

**Towards the leading global infrastructure contractor with sustained profitable growth**



**Business Results Press Conference  
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**Marcelino Fernández Verdes, Peter Sassenfeld**



140 YEARS HOCHTIEF



# HOCHTIEF Group: Key Figures for 2012

	Change
• <b>New orders</b> EUR 31.49 bn (record level)	+24.1%
• <b>Order backlog</b> EUR 49.79 bn (record level)	+2.3%
• <b>Work done</b> EUR 29.69 bn (record level)	+15.1%
• <b>EBT</b> EUR 546.4 m	./.)
• <b>Consolidated net profit</b> EUR 158.1 m	./.)
• <b>RONA</b> 10.3 %	+472.2%
• <b>Net debt</b> EUR 944.3 m	./.) ca. EUR 1 bn vs end Q3 2012
• <b>Employees</b>	79,986

1) Not applicable due to loss in previous year

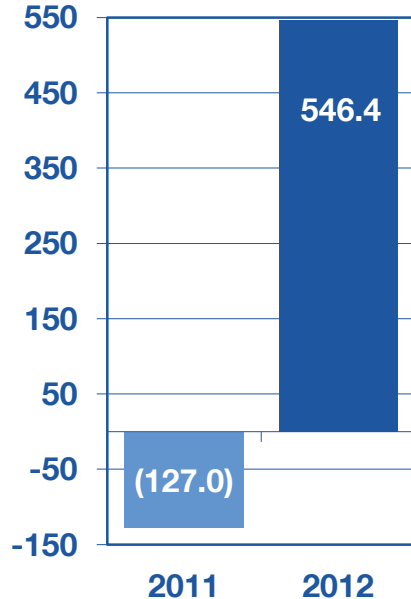


# Business Results 2012

## Key Figures

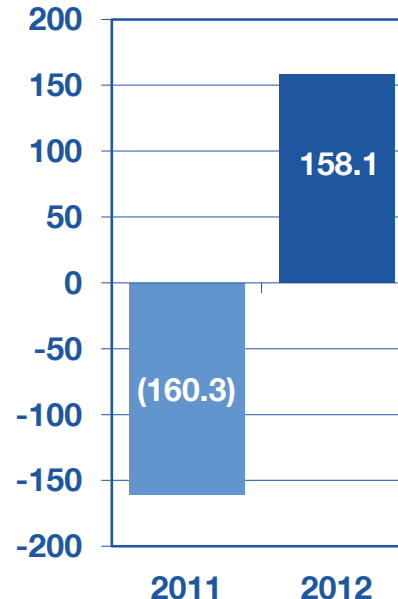
### EBT

EUR million



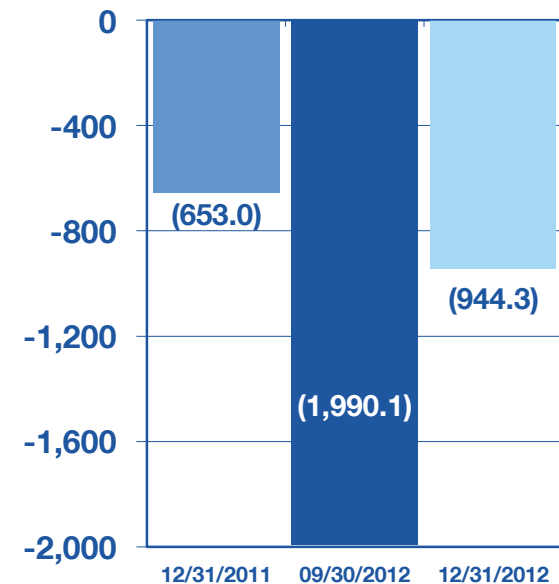
### Consolidated net profit/(loss)

EUR million



### Net debt

EUR million



## Net Assets (I)

### Consolidated Balance Sheet (IFRS) – Assets

	Dec. 31, 2012 EUR million	Dec. 31, 2011 EUR million	Change EUR million
• Intangible assets, property, plant and equipment, and investment properties	2,631.9	2,950.1	(318.2)
• Financial assets	1,187.7	1,098.2	89.5
• Receivables and other assets	760.7	890.9	(130.2)
• Deferred tax assets	257.9	274.7	(16.8)
<b>Non-current assets</b>	<b>4,838.2</b>	<b>5,213.9</b>	<b>(375.7)</b>
• Inventories, receivables, and other assets	7,128.6	6,468.7	659.9
• Marketable securities and cash and cash equivalents	3,143.6	2,657.7	485.9
• Assets held for sale	1,851.9	1,455.8	396.1
<b>Current assets</b>	<b>12,124.1</b>	<b>10,582.2</b>	<b>1,541.9</b>
<b>Assets</b>	<b>16,962.3</b>	<b>15,796.1</b>	<b>1,166.2</b>

## Net Assets (II)

### Consolidated Balance Sheet (IFRS) – Liabilities and Shareholders' Equity

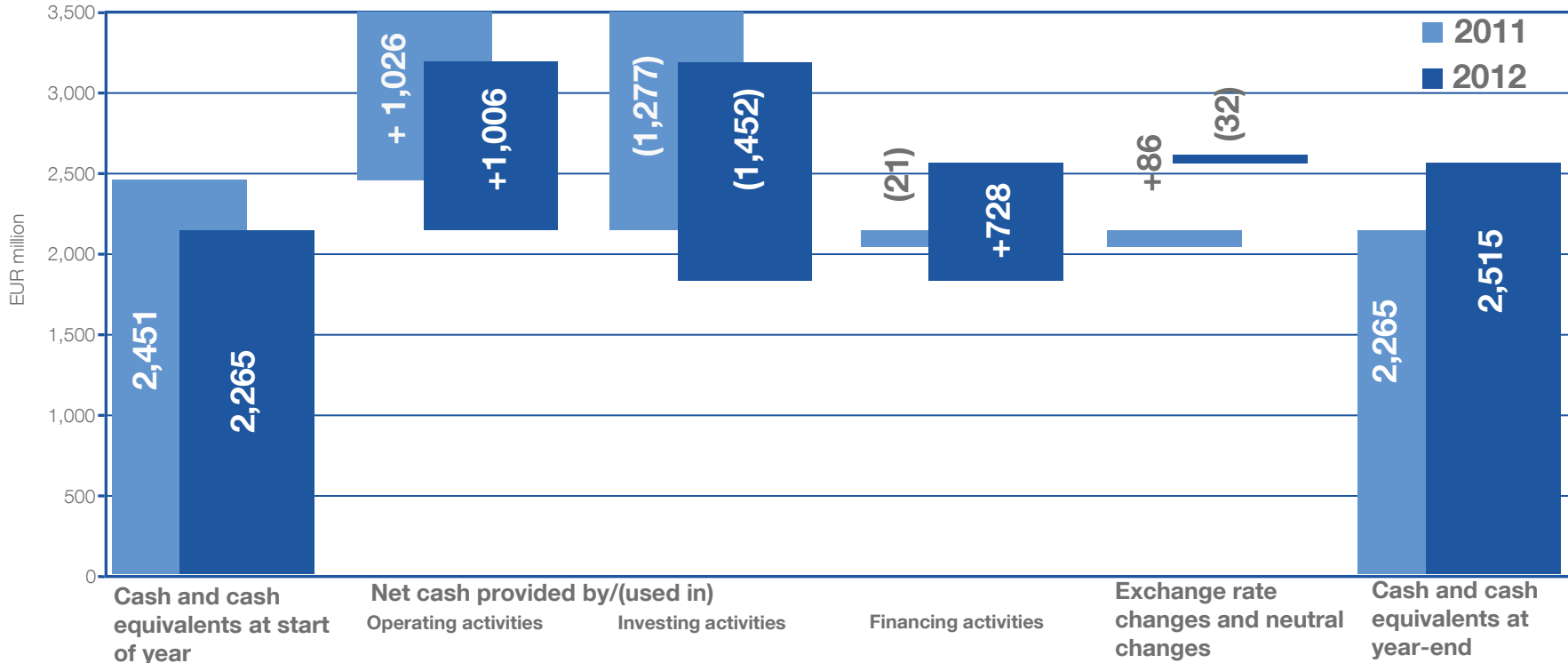
	Dec. 31, 2012 EUR million	Dec. 31, 2011 EUR million	Change EUR million
• <b>Attributable to the Group</b>	2,640.4	2,598.4	42.0
• <b>Minority interest</b>	1,603.4	1,512.0	91.4
<b>Shareholders' equity</b>	<b>4,243.8</b>	<b>4,110.4</b>	<b>133.4</b>
• <b>Provisions</b>	832.7	640.4	192.3
• <b>Liabilities</b>	2,813.2	2,480.2	333.0
• <b>Deferred tax liabilities</b>	92.7	78.7	14.0
<b>Non-current liabilities</b>	<b>3,738.6</b>	<b>3,199.3</b>	<b>539.3</b>
• <b>Provisions</b>	974.8	956.5	18.3
• <b>Liabilities</b>	7,849.9	7,510.6	339.3
• <b>Liabilities associated with assets held for sale</b>	155.2	19.3	135.9
<b>Current liabilities</b>	<b>8,979.9</b>	<b>8,486.4</b>	<b>493.5</b>
<b>Liabilities and shareholders' equity</b>	<b>16,962.3</b>	<b>15,796.1</b>	<b>1,166.2</b>

# Consolidated Group Statement of Earnings

Jan-Dec (EUR m)	2012	2011	△ %
<b>Sales</b>	<b>25,527.7</b>	<b>23,282.2</b>	<b>9.6</b>
Changes in inventories	91.5	-143.7	-
Materials	-17,312.0	-15,572.2	11.2
Personnel costs	-5,535.7	-4,863.6	13.8
Other operating income	378.7	499.5	-24.2
Other operating expenses	-1,636.4	-1,792.9	-8.7
Non-operating earnings	21.5	20.3	5.9
Net income from participating interests	186.4	-584.7	-
<b>EBITDA</b>	<b>1,721.7</b>	<b>844.9</b>	<b>103.8</b>
Depreciation	-918.7	-782.9	17.3
<b>EBITA/EBIT</b>	<b>803.0</b>	<b>62.0</b>	<b>1195.2</b>
Net investment and interest income	-235.1	-168.7	39.4
Non-operating earnings	-21.5	-20.3	-5.9
<b>EBT</b>	<b>546.4</b>	<b>-127.0</b>	<b>-</b>
Income taxes	-92.4	-61.7	49.8
Deferred taxes	-68.4	20.8	-
<b>EAT</b>	<b>385.6</b>	<b>-167.9</b>	<b>-</b>
of which: <b>Consolidated net profit</b>	<b>158.1</b>	<b>-160.3</b>	<b>-</b>
of which: Minority interest	227.5	-7.6	-

# Consolidated Statement of Cash Flows (IFRS)

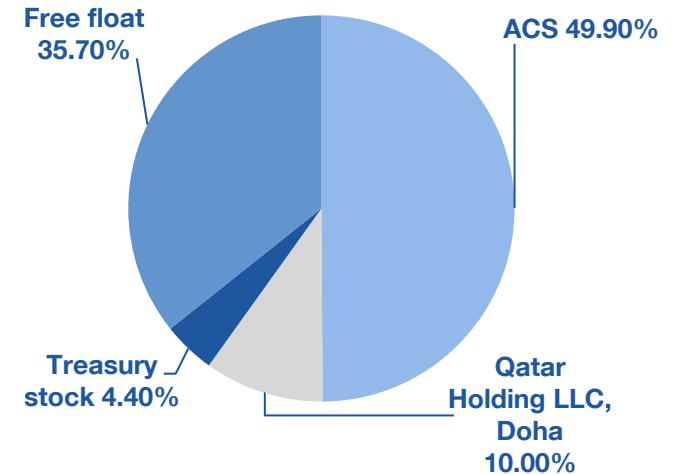
EUR million



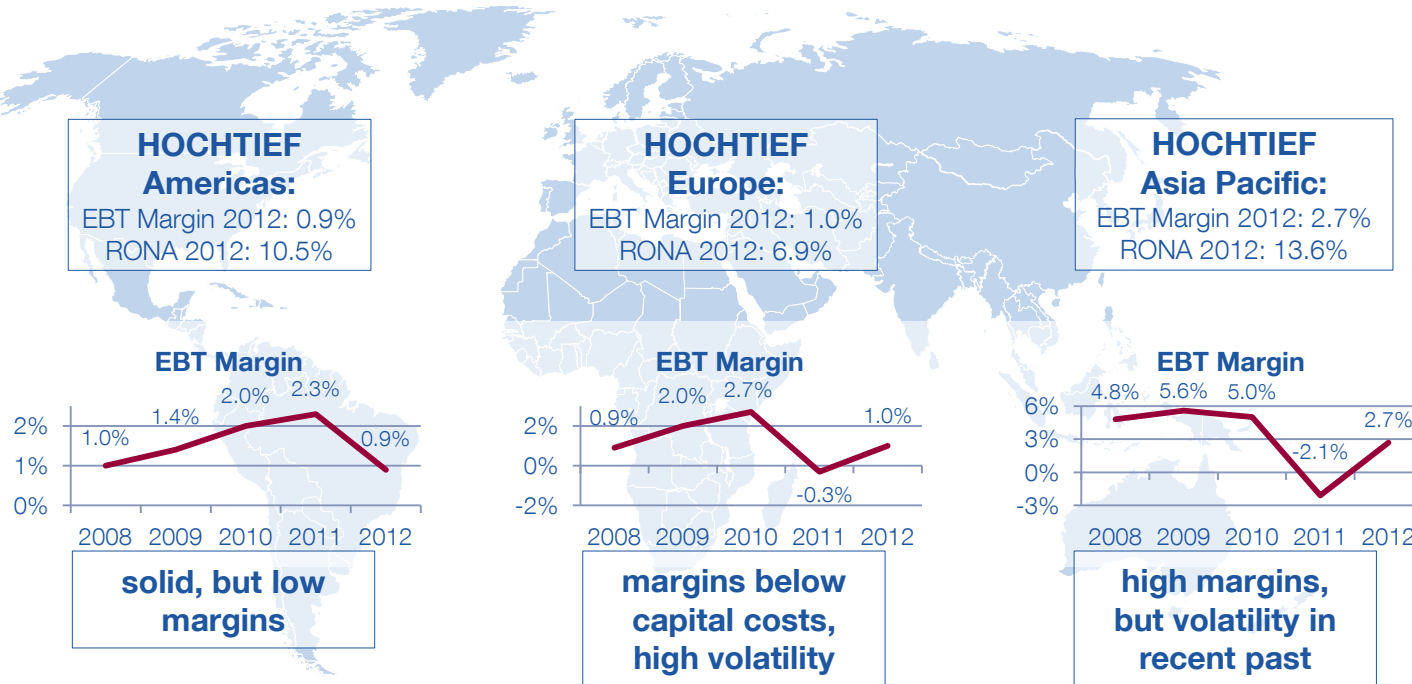


## Dividend and Shareholder Structure

- For 2012:  
Proposed dividend payment of EUR 1.00
- General dividend policy:  
adequate participation of all shareholders in earnings development
- Payout ratio historically around 50%

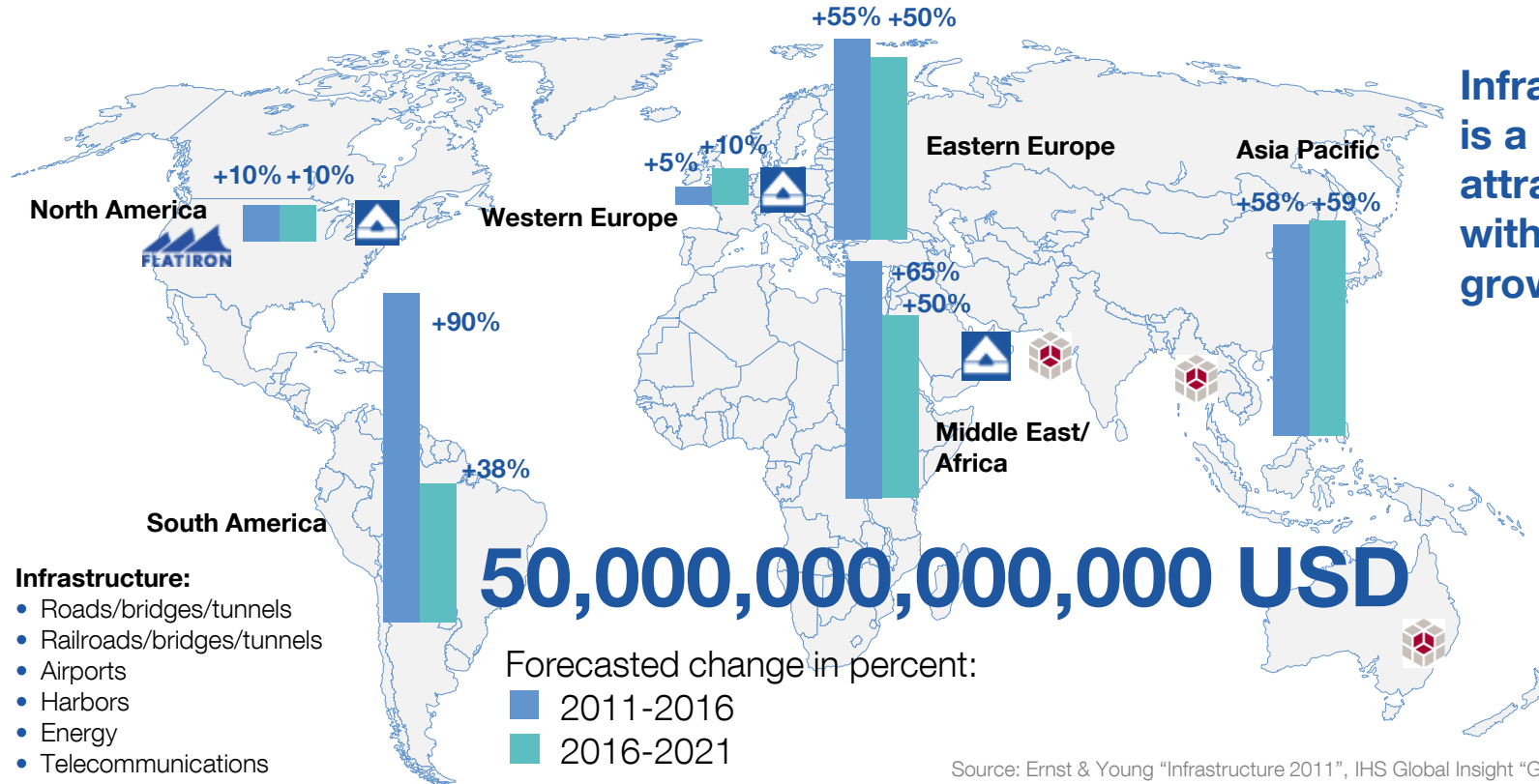


# Five-year Performance by Region



➔ Potential we can realize by regaining former strength and repositioning ourselves

# Worldwide Infrastructure Investment Needs until 2025



**Infrastructure:**

- Roads/bridges/tunnels
- Railroads/bridges/tunnels
- Airports
- Harbors
- Energy
- Telecommunications

**50,000,000,000,000 USD**

Forecasted change in percent:

- 2011-2016
- 2016-2021

**Infrastructure is a highly attractive market with sustainable growth rates**

Source: Ernst & Young "Infrastructure 2011", IHS Global Insight "Global Construction Outlook"

## Strategic Mission

HOCHTIEF to be the leading global infrastructure contractor with sustained profitable growth

### Key objectives

- Increase profitability
- Reduce net debt

### Key action:

1. Operational improvements
  - Risk management
  - Streamline organization
2. Focus on core business
3. Sell non-core assets (e.g. Airports and aurelis)

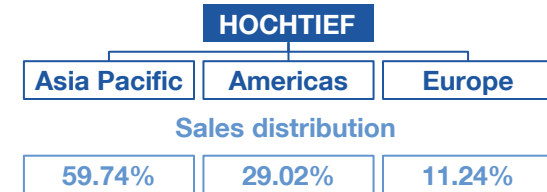
## HOCHTIEF Asia Pacific

- Loss-making projects finished and handed over in 2012
- Sale of Thiess Waste Management
- Emphasis on core business
- Higher operating margins
- Back at positive return on capital (RONA 13.6%)

### Outlook 2013:

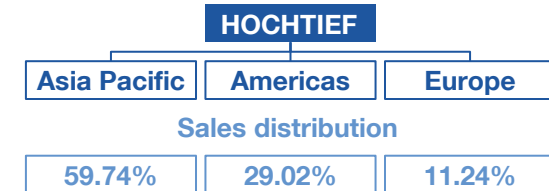
- Leverage existing core competencies
- Sale of telecoms business
- Management improvements and cost savings
- Operative EBT above 2012

**Leighton will continue to be our most important earnings driver: It is an outstanding company active in prospering markets.**



	2012 (EUR m)	2011 (EUR m)	change %	change % (f/x adjusted)
New orders	18,414.5	14,780.8	24.6	15.4
Work done	18,223.5	15,515.7	17.5	8.8
EBT	411	-285	-	-
Net profit	152.7	(154.8)	-	-
Net debt	(742)	(527)	41	41
RONA (%)	13.6	-3.4	-	-
Employees	55,959	52,220		

## HOCHTIEF Americas



- Building (Turner) fully met expectations
- Acquisition of Clark Builders (Canada) strengthens market position
- But: Civil engineering (Flatiron) clearly below expectations
  - Management changed
  - Risk management improved, business refocused

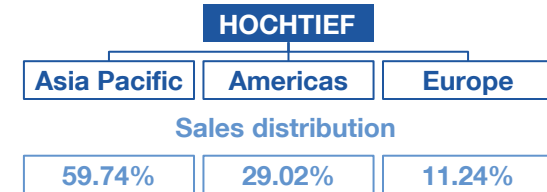
### Outlook 2013:

- Synergies from closer collaboration  
Turner/Flatiron
- Growth in building construction market expected
- Recovery in infrastructure sector expected

**Turner continues to deliver good results, problems at Flatiron have been addressed.**

	2012 (EUR m)	2011 (EUR m)	change %	change % (f/x adjusted)
New orders	9,577.7	7,036.5	36.1	25.7
Work done	8,037.6	6,714.5	19.7	10.6
EBT	63	142	-56	-59
Net profit	46.3	88.0	-47.4	-48.9
Net debt	469	511	-8	-6
RONA (%)	10.5	22.2	-52.7	-
Employees	8,397	7,280		

# HOCHTIEF Europe



- Earnings situation not satisfactory
  - Elbe Philharmonic Hall project heavily impacted divisional earnings: Problem is almost solved
  - Building construction fell short of expectations
  - Postponed project sales of HTP\*
- Services: Earnings stable
- PPP: Successful in the USA and the Netherlands, sale of Vespuccio Norte Express

## Outlook 2013:

- Review of strategy and organizational structure underway

## Europe with clear potential for improvement.

\* Development of commercial property

	2012 (EUR m)	2011 (EUR m)	change %	change % (f/x adjusted)
New orders	3,393.9	3,456.1	-1.8	-2.6
Work done	3,332.0	3,467.3	-3.9	-4.6
EBT	29	-9	-	-
Net profit	(53.6)	(83.8)	-	-
Net debt	(542)	(480)	13	13
RONA (%)	6.9	4.8	43.8	-
Employees	15,320	15,598		

## Service Solutions

### Facility and Energy Management

- Segment is reliably successful with stable margins and low capital intensity
- Highly qualified workforce and long-lasting customer relationships
- Among Top 10 in Germany, but below critical size: Would need acquisitions
- Low strategic/operational overlap with rest of HOCHTIEF business

#### Conclusion:

- **Service is not core business. We are going to sell this unit.**



#### Key Figures 2012

Work done	EUR 700 m
Net profit	EUR 16 m
RONA (%)	22.4%
Net assets	EUR 117.9 m
Employees	5,700



## Real Estate Solutions

Property Development (HTP, formart, aurelis, HTPM)

- Stable results
- Boom in residential property development, hence good results from formart
- High capital intensity

### Conclusion:

- Real Estate is not core business, we are looking for strategic partners.



### Key Figures 2012

Work done	EUR 892 m
Net profit	EUR 28 m
RONA (%)	6.2%
Net assets	EUR 1,340.8 m
Employees	750 [+600 HTPM]

# Classic Solutions

## Building Construction in Germany

- Unprofitable business in past years, HOCHTIEF reduced business volume
- Major challenges (among others) in the past from single large special projects
- But: Some projects and branch offices profitable
- Experienced teams

### Conclusion:

- **Objective: make this unit sustainably profitable**
- **Full analysis under way (size, structure, market...)**



### Key Figures 2012

Work done	EUR 560 m
Net profit	EUR (123) m
RONA (%)	N.A.
Net assets	EUR 150.3 m
Employees	1,600

# PPP Solutions

- PPP projects for social, transportation and energy infrastructure
- Highly attractive market with positive outlook
- Lower competition due to high complexity
- Strong position with good platform for future growth

## Conclusion:

- PPP is core business.



## Key Figures 2012

Work done	EUR 64 m
Net profit	EUR 50 m
RONA (%)	82.8%
Net assets	EUR 120.8 m
Employees	200

# Infrastructure Solutions

- Mainly energy and transportation infrastructure
- Attractive market with high future investment needs
- Strong know-how in managing complex transportation and energy infrastructure projects
- Good starting point for future growth

## Conclusion:

- Infrastructure is core business.
- Objective: Increase profitability – full analysis started



## Key Figures 2012

Work done	EUR 1,267 m
Net profit	EUR 15 m
RONA (%)	N.A.
Net assets	EUR 548.7 m
Employees	5,350

# Risk Management

## Measures Across Regions and Businesses

### 4-Phase Construction Activity Model

#### Market

- Selection of countries and segments
- Specification of project types and sizes
- ...

#### Target Project

- Selection of clients
- Selection of partners
- Selection of team
- Allocation of internal resources
- ...

#### Bidding

- Contract appraisal
- Evaluation of technical challenges
- Financial appraisal
- ...

#### Delivery

- Project and cost management
- Modification of team structure
- Preparation for handover/ acceptance
- Response to changes/ client requests
- ...

Best-in-class risk management to reduce volatility and deliver sustainable earnings!

## Group Outlook

### We expect:

- new orders, order backlog, and work done to normalize below the 2012 record levels.
- between 10 and 20% better profit before taxes and consolidated net profit in fiscal 2013 than in 2012—prior to non-operating items such as restructuring charges and effects from disposals.
- to reach a net cash position by the end of 2014 at the latest, driven by operating improvements and divestments.



# Conclusion: HOCHTIEF to be the leading global infrastructure contractor with sustained profitable growth

## Key objectives

- Increase profitability
- Reduce net debt

## Key action:

1. Operational improvements
    - Risk management
    - Streamline organization
  2. Focus on core business
  3. Sell non-core assets (i.e. sale of Airport and aurelis)
- ➔ Economic success and responsible behavior are foundations
- ➔ Challenges lie ahead
- ➔ People and know-how to achieve outstanding goals

„Ich bin überzeugt:  
HOCHTIEF wird eine  
große Zukunft haben.“





## 2013 Business Results Press Conference





**MY  
FUTURE**

**OUR  
BUSINESS**

**See you again at the General  
Shareholders' Meeting on May 7, 2013!**