,624	267,883 ³
HOCHTIEF Concessions Division				
HOCHTIEF AirPort				
HOCHTIEF AirPort GmbH, Essen	100		135,000	- ¹
Airport Partners GmbH, Düsseldorf	40 ²		138,807	15,993
HAP Hamburg Airport Partners GmbH & Co. KG, Hamburg	71 ²		395,190	21,214
Sydney Airport Intervest GmbH, Essen	51 ²		210,425	30,594
HOCHTIEF AirPort Capital Verwaltungs GmbH & Co. KG, Essen	100 ²		1,205	4,347
HOCHTIEF PPP Solutions				
HOCHTIEF PPP Solutions GmbH, Essen	100		15,127	- ¹
HOCHTIEF PPP Solutions Chile Limitada, Santiago de Chile, Chile	100 ²	CLP 36,908,289	40,968	553
HOCHTIEF PPP SOLUTIONS (UK) Limited, Swindon, UK	100 ²	GBP 1,592	1,672	(4,771)
HOCHTIEF Europe Division				
HOCHTIEF Construction AG, Essen	100		203,665	- ¹
STREIF Baulogistik GmbH, Essen	100 ²		31,659	- ¹
DURST-BAU GmbH, Vienna, Austria	100 ²		(1,526)	535
HOCHTIEF (UK) CONSTRUCTION Ltd., Swindon, UK	100 ²	GBP 7,403	7,772	131
HOCHTIEF CZ a.s., Prague, Czech Republic	100 ²	CZK 1,071,049	39,854	4,384
HOCHTIEF Polska Sp. z o.o., Warsaw, Poland	99.83 ²	PLN 120,167	28,931	14,749
OOO HOCHTIEF, Moscow, Russia	100 ²	RUB 83,043	2,011	1,220
HOCHTIEF Construction Qatar W.L.L., Doha, Qatar	49 ²	QAR 44,646	8,700	8,272
HOCHTIEF Real Estate Division				
Deutsche Bau- und Siedlungs-Gesellschaft mbH, Essen	100		17,490	- ¹
HOCHTIEF Projektentwicklung GmbH, Essen	100		7,670	- ¹
HOCHTIEF Aurestis Beteiligungsgesellschaft mbH, Essen	100 ²		6,570	- ¹
HOCHTIEF Services Division				
HOCHTIEF Facility Management GmbH, Essen	100		6,071	- ¹
HOCHTIEF Energy Management GmbH, Essen	100 ²		16,532	- ¹

	Percentage stock held	Shareholders' equity Local currency (thousand)		EUR thousand	Profit/(loss) for the year (EUR thousand)
Corporate Headquarters					
HOCHTIEF Insurance Broking and Risk Management Solutions GmbH, Essen	100			779	- ¹
Contractors' Casualty & Surety Reinsurance Company S.A., Steinfurt, Luxembourg	100 ²	USD	11,564	8,309	-
Builders' Credit Reinsurance Company S.A., Steinfurt, Luxembourg	100 ²	USD	6,000	4,311	-
II. Equity-method investments					
HOCHTIEF Concessions Division					
HOCHTIEF AirPort					
Budapest Airport Zrt., Budapest, Hungary	49.67 ²			446,913 ⁴	2,234 ⁴
Flughafen Düsseldorf GmbH, Düsseldorf	50 ²			139,874 ⁴	32,511 ⁴
Flughafen Hamburg GmbH, Hamburg	49 ²			63,760 ⁴	- ¹
Athens International Airport S.A., Athens, Greece	26.67 ²			404,634 ⁴	93,977 ⁴
Tirana International Airport SHPK, Tirana, Albania	47 ²			22,033 ⁴	5,705 ⁴
HOCHTIEF PPP Solutions					
HERRENTUNNEL LÜBECK GmbH & Co. KG, Lübeck	50 ²			(3,367) ⁴	(4,217) ⁴
Sociedad Concesionaria Autopista Vespucio Norte Express S.A., Santiago de Chile, Chile	17.95 ²	CLP	59,210,427 ⁴	65,724 ⁴	4,142 ⁴
Sociedad Concesionaria Túnel San Cristobal S.A., Santiago de Chile, Chile	50 ²	CLP	6,517,231 ⁴	7,234 ⁴	- ⁴
HOCHTIEF Real Estate Division					
Aurelis Asset GmbH, Eschborn	50 ²			319,592 ⁵	37,731 ⁵
III. Other companies					
HOCHTIEF Concessions Division					
HOCHTIEF AirPort					
Southern Cross Airports Corporation Holdings Limited, Sydney, Australia	13.27 ²	AUD	1,231,896 ⁴	607,620 ⁴	136,148 ⁴

¹ Profit/loss transfer agreement

² Indirect shareholding

³ Consolidated result for group

⁴ Fiscal 2007 figures

⁵ Provisional figures for fiscal 2008

Boards

* Supervisory Board member representing employees

a) Membership in other supervisory boards prescribed by law (as of December 31, 2008)

b) Membership in comparable domestic and international corporate governing bodies (as of December 31, 2008)

Supervisory Board

Dr. rer. pol. h. c. Martin Kohlhausen

Bad Homburg, Chairman,
Former Chairman of the Supervisory Board of Commerzbank AG, Frankfurt am Main
a) ThyssenKrupp AG

Gerhard Peters *

Butzbach, Deputy Chairman,
Works Council Chairman, HOCHTIEF Construction AG, Southwest Division
a) HOCHTIEF Construction AG

Ángel García Altozano

Madrid, Director General Corporativo, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A., Madrid

b) Abertis Infraestructuras, S.A.
Abertis Telecom, S.A.
ACS Servicios y Concesiones, S.L.
ACS Servicios, Comunicaciones y Energía, S.L.
Clece, S.A.
Dragados, S.A.
Dragados Industrial, S.A.
Dragados Servicios Portuarios y Logísticos, S.A.
Energías Ambientales de Somozas, S.A. (Chairman)
Energías Ambientales de Novo, S.A. (Chairman)
Energías Ambientales de Vimianzo, S.A. (Chairman)
Energías Ambientales EASA, S.A. (Chairman)
Iridium Concesiones de Infraestructuras, S.A.
Publimedia Sistemas Publicitarios, S.L.
Saba Aparcamientos, S.A.
Societat Eólica de L'Enderrocada, S.A. (Chairman)
Urbaser, S.A.
Unión Fenosa, S.A.
Xfera Móviles, S.A. (Chairman)

Alois Binder *

Wuhl, Deputy Works Council Chairman, HOCHTIEF Construction AG, Southwest Division

Detlev Bremkamp

Munich, former member of the Board of Management, Allianz AG, Munich
a) Asea Brown Boveri AG
b) A.C.I.F. (Allianz Compagnia Italiana Finanziamenti S.p.A.)
Allianz Lebensversicherungs AG
Mondial Assistance S.A.S.

Günter Haardt *

Leubsdorf, Managing Director, Vermögensverwaltung der ver.di GmbH, Berlin
a) HOCHTIEF Construction AG

Lutz Kalkofen *

Essen, Managerial Employee, HOCHTIEF Aktiengesellschaft, Essen
b) Builders' Credit Reinsurance Company S.A.
Contractors' Casualty & Surety Reinsurance Company S.A.

Professor Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel

Essen, President, Federation of German Industry (BDI)
a) Commerzbank AG
National-Bank AG
b) EQT Infrastructure Limited
RAG-Stiftung

Dr. jur. Dietmar Kuhnt

Essen, former Chairman of the Executive Board of RWE AG, Essen
– until September 9, 2008 –
a) BDO Deutsche Warentreuhand AG
Dresdner Bank AG
GEA Group AG
Hapag-Lloyd AG
TUI AG

Raimund Neubauer *

Essen, Works Council Chairman, HOCHTIEF Construction AG, West Division

Udo Paech *

Berlin, Member of the Works Council, HOCHTIEF Construction AG, Northeast Division

Gerrit Pennings *

Kirchheim, Works Council Chairman, HOCHTIEF Facility Management GmbH, South Region

Professor Dr. jur. Dr.-Ing. E.h. Heinrich v. Pierer

Erlangen, Managing Director, Pierer Consulting GmbH, Erlangen
a) Münchener Rückversicherungs-Gesellschaft AG
b) Koc Holding A.S. Istanbul

Professor Dr. rer. nat. Dipl.-Chem. Wilhelm Simson

Munich, former Chairman of the Board of Management, E.ON AG, Düsseldorf
a) E.ON AG
Frankfurter Allgemeine Zeitung GmbH
Merck KGaA (Chairman)
b) E. Merck OHG
Freudenberg & Co. Kommanditgesellschaft
Jungbunzlauer Holding AG

Tilman Todenhöfer

Stuttgart, Managing Partner, Robert Bosch Industrietreuhand KG, Stuttgart
– from September 10, 2008 –
a) Deutsche Bank AG
Robert Bosch GmbH
b) Robert Bosch Internationale Beteiligungen AG (President)

Marcelino Fernández Verdes

Madrid, Presidente de las Áreas de Construcción y Concesiones y de Servicios Grupo ACS, San Sebastián de los Reyes – Madrid
b) ACS Servicios y Concesiones, S.L. (Executive Chairman)
Dragados, S.A. (Executive Chairman)

Klaus WieseHügel *

Königswinter, National Chairman of the Construction, Agricultural and Environmental Employees', Frankfurt am Main
a) Zusatzversorgungskasse des Baugewerbes VVaG (Chairman)

Supervisory Board Committees**Ad hoc Committee (until February 26, 2008)**

Dr. rer. pol. h. c. Martin Kohlhaussen (Chairman)
Gerhard Peters
Detlev Bremkamp
Klaus WieseHügel

Nomination Committee

Dr. rer. pol. h. c. Martin Kohlhaussen (Chairman)
Professor Dr.-Ing. Hans-Peter Keitel (from September 10, 2008)
Dr. jur. Dietmar Kuhnt (until September 9, 2008)
Professor Dr. rer. nat. Wilhelm Simson

Human Resources Committee

Dr. rer. pol. h. c. Martin Kohlhaussen (Chairman)
Gerhard Peters (Deputy Chairman)
Alois Binder
Professor Dr.-Ing. Hans-Peter Keitel
(from September 10, 2008)
Dr. jur. Dietmar Kuhnt (until September 9, 2008)
Professor Dr. rer. nat. Wilhelm Simson

Audit Committee

Detlev Bremkamp (Chairman from September 10, 2008)
Gerhard Peters (Deputy Chairman)
Ángel García Altozano
Alois Binder
Günter Haardt
Dr. rer. pol. h. c. Martin Kohlhaussen (from September 10, 2008)
Dr. jur. Dietmar Kuhnt (until September 9, 2008)

Mediation Committee pursuant to Sec. 27 (3) of the Codetermination Act (MitbestG)

Dr. rer. pol. h. c. Martin Kohlhaussen (Chairman)
Gerhard Peters
Professor Dr.-Ing. Hans-Peter Keitel
(from September 10, 2008)
Dr. jur. Dietmar Kuhnt (until September 9, 2008)
Klaus WieseHügel

Executive Board**Dr.-Ing. Herbert Lütkestratkötter**

Essen, Chairman
a) HOCHTIEF Construction AG (Chairman)
HOCHTIEF Facility Management GmbH
ThyssenKrupp Elevator AG
TÜV Rheinland Holding AG
b) The Turner Corporation
Leighton Holdings Limited

Attorney-at-law Albrecht Ehlers

Herdecke, Executive for Labor Relations
a) Glunz AG
HOCHTIEF Facility Management GmbH (Chairman)
Schindler Deutschland Holding GmbH
b) Builders' Credit Reinsurance Company S.A.
Contractors' Casualty & Surety Reinsurance Company S.A.

Dr. rer. pol. Burkhard Lohr

Haltern am See
a) HOCHTIEF Construction AG
b) Leighton Holdings Limited

Dr. rer. pol. Peter Noé

Essen
a) Flughafen Düsseldorf GmbH (Deputy Chairman)
b) Athens International Airport S.A.
Budapest Airport Zrt. (Chairman)
HOCHTIEF AUSTRALIA HOLDINGS Ltd.
Leighton Holdings Limited (Deputy Chairman)

Professor Dr.-Ing. Martin Rohr

Düsseldorf
a) Flughafen Hamburg GmbH (Chairman)
HOCHTIEF Construction AG
b) Flatiron Holding, Inc.

Representative Director

Attorney-at-law Hartmut Paulsen, Düsseldorf

