

# HOCHTIEF General Shareholders' Meeting

May 3, 2012

Dr. Frank Stieler  
Chief Executive Officer

Dear shareholders,  
Ladies and gentlemen,

Welcome to HOCHTIEF Aktiengesellschaft's General Shareholders' Meeting. First, I'd like to present an overview of what happened and how we did in fiscal 2011, then take a look at the current year. I will then go over the Group's strategic direction with you. I will also, of course, speak about the relationship with our majority shareholder, ACS.

Let's look back at **fiscal year 2011**.

Driven by the strong inflow of new orders in 2010, **sales** were up 15 percent to around EUR 23 billion. Growth of this magnitude is impressive proof of our Group's forward momentum.

Last year's **new orders** level was likewise high, at approximately EUR 25 billion, although this was 14 percent short of our best year ever in 2010. Our **order backlog** set a new record high of nearly EUR 49 billion at year-end 2011, ensuring a forward order book of almost two years. That's a great buffer to have, especially in times of economic uncertainty, but not, of course, a reason to rest on our laurels.

As you know, we nonetheless had to report **negative profit before taxes** of EUR 127 million for last year. Our consolidated net loss amounted to roughly EUR 160 million.

Let's speak openly about the reasons for this:

By far the lion's share of the losses we suffered in 2011 was caused by

**Leighton**. They stemmed from serious problems with two projects:

- The Airport Link road project in Brisbane and
- The Victorian Desalination Plant near Melbourne.

On top of this, Leighton slashed the earnings guidance and the carrying amount of the investment in Habtoor Leighton in Dubai. The losses incurred in April 2011 were already a topic of discussion at the last General Shareholders' Meeting and were covered in depth back then.

Neither the size of the profit downgrades nor the fact that they came so suddenly are acceptable to us. It was particularly annoying for us that the full extent of the losses only became known in stages. Several factors were at play here:

First, there is the exceptional size of the contracts. Both projects are worth over EUR 3 billion. They are public-private partnerships where Leighton took on additional risks. On top of this came weather conditions of a kind the country has not known for many years. You will probably remember the television footage of the floods in Brisbane.

A further cause is a feature specific to the Australian business: The fact that subsidiaries are operating in competition with each other has led to a lack of transparency at these large-scale projects and prevented a pooling of expertise. The then management was focused on growth, which additionally tended to prevent critical appraisal of the type of risks involved.

Our response was rapid and, in the future, we will not stand by and watch while our Group's profits and credibility are affected. Working together with our colleagues on the Leighton Board, we took action as early as last August.

Both the Chairman and CEO have left the company. We have replaced them with a new management team. Leighton has created the position of Chief Risk Manager. The Managing Director of Thiess, a Leighton subsidiary, has also left the company.

Page 3 of 17

The new management subjects new bids to far more rigorous appraisal regarding earnings quality and risk profile. In existing projects, a number of new control systems help detect and eliminate risk early on. At the same time, we ensure that the best experts are available when they are needed for special contracts.

The proactive measures come too late for the two loss-making projects or other legacy contracts. The emphasis here is on bringing them to a close quickly and efficiently.

Leighton continues to have HOCHTIEF's active and consistent support. We will not rest until all necessary changes have been made. This we owe to you, our shareholders, and to the future of HOCHTIEF.

For all the criticism of the problems in Australia, we should keep in mind that Leighton is, as before, a dynamic company with many strengths. The Asian markets are growing rapidly, demand for resources is unbroken, and Leighton has a dominant position in these markets. We are confident that Leighton will put the crisis within the company behind it. With its outstanding workforce, Leighton will return to its former strength.

The other major adjustment to earnings was necessary when it became evident that the sale of the **airports business** was no longer feasible before the end of fiscal 2011. The reasons include the euro crisis, the uncertainties in Greece, and the economic environment in which the transaction was to take place. This sale had been announced in fall 2010 while we were involved in our defensive battle and was also included back then in our earnings guidance. Maybe the timetable for the sale was also too ambitious.

Our sights are on the way ahead. The plans are only postponed, not shelved. We remain committed to the strategic goal of selling our airports business. I will go into the reasons shortly when I come to speak about our Group's strategy.

I am well aware that in the failed sales efforts we also disappointed your expectations. Please bear in mind that the delay neither incurred any losses nor harmed the Group in any other way. The airports continue to be successful in business terms.

Page 4 of 17

Let us turn to another point that affected the earnings picture. We have had to recognize impairments on **toll road projects**. Among other factors, the difficulties we encountered here were once again caused by the crisis in Greece.

The last point comprises the costs and **provisions** we incurred because four **former members of the Executive Board** have left the company. Mr. Wennemer has already explained to you the Group's response.

**Now to move on from the negative developments in the past year to our successes:**

The HOCHTIEF Americas and HOCHTIEF Europe divisions both increased their profit before taxes by some 12 percent. This sustains a trend established in the past couple of years. Both divisions have been given a new direction since 2010 and are successful.

For close to EUR 50 million, we acquired a majority stake in **Clark Builders**, based in Edmonton, Canada. Clark Builders is in building construction, a sector that is benefiting from the rapid development of oil sands in the region. The acquisition enables Turner to enter the fast-growing market of western and northern Canada. It thus further strengthens our successful American building construction business.

The establishment of **HOCHTIEF Solutions AG** has been a resounding success:

HOCHTIEF Solutions brings together all activities we carry out under the HOCHTIEF brand. Employees from the construction, development, and services segments work together in a single legal unit and under a single roof. And I literally mean a single roof: We recently took up occupancy of the shared HOCHTIEF Houses in Hamburg and Berlin, and their Munich equivalent is under construction. Employees consult closely on clients and markets and help each other in contract execution.

Page 5 of 17

To coincide with the launch of HOCHTIEF Solutions, we have also continued the process of **streamlining the Group**. In 2010, we still had six divisions; now HOCHTIEF has three. Most recently, we integrated the concessions business, including toll roads and public-sector buildings, into the HOCHTIEF Europe division.

At the same time, we **restructured our Executive Board**. Whereas we used to have five Executive Board members, the Group now has three: a COO, a CFO, and a Chairman. My two colleagues Peter Sassenfeld and Marcelino Fernández Verdes have already briefly introduced themselves. The working relationship in this Executive Board is very gratifying. It is effective and intensive. We each contribute different skills, experience, and personalities, and we complement each other excellently.

The new Executive Board is supported by the newly established **Group Executive Committee**, where the members of the Executive Board sit around the same table with the heads of Flatiron, HOCHTIEF Solutions, Leighton, and Turner. We meet regularly—despite the great distances—and discuss the future of the Group, our strategy, and joint initiatives.

I am happy to report that Rainer Eichholz, Peter Davoren, and Tom Rademacher were able to be here today representing Europe, Turner, and Flatiron, respectively. Leighton's CEO Hamish Tyrwhitt is unfortunately unable to attend because of

important engagements. In his place, I am pleased to welcome David Robinson, from the Leighton Board, here in Essen.

After these changes in the Group's management model, the holding company's workforce was reduced from more than 600 employees to 170. The reduction slashed costs and made decision making much faster. This step was also one of the reasons that the number of **employees** in Germany decreased by about 4.5 percent in 2011. These personnel cutbacks were handled in a socially acceptable manner and coordinated with our employee representatives. Our workforce increased in growth regions abroad. In total, the Group workforce grew to over 75,000, up 6.8 percent on 2010.

Page 6 of 17

We are also very pleased to have put the **Group's financing** on a solid footing. We now have sufficient financing for the coming years and are not dependent on selling specific units of the company by a specific time.

First, we renegotiated the syndicated credit and guarantee facilities a year before expiration and reached a new agreement for EUR 2 billion for a period of five years. Early this year, we made HOCHTIEF's debut on the bond market. For the first time in our corporate history, we issued a EUR 500 million non-rated bond. The bond was oversubscribed eight-fold after just one hour. We completed the placement with a coupon of 5.5 percent and a five-year term to maturity. This means we are paying a lower rate of interest than we had expected.

**HOCHTIEF's stock** performance is naturally unsatisfactory for you as shareholders. While the MDAX reference index shed 12 percent in 2011, HOCHTIEF's stock price dropped 18 percentage points more, finishing the year at EUR 44.70. It is still at the same level today.

In view of the consolidated net loss in 2011, the Executive Board and Supervisory Board propose to the General Shareholders' Meeting not to distribute a dividend. Mr. Wennemer has already explained to you the reasons.

I am aware that this decision is very disappointing for you. It therefore remains our goal for you to share in HOCHTIEF's success again and for us to pay a dividend next year.

Allow me a few personal comments at the end of our review:

The events of the past year took a different turn than many had expected. HOCHTIEF's world did not end after ACS increased its shareholding, but our ambitious 2010 plans were not fulfilled, either. Instead, we were hit with risks that 15 months ago had not been taken into consideration during planning. These risks, dealing with them, and paving the way for the future placed us under considerable strain in the last twelve months.

Page 7 of 17

I had hoped by now to have cleared most of the roadblocks on the path to success. The guidance downgrade from Australia at the end of March shows, however, that unfortunately we are not quite that far yet.

In the Executive Board, we know what we can build on in this company: **on the expertise, experience, and dedication of our workforce.** These are characteristics that have made our company stand out for decades. They are the reasons for our past successes.

Ladies and gentlemen,

Now I would like to talk about opportunities and about the **markets** where HOCHTIEF can be successful.

I am talking about

1. creating advanced energy infrastructure,
2. shaping major cities, and
3. building state-of-the-art transportation infrastructure.

Let's talk first about **energy infrastructure.**

This sector has always been very important to HOCHTIEF as a former subsidiary of RWE. Our company was a major partner in building Germany's power plant base and has worked on large-scale projects in all corners of the globe. Today,

we see the greatest potential for the future not in conventional power plants, but in renewable energy.

A great example is **wind energy**. Installed capacity is expected to jump to ten gigawatts by 2020 in the German North and Baltic Sea wind farms alone. That's equal to five to ten power plants! By 2030, Germany's capacity is anticipated to again more than double to 25 gigawatts. Growth like this will require construction spending of up to EUR 30 billion. Add to this plans by other North European coastal countries and the amount rockets to the triple-digit billions of euros.

The problems described last week in light of a profit warning by a major German technology company do not affect HOCHTIEF:

When there is public talk of surplus capacity, this refers to the turbine manufacturers, not to jack-up vessels, logistics, or assembly services. These areas continue to experience substantial bottlenecks and high demand. To date, this situation has led to our equipment being chartered out for years in advance.

The delays with grid connection only affect **German** wind farms. Wind farms belonging to other countries, which account for the majority of the market, are being connected on schedule.

Problems with the completion of offshore converter stations will in fact delay some projects, but they are not general. The technological issues can be overcome, and some stations are functional.

In the meantime, a German government's working group on the acceleration of offshore grid access has developed steps to make up for these delays. We are confident that the companies involved will master the technical challenges and build considerable offshore capacity. To do so, they need HOCHTIEF's jack-up vessels and expertise.

We actively do business and invest in this market, and HOCHTIEF is already a key partner in planning, constructing, and operating wind farms—activities that dovetail nicely with our core competencies. Our order backlog in the offshore

wind segment stood at just about EUR 20 million in 2009, increasing to EUR 465 million by 2011. That's more than a twenty-fold increase.

This already puts us among the leading companies in this field today. Encouraged by strong demand, we have invested in our own special-purpose equipment—two jack-up platforms and one installation vessel. This equipment is indispensable for assembling and maintaining offshore wind turbines and so gives us a major competitive edge.

Page 9 of 17

Even from before their first launch, they have been booked so heavily that we awarded a contract for building a second jack-up vessel in early 2012. Vidar—named after a Nordic god, son of Odin—is scheduled to begin operating as early as next year.

It is not just this equipment, but our **innovations** that set us apart from the competition. In the future, rather than ramming, we will drill most wind turbine foundations into the sea floor. Working with a partner, we have developed a patented process. The new process has two key advantages. Firstly, it allows us to install larger foundation piles. This means turbines can be made bigger, too, and able to generate more electricity. Secondly, the new method is far quieter, protecting marine animals. So it means we can care for the environment and boost profitability at the same time.

But energy infrastructure involves so much more than just offshore wind energy. The generated power must also be delivered to consumers of electricity. In Germany, this requires transportation from the North and Baltic Seas to the industrial regions in the country's southwest.

Accomplishing this feat necessitates building 3,600 kilometers of new **transmission lines** in Germany alone. Fortunately, we have extensive, worldwide experience in this field:

Our US subsidiary Flatiron is currently building a 250-kilometer overland transmission line in Canada, while Thies is handling underground power supply for the city of Sydney. This technology is ideal for putting transmission lines through

densely populated regions such as those in Germany. In early 2012, we partnered with ACS subsidiary Cobra to set up a joint venture that will build transmission lines in Germany and Europe.

The demand for **liquefied natural gas plants** in Asia also offers massive potential in the energy sector, particularly for Leighton. Each and every LNG project requires capital expenditure exceeding EUR 20 billion. Leighton is providing the foundation, road, port installation, and camp construction services for the Gorgon and Wheatstone plants.

Page 10 of 17

Besides generating and transporting power, we also specialize in energy conservation. The keyword here is **energy efficiency**, for example, in buildings and industrial facilities. Our subsidiary HOCHTIEF Energy Management is currently in charge of some 130 projects and has saved roughly 115,000 metric tons of carbon emissions for clients last year. That is the equivalent of the annual emissions from almost 80,000 VW Golf cars, each driving about 10,000 kilometers per year.

On the whole, HOCHTIEF already recorded work done totaling around EUR 4.9 billion in the **energy segment** in 2011. In view of the momentum in this market and our strong starting position, we have set a target of **boosting work done by around 40 percent** to approximately EUR 6.8 billion by 2016.

A second core focus for us is **shaping major cities**.

People's expectations of cities are changing. In industrialized countries, new concepts for living space are in growing demand. What people want are multi-generational **living concepts** where young families feel at home as much as single people and senior citizens. They expect these new residential areas to be close to urban centers and include offices, retail outlets, and dining opportunities alike. Le flair, the new urban district in Düsseldorf, is one example. As project developer, we are building more than 900 residential units there by 2015. The initial phases were completed last year and have mostly already been sold.

In addition, **Elbe Philharmonic Hall** in Hamburg illustrates people's new demands for and in cities: The facility houses not just concert halls, but also apartments, restaurants, and a hotel under a single roof. We have the contract to build this future landmark and will complete it as soon as we return to a situation where we can continue.

Page 11 of 17

Alongside the public section, the construction project also has a private section, consisting of apartments, restaurants, and a hotel. These parts of the building are going up under private developers and lessees. The view from the hotel you can see behind me shows how far we are on the project. During my last visit, I gained my own picture of the progress made. In these sections, HOCHTIEF is in charge of almost the entire planning.

Delays and cost overruns have only arisen in the public section. In this section, even five years after construction started, a company owned by the City of Hamburg continues to churn out plans and changes at a rate that it is no longer possible to keep up with. I would like to give you just one example: Only this January, we received new plans where a cooling system for the foyers that was previously integrated into the ceiling is now to be installed in the walls. This means we have to modify and re-cost our execution plans yet again.

Regardless of the cause, however, all involved must be aware that this cannot go on—we must find a solution. We are currently in talks with the city to find an acceptable way forward.

The challenges in **emerging markets** stand in stark contrast to this new landmark on the Elbe River. The exploding populations there need living space, so entire residential districts must be built very rapidly. India is one example. There, in early 2012, our US company Turner established a joint venture by the name of Sahara Turner with two local partners to construct new townships.

We are also leaders in the field of energy-efficient buildings, or **green buildings**. Exceptionally efficient buildings receive certification, with the topmost certification

category being gold. In 2011, the two-hundredth Turner project gained certification, this time for a health center at the renowned Yale University.

This is the expertise we bring to shaping major cities. Demographic shifts, tight public-sector coffers, and stricter environmental requirements for buildings all cause major changes that provide us with **many opportunities**.

We also see major growth opportunities in HOCHTIEF's third key market: building **state-of-the-art transportation infrastructure**.

If you drove here this morning, you can attest to how urgently the road network needs maintaining and upgrading, and not just in Germany.

However, more money is needed to build it than is available in public-sector pockets these days. This is why roads are being built and operated by industry and financed by banks and industry in what are known as public-private partnerships (PPP).

In **Germany** alone, we can expect PPP road projects to total around EUR 3 billion by 2015. Out of the eight PPP road projects awarded in Germany since 1999, we won four. Most recently, we received the contract to expand the A8 expressway between Ulm and Augsburg. Construction work began last year on the project with total capital expenditure of EUR 410 million. We will operate this segment of the road for 30 years.

Many HOCHTIEF innovations improve safety and traffic flow. HOCHTIEF developed a monitoring system for the A4 highway near Eisenach in Thuringia used for immediate localization of vehicle breakdowns, stray animals on the roadway, or dropped loads.

There is a great need for road building in the **United States** as well. If you've ever driven a car there, you know this is true. Our US subsidiary Flatiron secured the contract to upgrade Route 5 in California. In San Francisco, we will work with a partner to build the new southern access road to the Golden Gate Bridge.

Transportation infrastructure is not limited to roads; it includes **railways**, too. While we are building a tunnel segment for the Stuttgart 21 project in Germany, Leighton is constructing the station for an express rail link that will carry up to 100,000 passengers daily starting in 2015.

All told, we built **transportation infrastructure** worth around EUR 5.2 billion across the globe in 2011. The aforementioned trends lead us to target **about 30 percent growth** in the annual figure in the next five years.

Page 13 of 17

The growth that we expect, notably in the energy segment, requires **capital expenditure**. To make this expenditure, we plan to commit capital for only short periods and quickly release it again. At the same time, we have our sights set on the Group's primary strategic direction. We aim to **develop, build, and operate**—and sell ownership at the right moment. It is not our goal to become permanent owners of large-scale infrastructure facilities.

This now brings me back to the **airports**. The Executive Board under the leadership of Dr. Lütkestratkötter very successfully built and expanded our airports business, but managing this portfolio no longer provides us the business opportunities we had at the start. Our objective therefore remains to sell this business. However, we are not under time pressure, since the airports business continues to make a solid contribution to the Group's results. Overall, passenger numbers at our six airports rose further in 2011. We counted nearly 95 million passengers, up 2.2 percent on the previous year. Despite the crisis in Greece, Athens Airport continues to be profitable. In Budapest, following the bankruptcy of Malév Hungarian Airlines, the majority of flights are now being served by other airlines.

Another business unit we originally intended to sell off completely was our subsidiary **aurelis Real Estate**. The company holds in the region of 17 million square meters of space located near city centers across Germany. We are not under time pressure here either, because aurelis delivers positive cash flow and was successfully refinanced in 2011. The goal remains to free up the capital committed there, but this does not have to mean a sale of the entire company. Instead, we may accelerate the sale of individual properties or portfolios.

Ladies and gentlemen,

About this time last year, **ACS** held a majority of voting rights for the first time at a HOCHTIEF General Shareholders' Meeting. Up to this day, that has led to questions about what ACS was planning and what would be the disadvantages for HOCHTIEF. No one, including myself, can foresee the future. What I can do, however, is report on my own experience from the last twelve months:

Page 14 of 17

In contrast to before, ACS takes the part of an active and involved shareholder on the Supervisory Board. As a company in the same industry, ACS pursues its own convictions and strategies in the Group's decision-making bodies. In those decision-making bodies, we have discussed all major projects and presented our respective stances. Even if discussions were not always easy, they took place among equal partners and always ended with a shared outcome. That is a very good basis for the future.

HOCHTIEF's high standing as a tradition-steeped German firm is a product of its own accomplishments. It does not depend on who is majority shareholder. Like no other company, we are associated with exceptional German buildings. Around 1930, HOCHTIEF built the Zollverein Coal Mine Industrial Complex in Essen, now a World Heritage Site. We constructed the Elbe Tunnel in Hamburg and put up Frankfurt's Messeturm trade show tower.

When you visit HOCHTIEF companies abroad, you will see that it's the same there.

A few weeks ago, the Group Executive Committee met in New York, and among other things we visited the Yankee Stadium and Madison Square Garden—two of the most important structures in the USA, both built by Turner. Turner is a tradition-rich US firm with its own identity, even though it is a subsidiary of HOCHTIEF.

ACS owns just under 50 percent of HOCHTIEF, yet HOCHTIEF not only remains a German listed company, but a German brand rich in heritage, with its own expertise and its own identity.

But that will also not keep us from seeking advantages in our connection with ACS:

We are already planning or working on joint projects in the United States and Europe. By combining our respective strengths—in joint ventures, for instance—we will gain competitive advantages. This strategy will be pursued not just in the United States, but in Europe as well. I have already mentioned the joint venture for constructing high-voltage transmission lines launched early in the year with ACS subsidiary Cobra. Since then, we have been awarded the Calaveras Dam project in the USA valued at EUR 182 million and submitted various joint proposals.

In closing, allow me to **summarize**.

HOCHTIEF has **achieved many operational objectives**—a record-high order backlog, a solid inflow of new orders, double-digit sales growth, and higher earnings in two out of three divisions.

Unfortunately, the robust performance we saw in America and Europe could not fully offset the **dramatic earnings collapse in Australia**. By far the largest part of the losses relate entirely to deviations from target at two Leighton projects. As a result, we drew consequences for Leighton's Board and changed the management team. If these measures should prove to be insufficient, we will make further changes together with the Australian Directors so that Leighton, and therefore HOCHTIEF, can once again deliver reliable guidance. At the same time, however, we will support Leighton in every way to help regain its former earning power and restore the lost confidence.

Calling off the airports sale did not incur a loss, it left published expectations unfulfilled. HOCHTIEF is headed in the right direction overall.

The **three growth areas** we are focusing on worldwide offer excellent business prospects.

We will publish our financials for the **first quarter of 2012** this coming Tuesday. I can already say this much: All divisions have secured major new contracts in

the three strategic growth areas, although the downgrade at Leighton will negatively impact Group earnings.

We see many opportunities in our new projects in the **current fiscal year**, but we don't want to act as if risks no longer exist. The bottom line is that we must achieve the result that we have announced to you. This is the only way for us to regain confidence in our company. We want you as shareholders to again benefit from our success.

We outlined our expectations most recently in March, and we are sticking to them. So, HOCHTIEF will return to generating profits in 2012—and they are expected to improve further in 2013 and the coming years. You will have undoubtedly noticed that this outlook no longer contains information about nonrecurring sales proceeds or other special items. The events of the last twelve months make us far more cautious in this regard.

I have intentionally saved one point for the end of my comments.

I want to make sure to draw your attention to the people responsible for our sense of pride in this company: our employees.

On behalf of the entire Executive Board, I would like to **thank our employees**.

I wish to express my gratitude that they did not allow themselves to be put off by the distractions and turbulence of the past 18 months. I would like to say thank-you that they have gone out of their way to support our company with their hard work and dedication. Thank you very much.

Thank you also to the Works Council and other employee representatives. Your work for the HOCHTIEF workforce makes an invaluable contribution to our company.

My personal appreciation also goes to the Supervisory Board. Its members have stood by HOCHTIEF during the past 12 months, even in difficult situations, and represented the interests of the Group forcefully and with dedication.

Very special recognition to you, our shareholders and investors, both large and small. I would like to **express my appreciation for your patience and the confidence** you have placed in us, even during these turbulent times. I greatly value the fact that you did not turn your backs on our company. Stay with us!

I am confident that with the **expertise, experience, and commitment** that make this company stand apart, by focusing on **energy, major cities, and transportation infrastructure** we have taken the right direction to ensure a successful future for HOCHTIEF. Please stay with us during our journey!

Page 17 of 17

**Thank you for listening!**

Now I would like to outline the **resolutions proposed to the General Shareholders' Meeting**.

In **agenda item 7**, the Executive Board and Supervisory Board propose an **anticipatory resolution on treasury shares** that is essentially the same as the resolutions adopted in previous years. A new resolution needs to be adopted because the previous year's authorization is limited to 18 months. We propose that the General Shareholders' Meeting renew the authorization to acquire and use treasury shares issued last year.

In **agenda item 8**, the Executive Board and Supervisory Board propose **three amendments to the Articles of Association**. The aim here is to include our offshore business activities in the company's purpose. In addition, we would like to bring the rules regarding the number of Executive Board members in line with the standard widely used by listed companies. The other amendments to the Articles of Association serve to simplify the Articles of Association and bring them in compliance with recent statutory changes.

**Thank you for your attention.**