

# General Shareholders' Meeting

May 10, 2006

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

Chairman of the Executive Board

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Check against delivery.

Dear shareholders,

Dear shareholder representatives,

Ladies and gentlemen,

On behalf of HOCHTIEF, I bid you a very warm welcome to this year's General Shareholders' Meeting. We are delighted to see so many of you here. For us, your personal participation in the General Shareholders' Meeting is proof of your close commitment to our—and your—company. As HOCHTIEF shareholders, you decide on all important issues. How HOCHTIEF continues to develop depends on your vote. For the trust you have placed in us and our company, we thank you and all those shareholders who cannot be here today.

I also wish to welcome the representatives of the press who accompany HOCHTIEF with their coverage, helping to shape the image of our company in the public realm. In particular, I should like to welcome here today many of our employees, the majority of whom are themselves staff shareholders.

**HOCHTIEF – The success story**

Those of you who have accompanied us over recent years will be aware of the tremendous changes HOCHTIEF has undergone. And our success shows they were changes for the better. Our company ranks among the oldest and most tradition-steeped firms in the industry. We are committed to upholding this legacy without remaining rooted in the past. HOCHTIEF is at the same time a highly modern, innovative and forward-thinking Group—something which is only possible because, year in, year out, we have systematically fine-tuned the company and tapped new areas of operation.

The last ten years were, as we know today, a defining decade for the German construction industry. It experienced the most dramatic crisis since the Federal Republic came into being. Following the huge investments as part of reunification which led to a special economic situation in the East, the construction industry with a workforce of over 1.4 million was in 1995 the most important business sector in Germany. Then, things went downhill fast. The German construction market lost almost half of its volume over the space of ten years. Virtually 800,000 people lost their jobs in the construction sector. Over 80,000 companies initiated insolvency proceedings. It is to be hoped that this downward slide bottomed out last year.

During this period, many construction companies focused on complex large-scale projects to avoid the dramatic drop in prices. Yet it was not the margins that rose but rather the risks. The result: an acceleration of the downward spiral. This was something which cost not only a large number of small to medium-sized enterprises but also several very big players in the competitive field their existence. Today, just two German stock corporations in the construction business are traded on the Frankfurt Stock Exchange!

HOCHTIEF, too, was not left completely unscathed by the vastly increased risks on its home German market. We, too, were forced down the painful path of drastic job cuts, for which our workforce made great sacrifices. This makes it all the more important that, by setting course for new growth in good time, we were able to shape the success of our company ourselves and create a great many secure jobs.

How did we do it?

- 1991: Formation of **HOCHTIEF Projektentwicklung**—today, one of the top developers in Germany.
- 1996: Formation of **HOCHTIEF Facility Management**—today, one of the leading providers of integrated facility management in Germany.
- 1997: Formation of **HOCHTIEF AirPort**—today, one of the world’s biggest independent airport managers.
- 1999: Integration of US construction company **Turner**—today making us the leading general builder on the US construction market.
- 2005: Formation of **HOCHTIEF PPP Solutions**—today, market leader in Germany for public-private partnership projects and a top international provider of privatized infrastructure.

Ladies and gentlemen, this serves to illustrate the fundamental changes that have taken place over recent years. HOCHTIEF today cannot be compared with the HOCHTIEF of ten years ago. Meanwhile **the world’s third largest construction services provider**, today’s HOCHTIEF is up against completely new markets and competitors. One thing is for sure: The path of change is never-ending. Both this year and next, new challenges need to be met. This will take us one step further toward our goal of making HOCHTIEF more independent of the fluctuations in what is a cyclical construction business, in order to translate the huge potential that exists into stable earnings growth.

This is the strategy our company pursues in its development. I should like to briefly outline the key points here:

- Our business is characterized not by stationary production but by non-stationary processes. We are not in the series production business but rather create

prototypes, one-offs. This is why, at HOCHTIEF, we focus on the **organization and management of projects**. We have transposed our process management expertise onto other areas.

- Our **service portfolio** is in sync with the increasing demands of the market. HOCHTIEF, the construction group, has evolved into a construction services provider. Today, our range of services spans the modules of development, construction and services as well as concessions and operation. We offer our clients integrated service packages covering all phases before, during and after construction.
- We are an **international Group** well poised in attractive markets. If this were not so, we would not have managed to make the transition into the global construction services business. We are in the business of creatively shaping the local environment – which is why today we are on the ground in Europe, the USA, Australia and Southeast Asia.
- Our setup minimizes the **potential risks** involved in traditional construction operations. Construction services and concessions business above all permit a steady cash flow, healthy margins and attractive growth opportunities. At the same time, they harbor lower risks and are largely free of the cyclical nature of large-scale projects in conventional construction.

Our company never stands still. We are forever demonstrating our **capacity for change**. The fact that we are capable of adapting flexibly to new situations and market requirements as well as constantly monitoring our organizational structures is also without doubt the key to HOCHTIEF's continued success – and therefore a mandate for each and every one of us in the company.

### Strategic steps taken in 2005

2005 was a year similarly marked by dynamic development and demonstrates that our strategy is bearing fruit:

1. We generated additional **growth** in our operations business. Notably in the Airport and Asia Pacific divisions, we recorded high earnings contributions. Profitability was also boosted in our German and European business.
2. As you just saw in the film, the **concessions business** continues to become ever more important for HOCHTIEF. The favorable future growth opportunities here make this segment particularly attractive for HOCHTIEF as leading provider.
  - We set up the **investment partnership** HOCHTIEF AirPort Capital into which we incorporated parts of our airport holdings. The proceeds from the transaction, EUR 343 million, were a good 38 percent higher than HOCHTIEF's original investment. With Hastings Funds Management from Australia, Canada's Caisse de dépôt et placement du Québec and KfW, the state-backed Reconstruction Loan Corporation, we have strong international financial partners on board with whom we have already firmly agreed to seek out new projects.
  - We forged ahead with the expansion of our **public-private partnership portfolio** by taking on projects in the UK and Ireland. Our successful entry into these markets paves the way for further developing this line of business.
  - In 2005, we published the **value of our concessions portfolio** for the first time. Our deliberately conservative portfolio valuation showed our companies HOCHTIEF AirPort and HOCHTIEF PPP Solutions to have projects with a net present value of over EUR 870 million as of December 31, 2005—compared with roughly EUR 700 million at the end of 2004. The value increase of EUR 170 million generated last year can in theory

be added to the unappropriated net profit, since we have created hidden reserves in this amount.

This EUR 870 million represents the present value of contractually secured future cash flows. Maintaining and creating value—because, after all, we do not intend to mark time—essentially hinge upon two factors:

- 1.** A fundamental value driver in the case of concessions projects is the success of operation, not just in the initial phase but over a period of decades. Here, HOCHTIEF can rely on a top team of experts capable of meeting the toughest of requirements. Thanks to our great people, we have the edge over our competitors long-term.
- 2.** Sustained success calls for true partnership. HOCHTIEF has earned a sound reputation as a transparent, reliable and constant partner to the public sector. Thanks to our experience, we understand the projects and the position of our public-sector clients. And that's something we prove every single day. Because, in concessions business, it is a rule of thumb that a project can only be successful if there is at all times a healthy basis of trust. If HOCHTIEF's dependability as a partner to the public sector were to be put into question, this would have a direct impact on the value of the portfolio and the entire hidden reserves. We are aware of this special responsibility and act accordingly.

The bottom line is that we have improved our operations business still further, thereby **increasing value**. And we have outwardly documented our **sound performance**.

## Key figures of 2005

Ladies and gentlemen, as you can see, we are making very good headway. The 2005 business year was a resounding success. And all divisions contributed to that success.

I should first like to say a few words about the key performance indicators before taking an in-depth look at each of the modules in our service portfolio. Of course, you will find all of the figures in detail in our 2005 Annual Report as well as in the Consolidated Financial Statements of the HOCHTIEF Group.

In the **development of our order situation**, we reached new record highs:

- Our **new orders** rose again slightly to EUR 15.60 billion following the record year of 2004.
- The 13-percent growth in our **order backlog** to over EUR 21 billion gave us a sound basis for future work at home and abroad. The order backlog translates into a forward order book of just under one and a half years. A comparison with companies positioned similarly to HOCHTIEF shows that here we are way ahead of our competitors.
- We boosted **work done** by over 13 percent to EUR 14.85 billion. Eighty-four percent of Group work done was generated outside Germany—which makes us the world's most international construction services provider.
- In the 2005 business year, **sales** stood at EUR 13.65 billion, marking an increase of 14 percent over the previous year. All divisions, notably HOCHTIEF Asia Pacific, made a contribution to this.
- In 2005, **profit before taxes** rose 76 percent to EUR 329 million.
- **Profit after taxes** increased by 87 percent to more than EUR 151 million.

- **Consolidated net profit** was also substantially boosted, up 52 percent on the previous year to just under EUR 63 million.
- **Shareholders' equity** grew 20 percent to EUR 2.29 billion, which meant that the ratio of shareholders' equity to total assets amounting to 26.1 percent in 2004 rose to 28.3 percent. This healthy equity ratio is also one of the balance sheet success criteria for success in major tenders for public-private partnership projects.

With the marked improvement in earnings, we also increased **return on net assets** (RONA) from 8.7 percent in 2005 to 13 percent in 2006. We adopted RONA as our measure of return on capital to place our value-driven management system on a new footing in 2005. Key advantages of RONA are that it is transparent and measures the return on all capital made available to the Group.

The tax expense for 2005 included a EUR 60 million precautionary impairment charge on **deferred tax assets**. We decided to recognize the impairment charge in view of the ongoing debate about corporate taxation in Germany, and in particular about minimum levels of tax. It puts us on the safe side whatever the outcome.

Our **stock price** performed outstandingly. This proves we are on the right track and are increasingly successful at communicating our successful strategy to the capital market. HOCHTIEF's stock steadily gained in value over the past year, and the 2005 closing price was up nearly 58 percent on the closing price for 2004. Our stock has continued to surge ahead in the first few months of 2006. By yesterday, it had risen a good 55 percent to EUR 58,75.

If I may cite you a few comparative figures to underscore how well HOCHTIEF's stock has performed:

- Our stock price has gained 124 percent—meaning it has more than doubled—since last year's shareholders' meeting.

- Investors who bought HOCHTIEF at the time of the RWE exit in February 2004 have increased their investment by no less than 140 percent
- Looking back even further, investors who bought shares in our last stock issue in 1994—at the very peak of the German construction boom—have generated a total annual return to date of some 6.2 percent.

Ladies and gentlemen, my colleagues and I are well aware that this performance is partly born of confidence in HOCHTIEF's future. We will do our utmost to justify this confidence, as reliable partners to our stockholders as well as to our public and private-sector clients.

We are submitting for your approval at this meeting a **dividend payment** of EUR 0.90 per no-par-value share. This amount includes a 10 cent bonus for the exceptional gain on the airport investment partnership. It means we will have increased our dividend by 80 percent over the last five years.

### **News update from the Group**

I should now like to give you an overview of what has been happening in the Group, taking a detailed look at each of the divisions based on the modules of our service portfolio.

#### **1. Development**

First to the development module: At **HOCHTIEF Projektentwicklung**, a total of 18 projects with an investment volume of EUR 735 million had reached the construction phase by year-end 2005. Based on investment volume, 80 percent of these projects have already been sold. Our subsidiary, dubbed "Germany's leading developer" by "Immobilien-Zeitung", closed 2005 as its most successful sales year to date: 13 real estate developments with a total transaction volume of almost EUR 600 million were sold—among them the spectacular "Blue Heaven" hotel project for Radisson SAS in Frankfurt am Main.

This success speaks for the quality of the products and shows that HOCHTIEF's business strategy is working even in Germany's tough real estate market.

In Germany as well as in Eastern Europe, HOCHTIEF Projektentwicklung continues to focus on the development of office and hotel properties, a portfolio now expanded to include developments giving a new lease of life to entire urban quarters. Our company is also homing in on the promising Eastern European logistics market: A project near Prague marks the successful launch of business in this segment. The healthcare and nursing sector similarly holds out good future prospects.

## 2. Construction

Let us now turn to the construction module: First of all, at long last, I am gratified to note the beginnings of a reversal in the trend on the crisis-ridden German construction market. Given the increase in incoming orders, it is looking more and more likely that the German construction sector has now weathered the worst of the storm. Yet there is still a long way to go before we can speak of a real recovery. The same goes for positive effects on jobs and margins. Already in the past, HOCHTIEF Construction has successfully bucked the adverse overall trend by selectively tapping the market with a clear focus on profitable segments. Today, the company has a healthy order backlog.

HOCHTIEF's construction business today has a clearly regional structure: We operate in Europe, the Americas and the Asia-Pacific region, providing traditional construction services.

In the **European construction sector**, HOCHTIEF has shown particularly favorable development in infrastructure business. For instance, in the first quarter of 2006, we entered the Czech transport infrastructure market: HOCHTIEF Construction is to build part of the freeway ring road around Prague. In Moscow, the company was recently awarded the contract to design and build the new Terminal 1 at Sheremetyevo Airport. It is especially gratifying to note that this project will be implemented under our partnership-based contractual model PreFair. We established this model geared to fostering cooperation between the client, architect, engineer and general contractor on the German construction market—and now we are also enjoying success with it in Eastern Europe.

The energy market is similarly proving to be a highly promising growth segment. For example, in March 2006, HOCHTIEF succeeded in acquiring the Lillgrund offshore wind energy project in Sweden in which 48 wind turbines are being built off the coast of Malmö. There is rich potential for such projects in future: Experts forecast a market volume for foundation work—as in the Lillgrund project—of EUR 7.5 billion by 2015.

In our construction business, we are looking to tap growth markets in other European countries—by 2008, the share of projects in Eastern Europe, Scandinavia and the UK should be on a par with that of our German construction work done. Notably the markets in Central and Eastern Europe are generating strong impetus: Growth rates of up to 8 percent are anticipated in construction activity. Here, demand is growing above all in those segments relevant to HOCHTIEF—infrastructure as well as retail, logistics and office real estate.

In the **USA**, our subsidiary Turner has initiated a consolidation phase in light of its strong order backlog; at the same time, it continues to pursue the strategy of selective, margin-based new business acquisition. The market environment offers fertile ground for this development: In the public buildings segment and industrial structures, growth rates of up to 9 percent are forecast.

Turner continues to occupy top-notch positions in healthcare, education and office properties among others. For instance, only last week, the company was awarded the contract to build a hospital in Elgin, Illinois, as construction manager. And Turner is involved in the highly prestigious project to build the world's tallest building, the Burj Dubai, also as construction manager.

In the **Asia-Pacific region**, our subsidiary Leighton is benefiting above all from the continuing favorable trend in the infrastructure market. Here once again, substantial growth of around 12 percent is forecast for 2006. Additional road and rail construction projects are in the pipeline—Leighton has just secured another major contract. A consortium is to build four sub-sections of one of Australia's biggest rail infrastructure projects. Leighton's share is valued at EUR 175 million. In April, a

consortium headed by Leighton Contractors was named preferred bidder for the “North-South Bypass Tunnel” PPP project in Brisbane. This project is to design, finance, build and operate a toll tunnel just under five kilometers in length which is slated to open in 2010. And only last week, Leighton Contractors was selected as preferred bidder to design and build a freeway project in New Zealand.

With Leighton, we intend to also focus greater attention on the growth market of India. We have already completed one specific construction project—a factory facility—and are currently working on a second project of a similar nature.

### **3. Services**

Ladies and gentlemen, let us now turn our attention to the services module. HOCHTIEF’s diverse, innovative services can be described as strategically compatible elements dovetailing with our construction and project business. Whether it’s insurance or procurement services, building diagnosis or after-sales service—they can all be optimally integrated into end-to-end construction processes.

In the past two years, notably the area of integrated building services has been in the HOCHTIEF spotlight. **HOCHTIEF Facility Management**, which received substantial reinforcements in 2004 through the acquisition of two companies, has meanwhile been completely reorganized and took to the market as of the beginning of this year as a large, unified enterprise. In this, we elected to opt for a regional branch structure in Germany, flanked by other HOCHTIEF companies in Hungary, Poland and Ireland among others. HOCHTIEF Facility Management’s objective is to become Europe’s leading provider of integrated facility management services by 2010.

We are benefiting from the trend toward outsourcing of technically complex building services as well as annual growth rates of around 10 percent in this market.

In turn, healthcare facilities hold particularly strong potential. Hospitals are also opening up ever broader applications for integrated facility management, which is why we acquired a stake in HOST GmbH, a specialty services provider in the field of facility management spun off by the university hospital in Frankfurt am Main. In March

2006, HOCHTIEF Facility Management set up Sana TGmed GmbH together with Sana Kliniken GmbH and a third partner. We hold a 24.5 percent stake in the company which, among other things, will perform maintenance and repair work on hospitals' technical installations.

#### **4. Concessions and Operation**

Finally, let us now turn to the fourth module, concessions and operation.

**Contract mining:** In the HOCHTIEF Asia Pacific division, our flourishing coal-mining business has been expanded through the purchase of activities in the highly promising iron-ore mining segment: The takeover of 15 mine projects of the Henry Walker Eltin company was completed in February 2006. This acquisition makes the Leighton Group the biggest contract mining company in the world today. Given estimated market growth of 13 percent, the prospects for contract mining remain outstanding. In the first quarter of this year, Leighton was awarded yet another major mining project in Queensland worth over EUR 200 million.

**PPP:** Nationally and internationally, HOCHTIEF PPP Solutions GmbH achieved a great deal in 2005, its first year of operation. This notably included the company's strategic entry into the promising UK and Irish PPP markets where HOCHTIEF is designing, financing and building a number of new schools which it will subsequently also operate. In the first quarter of 2006, we also succeeded in securing a contract worth EUR 550 million in North Ayrshire, Scotland. HOCHTIEF is currently preferred bidder for three other school projects in the UK, with the contracts expected to be signed before the end of this year. The UK PPP market offers favorable long-term prospects: According to forecasts by economic experts, it will stabilize on a high investment plateau of around EUR 6 billion per year.

The outlook in the German public buildings segment is similarly gratifying: In the area of schools, administration buildings and hospitals alone, we anticipate that PPP projects worth between EUR 20 and 30 billion will come onto the market by the year 2010.

Here in Germany, the focus of attention is above all on the subject of “A models in the long-distance road transport system.” For the pilot projects A8 in Bavaria and A4 in Thuringia, we have reached the qualifying round following prequalification. The decision regarding the contract to build and operate a section of the A8 will likely be taken in 2007. We are, of course, also taking part in the ongoing bidding processes for the A1 and A5 projects. The substantial cost of securing the contracts will be included in the 2006 earnings statement. As is usual with PPP projects, the profits and losses will be generated over a period of time in the coming years. We are in close contact with the federal government to ensure that the planned projects are actually put out to tender and initiated soon.

**Airport:** HOCHTIEF AirPort managed to score further successes in the area of airport management. In 2005, HOCHTIEF’s five airport holdings handled just under 70 million passengers. At the same time, Athens, Düsseldorf, Hamburg, Sydney and Tirana airports continued to record positive development in passenger figures.

What’s more, the investment partnership HOCHTIEF AirPort Capital assures us of entrepreneurial freedom to act: Together with our strong financial partners, but also independently, we review every potential airport privatization project on the market. Our combined strength acts as a door-opener to attractive projects. We are politically neutral and can draw on vast experience in the airport business.

Our goal is clearly defined: We aim to further expand our airport portfolio—but not at any price. Which means we take part solely in projects where we can control the risks for HOCHTIEF and where prices are reasonable. Here, we are adopting a conservative approach, and that is undoubtedly also in your interests.

In excess of 5 percent annual growth in passenger figures coupled with an increase in freight volumes ensure that this market remains one to watch.

### **Strategy and outlook**

Ladies and gentlemen, as far as HOCHTIEF’s continued development is concerned, we have a clearly laid-out roadmap:

- **Toward a promising range of services:** We are championing a service spectrum whose elements build on and complement one another in modular fashion. Here, we aim to forge ahead with the more profitable, lower-risk modules of services as well as concessions and operation.
- **Toward promising markets:** We are setting our sights on markets which allow profitable activity. This includes, for example, the regional growth markets of Eastern Europe in which we already have a broad-based setup, and the supraregional growth markets for PPP projects.
- **Toward promising segments:** In our operating business, we are focusing on segments that offer exceptional prospects. These include, for instance, healthcare real estate since—due to shifts in demographic structures—the demand for specialized healthcare and nursing facilities is growing apace.

The most important prerequisites for staying on course are our global, Group-wide **networking** coupled with tightly-knit **dovetailing** of the individual modules. Our modules fit together to create a whole—and they can be selected and individually packaged to suit specific service requirements. Our aim here is to generate several contracts from individual projects for different HOCHTIEF companies.

Here are a number of examples:

- HOCHTIEF Construction implements a project for HOCHTIEF Projektentwicklung, such as currently the OpernCarrée in Berlin.
- Or: HOCHTIEF Facility Management is awarded a contract to operate a project built by HOCHTIEF Construction, such as the Gruga Office Park in Essen.
- Or: HOCHTIEF PPP Solutions commissions its sister company HOCHTIEF Construction with the refurbishment work on a PPP project and HOCHTIEF Facility Management to subsequently operate it, such as with the school projects in Leverkusen and Offenbach.

There are many more such examples at HOCHTIEF and the number steadily continues to rise. We are currently jointly bidding for projects worth EUR 6.3 billion.

And yet, we never lose sight of our high quality standards. **HOCHTIEF stands for quality**. And that's a commitment we stand by in everything we do. We intend to provide our clients with nothing but the best, sustainable solutions—something which is simply not possible where only the price sets the pace. Right from the start, quality is what has set us apart from the purely price-driven competition—and it's a recipe which has brought us success all over the globe.

At HOCHTIEF, we safeguard our high quality standards by pursuing **four strategic principles** throughout the Group:

1. We have the best people.
2. We offer our clients tailor-made, end-to-end solutions.
3. We shape markets and set new standards.
4. We always act responsibly.

Each of these four fundamental principles represents an important link in our success strategy. At HOCHTIEF, we systematically live and breathe them on a daily basis.

At this point, I should like to take a closer look at the subject of **employees**. HOCHTIEF is a forerunner when it comes to developing technical solutions and new products. Our company is known all over the world for its innovative engineering achievements. That calls for the right people—qualified, committed people who are up to meeting our exacting requirements.

Our industry is marked by an increasing lack of experienced technical experts and management personnel—something which is as true of the USA and Australia as it is of Germany. While here in Germany the number of newcomers to construction engineering studies has once again stabilized at a low level following the drastic slump, there are ever fewer graduates on the market. Specialized **young, up-and-**

**coming engineers** are becoming thin on the ground. Today, German companies are in need of no fewer than 15,000 engineers.

HOCHTIEF is one of the industry's top-notch employers and a much sought-after option for young engineers. After all, as an international construction services provider, we offer exciting, long-term opportunities. In 2005 alone, we received some 27,000 applications at our German locations. And considering people stay with HOCHTIEF for an average of just under 14 years, the level of staff loyalty is particularly high at our company. What's more, in view of demographic developments, we too are equipping ourselves to compete for the best in the field. We are fully aware that human resources efforts are an investment in HOCHTIEF's ability to stay the course as we move forward. Because our specialized business calls for specialized people. And this is a challenge we can only meet by expending tremendous **training efforts**.

For years, we have been sponsoring top students, for instance, by way of awards, scholarships or internships at our international sites. Also in the USA and Australia, we actively engage in such programs geared to **fostering young talent**. In addition, we focus our efforts at an early stage on generating keen interest among young people in the technical professions and in our company—also the industrial side of our business. A total of 400 young people are currently undergoing technical or commercial training at HOCHTIEF in Germany. What's more, we train beyond our needs—in 2005, we created 50 training opportunities surplus to demand.

Industrial and technical employees can gain a qualification as a certified engineer at the Group's own HOCHTIEF Academy. At our subsidiaries Turner and Leighton, we similarly set great store by well-conceived further training and staff loyalty programs. At the same time, our employee exchange scheme coupled with excellent inter-company communications structures serve to promote the effective transfer of knowledge. We intend to make even greater use of such initiatives in future, and continue to work on innovative programs and measures.

Ladies and gentlemen, we have set ourselves a full agenda also for 2006:

Assuming there will be no crisis-scale slowdown in the economy, no turbulence affecting the international financial markets and no worsening of the situation in political flashpoints, HOCHTIEF forecasts for the current fiscal year:

- **New orders** of the same order as the 2004 and 2005 records;
- An **order backlog** of about EUR 21 billion by the end of 2006—again of the same order as the 2005 record;
- **Group sales** of EUR 13-14 billion;
- With the Group's operating earnings power further improving during 2006, **profit before taxes** above the previous year's pretax profit adjusted for effects of the investment partnership.
- In line with the extra earnings power in our operating business, further growth in **consolidated net profit**. In 2006, the Group will progress substantially closer to its medium-term target of EUR 100 million.

Allow me briefly to go over the **resolutions** being proposed at this General Shareholders' Meeting:

The Supervisory Board and the Executive Board are submitting a motion for approval by today's meeting to use the EUR 63 million unappropriated net profit for 2005 to pay a dividend of EUR 0.90 per no-par-value share. As mentioned earlier, this includes a 10 cent per share bonus for the exceptional gain on the airport investment partnership.

The term of office of all Supervisory Board members elected at previous general shareholders' meetings expires with the close of this meeting. It is thus necessary to

elect new members, and the Supervisory Board has proposed a number of candidates under item 6 of the agenda.

Under agenda item 7, the Executive Board and Supervisory Board propose an anticipatory resolution regarding holdings of our own shares. This corresponds to resolutions passed in earlier years and only needs renewal because the law stipulates an 18-month validity period. We are asking the General Shareholders' Meeting to renew the authorization issued last year to acquire and use our own shares, with a minor addition to the acquisition options as regards the use of derivatives. There are currently no specific plans for a stock buy-back.

The two profit-and-loss transfer agreements which the General Shareholders' Meeting is being asked to approve under item 8 of the agenda have the purpose of avoiding adverse effects of a new tax reduction act passed as part of Germany's tax reforms. They allow the profits and losses of the subsidiaries concerned to be offset at HOCHTIEF Aktiengesellschaft level, thus cutting the tax burden under both German municipal trade tax and German corporation tax.

Under items 9 and 10 of the agenda, the Executive Board and Supervisory Board propose resolutions to amend the Articles of Association. The amendments serve firstly to bring the articles into line with modified provisions of the German Stock Corporations Act (Aktiengesetz) concerning the convening of general shareholders' meetings and the rights of shareholders to take part in them, and secondly to take advantage of the new option under the same Act to set, where necessary in individual instances, reasonable limits on the time made available to shareholders for speaking and asking questions. This means the chair of the meeting can now act to ensure the smooth progress of the meeting in the interests of all stockholders. The majority of German listed companies are adopting similar amendments to their articles this year.

**Word of thanks**

Ladies and gentlemen, to conclude my remarks today, I should like to express my **thanks:**

To the retiring members of our Supervisory Board, Dr. Cromme, Mr. Hess, Dr. Weiss and Professor Dr. Henzler, for your commitment and knowledgeable support.

Through your specialist know-how and active cooperation in the decisions of our Supervisory Board committees, you have made a vital contribution to safeguarding sound corporate governance at HOCHTIEF. We were able to count on your sound advice at all times for the good of the company.

My thanks also go out to all HOCHTIEF employees. With your expertise and dedication, you continue to gain outstanding achievements—your successes add up to the success of the HOCHTIEF Group as a whole.

And I wish to express my gratitude also to you, ladies and gentlemen, for the trust you have placed in us and our company.

This trust signifies a tremendous **responsibility** for HOCHTIEF—a responsibility which is the yardstick for all strategic and operational decisions. Our objective is to always act in your interests. For this reason, we continue to champion a HOCHTIEF Group that is profitable, sustainable and ideally structured to meet the future head-on.

Last year on this occasion, I presented our new **vision**: “HOCHTIEF is building the future.—Along with our partners, we expand horizons, link people and organizations, create new ways to think and act, and continually enhance the values entrusted to our care.” Every day, we work hard to live up to these aspirations—and hence to your expectations. Over the past year, we came a big step closer to realizing our vision. And that’s just what we intend to do again in 2006.

Many thanks for your attention.