

Press information

HOCHTIEF exceeds expectations in FY 2005

**CORPORATE
COMMUNICATIONS**

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- New record order backlog
- Consolidated net profit increased by more than half
- Dividend increase plus bonus
- Outlook for 2006: Order backlog to sustain record levels, pretax profit (adjusted) above prior year
- Consolidated net profit headed for EUR 100 million in medium term

page 1
03/16/2006

HOCHTIEF, the world's third largest construction services provider, exceeded its key targets for 2005 and finished off the year with outstanding results. With international business thriving and the European economy picking up again, profit before taxes shot up by 75.7 percent from EUR 187.3 million in 2004 to EUR 329.0 million in 2005 - growth far stronger than forecast at the start of the year. Consolidated net profit likewise grew substantially as forecast, by 52.4 percent from EUR 41.2 million in 2004 to EUR 62.8 million in 2005. Orders on hand represent nearly a year and a half's worth of forward orders, an unusually high level for the construction industry. "Through integrated management of demanding tasks spanning the entire project life cycle, we have once again proved our ability to combine our strengths to greatest effect. The construction-related services segment and the up-and-coming concessions market especially have proven to be veritable engines of success for HOCHTIEF," said Dr. Hans-Peter Keitel, Chairman of the Executive Board, at the Business Results Press Conference in Düsseldorf, Germany.

HOCHTIEF shares its success with investors and will ask the General Shareholders' Meeting to approve a dividend of EUR 0.90, which includes a EUR 0.10 bonus for an exceptional gain on establishing an investment partnership in the Group's Airport division. This means the dividend will have increased by 80 percent over the last five years.

Other results for fiscal 2005:

New orders were slightly up again in 2005 to EUR 15.60 billion (2004: EUR 15.59 billion), exceeding expectations even further after what was an unusually strong prior year. Work done grew by 13.3 percent to EUR 14.85 billion (2004: EUR 13.11 billion), with 84 percent generated outside the domestic market. This makes HOCHTIEF the world's most

international construction services provider. The order backlog increased by 12.7 percent to EUR 21.10 billion (2004: EUR 18.72 billion), beating the prior-year record yet again after five consecutive years of growth. Sales also grew strongly to EUR 13.65 billion, up 14.3 percent on the previous year.

In line with the very strong business performance, return on net assets (RONA) increased to 13.0 percent over the reporting period (2004: 8.7 percent) and thus significantly exceeded the cost of capital. The average number of employees rose in 2005 to 41,469 (2004: 36,409). This included 9,761 in Germany and 31,708 internationally (2004: 9,423 in Germany and 26,986 internationally).

The HOCHTIEF stock price likewise delivered very healthy performance. The year's closing price of EUR 37.83 represents nearly 58 percent value growth from the end of 2004. This places HOCHTIEF stock a substantial 22 percentage points ahead of the year's increase in the MDAX index. After the close of the reporting year, the HOCHTIEF stock price put in a further marked rise of 13.6 percent (March 10, 2006 closing price).

The HOCHTIEF Group attained its strategic targets in 2005:

1. HOCHTIEF has created value

- The HOCHTIEF Airport and HOCHTIEF Construction Services Asia Pacific divisions generated especially strong contributions to profit. Profitability also rose in HOCHTIEF's European operations.
- HOCHTIEF forged ahead with the expansion of its PPP portfolio, with public building contracts in the UK and Ireland.
- HOCHTIEF actively engaged in cross selling to generate extra business for the Group from existing customer relationships.

2. HOCHTIEF has sustained value

- HOCHTIEF has transferred part of its airport interests to HOCHTIEF AirPort Capital, an investment partnership established in 2005. The EUR 343 million gain on establishing the partnership confirmed HOCHTIEF's estimation that the total value of the portfolio prior to the transaction was in excess of EUR 1 billion. This total value exceeded HOCHTIEF's initial investment by more than 38 percent.
- HOCHTIEF published the value of its concessions portfolio for the first time in 2005. A deliberately conservative valuation showed that the projects engaged in by HOCHTIEF AirPort and HOCHTIEF PPP Solutions had attained a net present value of over EUR 873 million as of December 31, 2005 - up from just under EUR 703 million at the end of 2004.
- To fund the Group's further growth, especially in PPP, HOCHTIEF has secured its finances for the long term. In 2005, this included obtaining an internationally syndicated

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page 2
03/16/2006

credit facility for EUR 600 million. The facility gives HOCHTIEF the flexibility to take out and repay credit with a pool of banks without entering into separate negotiations each time. It provides HOCHTIEF with added clout and broader reach. It is also a renewed show of the confidence the lending market has in HOCHTIEF's credit standing.

HOCHTIEF has a positive outlook 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:

- 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.
- In 2006, operating profitability will continue to improve. As a result, profit before taxes will be above the previous year's pretax profit adjusted for effects of the investment partnership.
- As a result of the improved profitability in operating business, consolidated net profit will continue to rise. Our medium-term goal is EUR 100 million, and HOCHTIEF will make substantial progress toward this target in 2006.

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page 3
 03/16/2006

Figures for FY 2005

HOCHTIEF (Group)	2004	2005	Change	
			absolute	%
New orders (EUR billion)	15.59	15.60	0.01	0.1
- Germany	2.76	2.55	-0.21	-7.6
- International	12.83	13.05	0.22	1.7
Work done (EUR billion)	13.11	14.85	1.74	13.3
- Germany	2.39	2.38	-0.01	-0.4
- International	10.72	12.47	1.75	16.3
Order backlog (EUR billion)	18.72	21.10	2.38	12.7
- Germany	3.21	3.33	0.12	3.7
- International	15.51	17.77	2.26	14.6
Employees (average over year)	36 409	41 469	5 060	
- Germany	9 423	9 761	338	
- International	26 986	31 708	4 722	
External sales (EUR billion)	11.94	13.65	1.71	14.3
Profit before taxes (EUR million)	187.3	329.0	141.7	75.7
Consolidated net profit (EUR million)	41.2	62.8	21.6	52.4
RONA (%)	8.7	13.0		
Capital expenditure				
- Intangible assets, property, plant and equipment, and investment properties (EUR million)	440.3	496.8	56.5	12.8
- Financial assets (EUR million)	237.8	77.4	-160.4	-67.5

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page 4
03/16/2006