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Our Company at a Glance in 2011



Corporate Headquarters

HOCHTIEF Americas Division

The HOCHTIEF Americas division coordinates the activities of HOCHTIEF's companies in the US and Canada.

Through its subsidiary Turner, HOCHTIEF is the leading general builder in the USA, the world's largest construction market. Turner has long been number one in the high-growth segments of education, healthcare, and commercial properties as well as in the green building segment. The company is also increasingly active in services.

The civil engineering company Flatiron has complemented HOCHTIEF's presence in North America since 2007. With operations in the USA and Canada, Flatiron is among the top ten providers in US transportation infrastructure construction. Flatiron is also a major pillar of our activities in the growth segment of public-private partnerships for infrastructure projects.

HOCHTIEF further extended its position in the growing market for US infrastructure projects with the acquisition of E.E. Cruz and Company in 2010. The company specializes in heavy construction projects in the New York metropolitan area.

HOCHTIEF Asia Pacific Division

The HOCHTIEF Asia Pacific division orchestrates our activities in the Asia-Pacific region. HOCHTIEF holds the leading position in the Australian market through its majority share in the Leighton Group. Capabilities include building, infrastructure construction, mining and concessions, real estate development, maintenance, and services.

With seven operational units—Leighton Contractors, Thiess, John Holland, and Leighton Properties in Australia, plus Leighton Asia, Leighton International, and Al Habtoor Leighton in the Gulf region—Leighton covers every link in the construction value chain.

Leighton is systematically expanding its leadership position as operator and manager in contract mining. The company is also a market leader in the infrastructure and real estate development sectors. Working from a strong base in its home market of Australia, Leighton is intensifying activities in selected Asian countries and the Gulf region.

*For further information on the HOCHTIEF divisions, please see www.hochtief.com.



(management holding company)*

HOCHTIEF Concessions Division

HOCHTIEF Concessions AG is a wholly owned subsidiary of the HOCHTIEF Group and is responsible for the development and implementation of concessions and operation projects.

The business segments served by HOCHTIEF Concessions include airports along with roads, social infrastructure, and other public-private partnership (PPP) projects. HOCHTIEF Concessions, the parent company of HOCHTIEF AirPort and HOCHTIEF PPP Solutions, is one of the world's major industrial infrastructure investors.

The company's portfolio comprises interests in Athens, Budapest, Düsseldorf, Hamburg, Sydney, and Tirana airports together with 17 PPP projects in Germany, the UK, Ireland, and Canada. These include seven roads, over 100 schools, 18 police facilities, a community center, and a barracks. HOCHTIEF Concessions is also developing two geothermal power plants and is in two investment partnerships.

HOCHTIEF Europe Division

The HOCHTIEF Europe division brings together the core business of the HOCHTIEF Group in Europe and selected regions worldwide. The division is spearheaded by HOCHTIEF Solutions AG, which designs, develops, builds, operates, and manages real estate and infrastructure.

Capabilities include real estate development, building construction together with civil and structural engineering, property and asset management, and comprehensive services in the facility and energy management segments.

The company focuses on lucrative growth markets and delivers sophisticated one-stop solutions. Expertise in design, development, construction, and services is dovetailed to meet customer needs, generating powerful synergies. The service portfolio is continuously being added to and spans the entire infrastructure project, real estate, and facility life cycle. In many regions and segments, the company ranks among the market and innovation leaders.



Creating Sustainable Value— Embracing Responsibility

HOCHTIEF is one of the leading international providers of construction-related services. We deliver integrated services covering the life cycle of infrastructure projects, real estate, and facilities. Thanks to its global network, HOCHTIEF is on the map in all the world's major markets. We believe in sustainable growth and take on responsibility.

HOCHTIEF offers a portfolio comprising the three modules developing, building, and operating. Our well-coordinated capabilities allow us to offer clients premium quality and solutions individually tailored to their needs. Our company's expert staff create sustainable value for clients, shareholders, and HOCHTIEF alike.

HOCHTIEF has a tradition of nurturing the relationship between business, the environment, and social responsibility. This is one of the major factors in our long-term success. Our clear commitment to sustainability presents us with very special challenges, as each of our projects is unique. We thus accept great responsibility toward people and the environment, now and in the future.



The photo spreads in this Sustainability Report show HOCHTIEF employees who contribute in very different ways toward our concept of sustainability. With their professional expertise, innovative solutions, and great personal dedication, they make a key contribution to our corporate success in terms of sustainability. Corporate responsibility at HOCHTIEF is not just a principle or a strategy, but the way we work—thanks to our employees.

Foreword

Dear Readers,



Taking responsibility: It's up to all of us. Every citizen, and every company as well, can actively contribute toward making our world a more sustainable place. The HOCHTIEF Group has targeted and embraced this challenge.

Our activities alone entail a huge responsibility: Our active role in the process of creation is in the nature of our business as a provider of construction services. With our projects, we bring spaces to life. In doing so, we impact the people who use them and the natural environment that surrounds them. Acting responsibly is our obligation to the community,

to current and future generations. HOCHTIEF has made a long-term commitment to sustainability: The goal of sustainability is embedded in our corporate strategy. In 2008, we joined the United Nations Global Compact initiative; we actively support the ten principles set forth in the Global Compact in the areas of human rights, labor, environment, and anti-corruption, and we work to further them wherever possible.

HOCHTIEF is considered a pioneer in sustainability in our industry. The Group boasts a proud tradition and successful track record, and in my function as the new Chairman of the Executive Board I intend to work with my colleagues on the Board, the managers, and our company's entire workforce to carry these on.

We have set ourselves clear, quantifiable corporate goals. During the last two years, we have come appreciably closer to attaining these goals. We have achieved a great deal—for example, we have met our objective of significantly increasing the number of sustainably constructed, green buildings among our international projects. We have also achieved the targeted expansion of our energy contracting business segment and as a result cut carbon emissions by over 100,000 metric tons in 2010 on behalf of our clients. What's more, we have expanded our range of facility management capabilities with the addition of our blueFM service, which focuses on sustainability aspects. You will find many more examples described in this Report.

In other areas, we are still working toward achieving our goals. And we're working at full steam. Particularly challenging issues for us in the future will be ensuring the reliable supply of energy and harnessing energy from alternative sources, as well as work safety. It goes without saying that areas where we have already achieved success will remain in our focus for still further improvement.

This will take the full dedication of our workforce—and a working environment in which each and every employee can make an individual contribution. Our corporate culture depends on this individual commitment, and on the strength of our teams as well. We have created the best possible internal structures in order to implement our shared sustainability goals together.

To us, taking responsibility also means departing from familiar paths and developing new solutions. That is why we at HOCHTIEF encourage innovations and actively push new developments forward. The construction industry has a special role in issues such as the reliable supply of energy into the future. We make a key contribution here with our commitment to renewable energies: HOCHTIEF implements wind and hydropower and geothermal projects. As investor, builder, and operator of these facilities, we can play a vital part in the switchover to renewable energy planned by the German government. Of course, we are also working hard on solutions to the urgent issues of storing and transporting energy from renewable sources. You will find a wealth of information on these topics in this Report.

You'll see: With its strategy of covering the entire life cycle of infrastructure projects, real estate, and facilities, HOCHTIEF is also committed to sustainability in its operating business. Our integrated approach enables us to ideally network development, building, and operation in our projects—and that also means saving money, boosting efficiency, and protecting the environment. Our specialized services go a long way toward conserving energy throughout the project life cycle. We are a leading international player in our industry; our work is instrumental in actively shaping the market and setting new standards.

We attach great importance not only to the internal documentation of our accomplishments but also to making it externally quantifiable and comparable. To that end, this Report again publishes detailed facts and figures on sustainability at HOCHTIEF. Our new reporting system, CRedit, will further expand the database and continue to improve data quality. In this Report, we have again adhered closely to the Guidelines of the Global Reporting Initiative (GRI). And, as in the past, this Report has also been appraised by public auditors.

We shape HOCHTIEF in a process of continuous dialog with our stakeholders and we are guided by their expectations and needs. Your suggestions, advice, and questions on sustainability and responsibility at HOCHTIEF are helpful stimuli for us. Please contact us at nachhaltigkeit@hochtief.de.

We will continue to grow HOCHTIEF systematically. To ensure this, we have set ourselves clear goals—economic, ecological, and social. They will be our yardstick. Because we take responsibility.

Sincerely yours,



Dr. Frank Stieler
Chairman of the Executive Board
of HOCHTIEF Aktiengesellschaft

HOCHTIEF: **The Company**



We are a winning team—and we deliver the whole package.



Florian Maas and Katrin Köncke from HOCHTIEF Solutions beam with justified pride. Working with staff from a total of seven different corporate units, they have successfully delivered Nordex Forum in Hamburg. The new headquarters for one of the biggest makers of wind power systems is the result of outstanding collaboration among HOCHTIEF experts, who put together an efficient full package solution. This exceptional team effort garnered them the HOCHTIEF Cooperation Award 2010.

Nordex Forum is truly a winning example of HOCHTIEF's integrated approach in action: We serve all phases of the infrastructure project, real estate, and facility life cycle—our tried and trusted formula for sustainable business success.



The Company

Integrated strategy for sustainability

For further information on the HOCHTIEF Group, please see www.hochtief.com.

HOCHTIEF is one of the leading international providers of construction services. In the market for over 140 years, we today provide integrated solutions spanning the entire infrastructure project, real estate, and facility life cycle. Our portfolio consists of three modules: developing, building, and operating. The global HOCHTIEF network puts us on the map in all the world's major markets.

Sustainable strategy

Our long-term, forward-thinking corporate strategy is all about generating value for shareholders, clients, trading partners, and HOCHTIEF. The focus is on sustained, strong business results and dynamic growth.

We pursue a package of **strategic initiatives** adopted in recent years:

- Life cycle concept: Linking our full portfolio of capabilities and leveraging the resulting synergies to benefit clients and HOCHTIEF
- Financial fire power optimization
- Expansion into high-growth markets: Deploying high-margin services and new client-specific solutions to tap into new areas of business in profitable growth markets such as renewable energy and transportation infrastructure as well as to establish positions in upcoming markets such as Qatar, India, and Canada
- Differentiation through technology: Excelling in technical prowess, German engineering expertise, and process know-how, HOCHTIEF stands out from competitors and creates added value for clients with innovative services and tailored solutions
- Increase service business: Focusing on services such as energy consulting, facility management planning, and efficient facility operation
- HOCHTIEF: Best place to work

Our clear strategic orientation gives us the sure footing and the reach to tackle new tasks and master challenges.

Our products and services

Develop

This module includes development, integrated design, financing, insurance, construction, and marketing for all types of project, plus consulting—with all services available separately or in a packaged solution.



When clients use all modules in our portfolio in a single project, we generate maximum value—and our clients benefit from the synergies.

Build

This module comprises our mainstream construction business together with construction management in HOCHTIEF's building construction, civil engineering, and infrastructure segments. Alongside construction and construction management, HOCHTIEF also procures materials, systems, and services, and provides site facilities.

Operate

This module embraces all activities relating to the operation of infrastructure projects, real estate, and facilities and the management of business processes, including asset, property, facility, and energy management. The module also includes the concessions and operation business featuring our airport holdings, our public-private partnership projects such as roads and social infrastructure, and contract mining with its focus on operation.



One-stop shopping: HOCHTIEF as life cycle manager. Our services are based on sustainability principles.

Focus on the project life cycle

A cornerstone of HOCHTIEF's corporate strategy is our service portfolio spanning the entire project life cycle. We provide services for infrastructure projects, real estate, and facilities in all project phases—from the initial idea right through to completion, from commissioning to revitalization. This approach is fundamentally sustainable: Serving and shaping the entire life cycle produces top quality end to end. From long before the construction phase begins, we work in close partnership and dialog with clients and others involved, and plan well ahead to build in sustainability considerations such as energy efficiency and project life cycle assessments. It pays to look ahead in this way—for clients, for HOCHTIEF, and for the environment.

Life cycle management at HOCHTIEF is closely tied to our project production process. The separate phases are well illustrated in the Nordex Forum office building project in Hamburg, which was truly a winning team effort, with numerous HOCHTIEF units contributing their expertise and capabilities. The project team won the Group's internal HOCHTIEF Cooperation Award 2010 for their successful collaboration. In January 2011, the project also secured gold certification from the German Sustainable Building Council (DGNB). Further sustainability aspects of Nordex Forum are presented in the gray boxes in the sections that follow.

HOCHTIEF life cycle management for Nordex Forum



Development: On behalf of tenants Nordex SE, HOCHTIEF produced a real estate development plan, acquired the land from the city, and took charge of construction.

Planning: Together with architects Schenk + Waiblinger and the City of Hamburg, the project was designed and planned around the tenant's needs, incorporating stringent real estate management and urban planning requirements.

Marketing/leasing/sale: HOCHTIEF marketed the project directly without outside brokers. The Legal, Insurance, and Finance corporate departments provided consulting. At the outset of the project, Nordex, the sole tenant, signed a 15-year rental agreement with two renewal options. This made it possible to secure Swiss Life as the project investor, long before the building was finished and with progress payments during construction.

Finance: HOCHTIEF was able to finance the entire project out of the progress payments from the investor.

Construction planning: HOCHTIEF formart was in charge of relations with the investor, while our Building unit looked after overall project execution management and relations with the tenant.

Construction management: The HOCHTIEF team drew up a comprehensive site logistics and management plan, adherence to which was tracked continuously. This provided assurance for elements such as work safety and uninterrupted execution.

Procurement: HOCHTIEF procured all materials, systems, and essential services.

Construction: HOCHTIEF built the project on a turnkey basis. Our Shell Construction/Industrial Construction unit was responsible for the entire construction process. HOCHTIEF Consult Building had charge of quality control and watched over compliance with the DGNB guidelines to satisfy the criteria for gold certification.

Logistics: HOCHTIEF subsidiary Streif Baulogistik delivered the necessary logistics expertise and site installations.

Operation: HOCHTIEF facility managers provided key substantive input in negotiating both the rental agreement and the contract of sale with the investor.

Energy management*: HOCHTIEF's energy management experts help clients make better and more efficient use of energy. These services are mostly taken up by industrial and public-sector clients and for complex properties.

Property management: The project team consulted with HOCHTIEF's property management experts in calculating operating costs and drafting related parts of the rental agreement.

Insurance: HOCHTIEF Insurance provides coverage for project risks Group-wide before, during, and after construction. HOCHTIEF Insurance notably supported the project team during the site purchase phase.

*This HOCHTIEF unit was not involved in the Nordex Forum project but is included here to explain the life cycle approach.

Responsibility by conviction

As a future-focused company, HOCHTIEF acts on its responsibility toward society and the environment. Sustainability and corporate responsibility (CR) are part of our corporate strategy and are enshrined in our values, vision, and guiding principles. Our 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.”

*For further information, please see www.hochtief.com/sustainability.

Our guiding principles* help implement the HOCHTIEF vision. They are based around four main areas and fully cover the Global Reporting Initiative criteria:

- Client-oriented service spectrum
- Successful employees
- Sustainability
- Value-oriented strategy

As early as 2000, we became the first construction company in the world to sign up to the standards of the International Labor Organization (ILO) aimed at enabling women and men the world over to work in conditions of freedom, equity, security, and human dignity. In 2008, HOCHTIEF joined the United Nations Global Compact —the world’s largest corporate responsibility initiative—to underscore our commitment to responsibility and publicly highlight that commitment. We put our commitment to

www.ilo.org

www.unglobalcompact.org

**For further information, please see page 24 onwards.

sustainability on record once again in November 2010 by signing the Code of Responsible Conduct for Business, giving our voluntary pledge along with 20 other corporate groups to sustainability, social partnership, merit, and fair competition. Our shared aim is to set standards for responsible entrepreneurial activity that are visible, relevant to everyday life, and capable of being verified.

Sustainability as an opportunity

Sustainability guides our work in many areas of operation and presents new business opportunities for HOCHTIEF. Closely integrating sustainability into corporate strategy and implementing sustainability in core business activities has been identified by many international companies as a key challenge in the years ahead. A New Era of Sustainability, a study by Accenture for the UN Global Compact, showed that 93 percent of the 766 CEOs surveyed believe sustainability will be critical to their companies’ future success. No less than 96 percent said sustainability must be fully integrated into corporate strategy and core business.

HOCHTIEF has a tradition of nurturing the relationship between business, the environment, and social responsibility. This is one of the major factors in our long-term success. We firmly believe in the benefits and in the efficiency of sustainable business and development. Demand for sustainable real estate, infrastructure, and facilities continues to grow across the board—from development to construction and operation. An example is provided by the steadily growing number of sustainable buildings produced by HOCHTIEF the world over. We have secured ourselves a leading position with our expertise in the market for green building.**

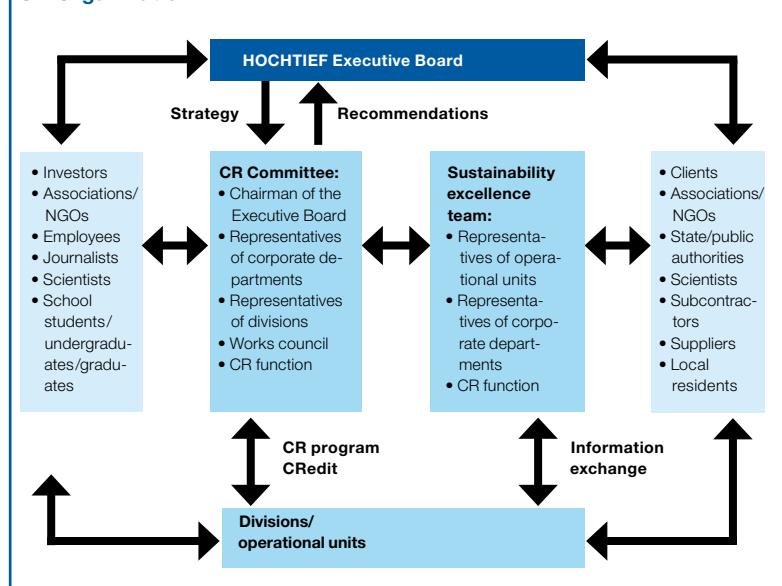
CR: Organization and objectives

The close integration of corporate responsibility (CR) into HOCHTIEF’s corporate strategy is reflected in how CR is organized: Management of sustainability issues is performed by the CR function within HOCHTIEF Corporate Development. In this way, sustainability is incorporated organizationally into the development and shaping of strategy and innovation processes.

Sustainability at HOCHTIEF is concentrated in six **focus areas** which form the basis of our CR strategy:

- Sustainable products and services
- Active climate protection
- Resource protection
- Attractive working environment
- Corporate citizenship
- Compliance and ethics management

CR Organization



The investor on Nordex Forum



Claudia Rehschuh, Head of Real Estate, Swiss Life Asset Management GmbH, Munich

What makes green buildings so attractive for an investor?

We look upon real estate as a long-term investment. Green buildings have far lower running costs than conventionally built properties. They are highly attractive to an investor because they are easier to rent out—and to tenants because of the lower operating costs. And not least, we have social responsibility as corporate citizens, both for the environment and for future generations. The consequences of climate change and scarce energy resources are now apparent to all, and we cannot just ignore them. So when we invest in real estate, we are very careful to look for a sound energy budget and a moderate environmental footprint.

Are green buildings a better investment then?

Without any question yes.

What were the winning factors with Nordex Forum?

For some time, we had wanted to supplement our real estate portfolio with some attractive commercial property in a structurally well-provided area like Hamburg. What clinched Nordex Forum in the end was the excellent architecture and the integrated overall design: a green building that scores very well on resource efficiency and where great emphasis has been placed on sustainability features. These include roof greenery, zero-emission materials and the fact that rainwater is used for all sanitation, and then the optimized total cost of ownership and high energy efficiency. As a result, the new Nordex headquarters is not just architecturally attractive, it is also highly economical. And that is exactly what Swiss Life looks for in a real estate investment—the best possible business case combined with environmental quality.

It goes without saying that a property must be profitable for us, but in the long term that only works if users consider it attractive and are happy with it. Nordex's CEO, Thomas Richterich, confirmed only shortly after moving into the new headquarters how much the workforce liked having everything far closer together; he said communication had improved within the company and there was also a measurable boost to motivation.

What part did DGNB certification play in your investment decision?

DGNB certification involves assessing the whole spectrum across construction and operation of a building along with an analysis of efficiency for users. This makes it a precise way of gauging efficiency on a real estate investment. Nordex Forum's DGNB gold certification confirms and rewards our efforts with regard to sustainability and is a further reason for us to carry on exactly as we are.



These are relevant to all of our segments and help us in delivering on our social responsibility. Putting them into action is our daily challenge.

The CR Committee, established in 2007, is in charge of ongoing development of the HOCHTIEF CR strategy. It also translates that strategy into targets and action items, then initiates and monitors their implementation. In its work, the Committee makes use of the Group's tried and true management systems, including the environment and safety management system and the compliance system, which features both internal and external audits. The CR Committee reports to the Executive Board on CR initiatives, providing advice and making recommendations. The Committee meets on a quarterly basis. HOCHTIEF em-

ployees can learn about all discussion topics and meeting outcomes on the corporate intranet.

To reinforce integration and knowledge transfer on sustainability issues within the Group, the sustainability excellence team was formed in 2008. This is made up for the most part of employees from operational units. With support from the CR Committee, the sustainability excellence team translates strategic ideas into sustainable products and services along the length of the project life cycle and brings those products and services to market. The team meets regularly for this purpose at various locations.

The composition of these central decision-making bodies reflects the rigorous alignment of our activities to stakeholder* interests. Representatives of the Works Council

***For further information, please see page 101.**



Stakeholders have their say

The financial market

Roger Baumann,
Director Real Estate Asset Management,
Credit Suisse AG, Zurich

Where do you see the benefits of green real estate funds?

In the European Union, real estate accounts for 42 percent of final energy consumption and 35 percent of total greenhouse gas emissions. Green real estate funds that verifiably invest in sustainable properties encourage energy efficiency and give responsible investors a way of buying into a special class of assets that have built-in provision for the future. Investors and construction clients are demonstrably ready to shoulder a higher investment outlay for certified buildings and tenants are willing to pay higher rental costs.

What criteria must a sustainable property satisfy to be suitable for such funds?

The property sector does not have a generally accepted definition of sustainable real estate. Sustainable properties share features like efficient use of natural resources, utilization of environmentally friendly building materials, reduced emissions, waste avoidance, consideration of total cost of ownership, health factors, and also social factors as well as comfort and convenience for users. Labels, seals of quality, and certification play a key role in this context by providing guidance for fund managers and investors. Real Estate Asset Management at Credit Suisse defines sustainable investments with reference to its own "greenproperty" certification system, which is based on a nationally recognized standard (further information: www.credit-suisse.com/greenproperty).

Who are the investors?

So far, sustainable real estate investments are mainly the focus of institutional investors. As yet, hardly any sustainable real estate funds have been approved for retail investment and so there is not much opportunity for private individuals to get involved.

How do you expect green real estate funds will develop in the future?

Demand for sustainable real estate investments will continue to grow. Sustainability certificates will consequently become increasingly important as an integral part of the investment strategy for such assets. In the medium term, the still relatively small number of certified properties on the market will be insufficient to meet investor demand.

and of the Investor Relations and Corporate Communications departments, for example, are among the members of the CR Committee. The sustainability excellence team interfaces with clients.

Further improvements in CR data compilation and quality

For accurate targeting of our sustainability strategy, HOCHTIEF works continuously to improve the quality and comprehensiveness of CR data. The aim is to make success measurable using meaningful performance indicators. In 2010, we introduced a HOCHTIEF-developed IT-based reporting system, CRedit, in which quantitative and qualitative data are collected on our strategic focus areas. Data quality improves as a result, with standardized definitions, systems and processes. The tool is integrated into our existing IT systems so that sustainability data can be compiled easier and faster than before. From 2012, CRedit will provide comprehensive information on specified indicators and thematic areas for external sustainability reporting as well as internal sustainability monitoring and control.

CR is international

In Germany, the USA, and Australia, CR is a key issue in industry and society that HOCHTIEF's country-level subsidiaries have taken on board in their organizational structures, with due allowance made for national differences. In some other countries and regions where HOCHTIEF operates, however, sustainability is not yet given the same level of importance. Here, too, we raise the bar for the sector as a whole. HOCHTIEF Polska, for example, was invited in 2010 by a major Polish industry association, Employers of Poland, to serve as patron for the construction industry in a national coalition for responsible business. The aim here is to establish sustainability issues in the market and among the workforce.

International rankings affirm strategy

The viability and success of our rigorously implemented corporate strategy also shows through in HOCHTIEF's excellent scores in global and national corporate rankings. A case in point is the international ranking of the world's largest construction companies compiled by the trade magazine Engineering News-Record, in which HOCHTIEF regularly comes out in front. In 2010, HOCHTIEF secured first place in the Top International Contractors category for the third year in a row. No other company in the industry is as international as HOCHTIEF. At the Best of European Business awards in February 2010, HOCHTIEF was named winner in the "Growth despite crisis" category for its successful business performance.

Our company's strong reputation is also reflected in our good position in the Fortune Magazine ranking of the World's Most Admired Companies. In this ranking, HOCHTIEF is once again among the 350 internationally most admired companies in 2011. In the global construction industry, we occupy sixth place. In the Social Responsibility category, we even come in eighth out of the 673 companies included in total.

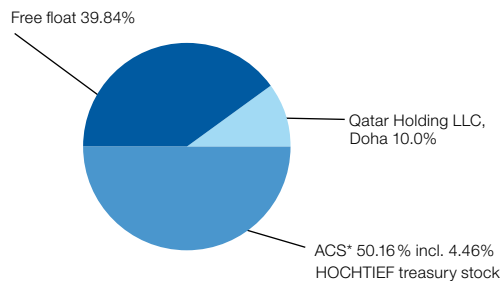
Capital markets reward responsible business

HOCHTIEF once again qualified in 2010 for the highly regarded Dow Jones Sustainability Indexes (DJSI)—for the fifth time in succession and still as the sole German construction services provider. The DJSI is exclusively restricted to companies that implement and track ecological and social as well as financial criteria. February 2011 also brought the renewal of HOCHTIEF's listing—dating back to 2007—in the Ethibel Sustainability Index Excellence Europe. We are one of four European companies from the construction industry and the sole German construction company to be listed in this index. The index is published by an independent consulting company for socially responsible investment and ranks listed companies according to performance on a range of issues such as employees, environment, corporate governance, and social responsibility.

As these index listings demonstrate, the capital market recognizes and rewards HOCHTIEF's commitment to sustainability. They mean that HOCHTIEF shares are suitable for investors who align their portfolios to strict sustainability criteria. And such investors are steadily growing in number. In the Corporate Responsibility Review 2011 published by oekom research, sustainable investments as a whole are shown to have further gained in market share and volume during the financial and economic crisis. According to the study, some EUR 8 trillion was invested worldwide at the end of 2009 on the basis of social, environmental, and good governance criteria, no less than EUR 5 trillion of which was in Europe.



Ownership structure (as of June 30, 2011)



*ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A., Madrid

Corporate responsibility

Our overarching objective:

We aim to be a responsible corporate citizen and set standards in our industry. We nurture the interrelationship in our company between business, the environment, and social responsibility and we engage in open dialog with stakeholders.

Goal	Action to 2013	Status June 2011
Improve organizational structure and processes in CR management	Expand CR Committee to include operational units (divisions), compile and implement CR Directive, update OSHEP* Directive	CR Committee expanded, CR Directive drafted and consultation completed, updated OSHEP Directive in consultation
Improve CR data quality	Select web-based data entry and validation software and implement Group-wide	CRedit integrated reporting tool developed, migration of existing data complete
Intensify and structure stakeholder dialog	See page 101 for stakeholder dialog activities; develop stakeholder dialog reporting system and implement in CRedit and the HOCHTIEF intranet	Carry out regular image/reputation survey
	Planning complete, implementation started	Most recent HOCHTIEF image survey November 2010

*Occupational Safety, Health and Environmental Protection

Key figures

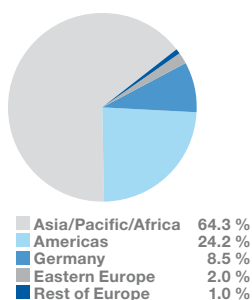
Extract from the Five Year
Summary in the HOCHTIEF
Annual Report 2010

		2006	2007	2008*	2009**	2010
New orders	EUR million	20,565	23,509	25,284	22,473	29,627
Of total: domestic		1,744	3,192	2,549	1,919	2,524
international		18,821	20,317	22,735	20,554	27,103
Work done	EUR million	16,719	18,773	21,620	20,566	23,234
Of total: domestic		2,222	2,410	2,820	2,284	1,804
international		14,497	16,363	18,800	18,282	21,430
Order backlog at year-end	EUR million	25,134	29,894	30,961	35,374	47,486
Of total: domestic		2,799	3,904	3,603	2,996	3,726
international		22,335	25,990	27,358	32,378	43,760
Employees (average for year) Total	Number	46,847	52,449	64,527	66,178	70,657
Of total: domestic		9,639	10,152	11,004	11,135	10,821
international		37,208	42,297	53,523	55,043	59,836
External sales	EUR million	15,466	16,452	18,703	18,166	20,159
Increase/decrease on prior year	in %	13.3	6.4	13.7	-2.9	11.0
Materials	EUR million	11,682	12,327	14,273	12,563	13,764
Materials ratio	in %	75.5	74.9	74.7	69.0	67.8
Personnel costs	EUR million	2,584	2,807	3,266	3,501	4,081
Payroll ratio	in %	16.7	17.1	17.1	19.2	20.1
Depreciation and amortization	EUR million	325	312	392	501	679
Profit from operating activities	EUR million	179	123	287	525	715
Net income from participating interests	EUR million	130	354	306	227	223
Net investment and interest income	EUR million	29	24	(96)	(155)	(181)
Profit before taxes	EUR million	338	501	497	597	757

* Restated due to the retrospective application of IFRIC Interpretation 15

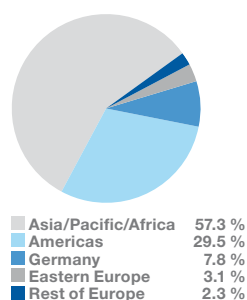
** Restated due to the retrospective application of IFRIC Interpretation 12

New orders by region



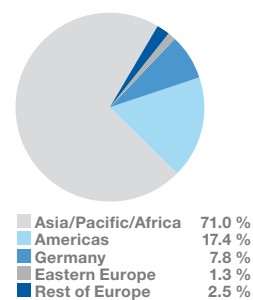
100% = EUR 29.63 billion

Work done by region



100% = EUR 23.23 billion

Order backlog by region



100% = EUR 47.49 billion

HOCHTIEF around the world



HOCHTIEF around the world: A selection of the many companies in our divisions shows HOCHTIEF's global presence. For further information, please see www.hochtief.com.

Corporate Headquarters (management holding company)

HOCHTIEF Americas	HOCHTIEF Asia Pacific	HOCHTIEF Concessions	HOCHTIEF Europe
Turner (USA) Flatiron (USA, Canada) E.E. Cruz (USA)	Leighton Holdings (Australia) Leighton Contractors (Australia, New Zealand) Thiess (Australia, India, Indonesia) John Holland Group (Australia) Leighton International (India, Qatar, United Arab Emirates) Leighton Properties (Australia) Leighton Asia (Brunei, Cambodia, China, Hong Kong, Indonesia, Laos, Macao, Malaysia, Mongolia, Philippines, Singapore, Taiwan, Thailand, Vietnam) Al Habtoor Engineering (Qatar, United Arab Emirates)	HOCHTIEF Concessions (Germany) HOCHTIEF AirPort (Germany) HOCHTIEF AirPort Capital (Germany) Airport Partners (Germany) Sydney Airport Intervest (Germany) FHK Flughafen Hamburg Konsortial- und Service-Gesellschaft (Germany) HAP Hamburg Airport Partners (Germany) HAP Hamburg Airport Partners Holding Verwaltungsgesellschaft (Germany) HOCHTIEF AirPort Retail (Albania) HOCHTIEF PPP Solutions (Canada, Chile, Germany, Greece, Ireland, UK, USA) HOCHTIEF PPP Schools Capital (UK) HOCHTIEF Concessions India	HOCHTIEF Solutions (Austria, Bahrain, Bulgaria, Chile, Czech Republic, Denmark, Germany, Greece, Hungary, India, Ireland, Luxembourg, Peru, Poland, Qatar, Romania, Russia, South Africa, Sweden, Switzerland, UK, Ukraine) HOCHTIEF Global Trade (Germany) HOCHTIEF Procurement Asia (Hong Kong) HOCHTIEF ViCon (Germany, Qatar) Durst-Bau (Austria) Streif Baulogistik (Austria, Bulgaria, Denmark, Germany, Poland, Qatar, Russia, Ukraine) HOCHTIEF Property Management (Germany) aurelis Real Estate (Germany) HOCHTIEF Energy Management (Germany)



Renewable Energy: Mastering the Infrastructure Challenges



Professor Hans-Jörg Bullinger, President and Member of the Executive Board, Fraunhofer-Gesellschaft

German government plans for a major switchover to renewable energy open up enormous potential for German business. Professor Hans-Jörg Bullinger, President and Member of the Executive Board of the Fraunhofer-Gesellschaft, and Dr. Frank Stieler, Chairman of the Executive Board of HOCHTIEF Aktiengesellschaft, spoke with the Sustainability Report editorial team about the opportunities, the challenges, and the changes needed to make the environment policy goals a reality.

Professor Bullinger, Germany aims to go sustainable in energy generation and distribution by 2022. What do you reckon are the biggest challenges on the way there?

Prof. Hans-Jörg Bullinger: The current rethink on nuclear power as a transition technology forces us to accelerate the shift to renewables. The Fraunhofer-Gesellschaft has shown in a number of studies and projects that, if done systematically and consistently, even a complete switch to renewable energy is within reach. This means more than just changes at the generation end, though: We have to look at the system as a whole, develop new storage technologies and smart grids and, most of all, cut consumption.

What form of renewable energy do you think has the greatest potential?

Prof. Bullinger: We showed in our Energy Concept 2050 how to give Germany a reliable, low-cost, resilient energy supply based on renewable energy by 2050. The most robust energy system features a mix of all renewables—hydro, wind power, photovoltaics, solar thermal, biomass, and geothermal. Wind and solar energy have the biggest potential. There is tightly restricted scope for hydropower and geothermal, and biomass only makes sense as a use for waste.

Dr. Frank Stieler: The biggest potential for Germany is in wind power. Energy generation using the sun's heat—solar thermal energy—can also make a major contribution, especially in countries of the South. Exploiting this potential takes massive investment. That puts the onus on industry both as investor and for construction and operation. The technology will only win through if the new-generation systems can be built quickly and cost-effectively.

HOCHTIEF is an industry pioneer with its offshore wind power activities. Special equipment like our Thor and Odin jack-up platforms and the "Innovation," our future lifting vessel, mean we can build and maintain wind power installations in record time. We also benefit here from our bridge and port construction experience.

Are many people right in saying the switch to renewables is too costly or poses a threat to Germany's industrial base?

Dr. Stieler: We cannot push industrial policy or indeed energy policy in Germany without popular acceptance. At the same time, we—policymakers and industry alike—owe it to our fellow citizens to be straight about the implications of switching to renewables. This is all about cost and the public acceptance of energy installations.

One thing we have learned in the last few years is that wind power can be a far better economic proposition than was once thought. I am less concerned about higher generating costs than about popular acceptance of the investment involved. To secure energy supplies with wind power, we need high-voltage power lines from the coast to consumers, and then energy storage systems—such as pumped storage power plants—to provide load balancing storage. Policymakers will have to push the rollout of these systems just as doggedly as some battled to phase out nuclear power. Government and industry must gain the acceptance needed and lead public opinion. They must not leave it to other interest groups.

Prof. Bullinger: Expanding renewables incurs extra costs up front, but these are slated to peak at around EUR 17 billion in 2015—equivalent to only about eight percent of the total German energy spend. After that, the costs go back down, so from then on we will be reaping the returns on today's investment outlay for renewables, and will have to pay less for our power. On top of this, German industry can translate its lead in renewables and energy efficiency into new export successes on the world market. The German industrial base is already benefiting from the move to renewables, with new companies sprouting up and many new jobs.



A distributed energy supply using renewable energy sources requires a new grid structure. Smart grids are said to be coming. What is the state of play here?

Dr. Frank Stieler,
Chairman of the
Executive Board,
HOCHTIEF Aktiengesellschaft

Prof. Bullinger: A lot more research is needed. A distributed energy supply using renewable energy sources calls for a different network structure from the one we have now. In the future, there will be many solar, wind, and biomass power installations right across Europe that all have to be coordinated with their load and yield projections. Shortfalls due to the variable availability of sun and wind have to be made up using fast storage systems and balancing power stations.



"In the end, it is all about applying numerous technical refinements to make the power grid smarter."

In the end, it is all about applying numerous technical refinements to make the power grid smarter. In what we call a smart grid, the many generating installations and electrical appliances intercommunicate and coordinate things as the supply of wind and solar power varies. Much more research is needed on this. Fraunhofer is closely involved in developing and implementing new ideas. As an example, scientists from IWES are working with nine other industry and research partners on a new research project called Combined Power Plant 2. Working in models and field trials, this entails using modern information and communications technology to connect up wind, biogas, and solar power installations to create a virtual power station. Through this project, the researchers aim to show in detail that a fully renewables-based energy supply is realistic, and that low winds or lack of sunshine do not mean blackouts.

How can HOCHTIEF contribute in expanding and converting the grid?

Dr. Stielor: Traditionally, power generation infrastructure has been built near to consumers. That is no longer possible with alternative energy sources. Offshore wind farms are located to the north of Germany while the biggest energy demand is in the west and south. Connecting all this up will take some 3,600 kilometers of power lines in Germany alone. In 2010, 180 kilometers were added. So in the next few years we have to lay new power lines along many times that distance. HOCHTIEF is getting ready for this. We can draw here not just on expertise in surface power lines, but in building power tunnels to transmit electricity across densely populated regions.

Output from renewable energy sources fluctuates, creating a need for effective energy storage. Are the necessary storage media available?

Prof. Bullinger: Energy storage technologies are where we have the greatest need for research. One possibility for temporary storage could be redox flow batteries. These are large, robust, long-lived vanadium flow batteries in which vanadium compounds alternately absorb and release electrons at membrane surfaces. Several Fraunhofer institutes are currently working together on flow batteries of this kind. The experts' ultimate aim is a roughly 800-square-meter battery installation with a capacity of 20 megawatt hours, capable of powering about 2,000 homes through a long winter night or a cloudy day.

A further unconventional idea is to use surplus electricity to electrolyze water. Researchers plan to combine the resulting hydrogen on a large scale with carbon dioxide to produce methane, which can then be used as a chemical energy store and fed into existing natural gas networks. In this way, the existing natural gas infrastructure with its large storage capacities could be used as temporary energy storage. Another alternative could be to store electricity not solely in large central storage facilities but also on a distributed basis in consumers' homes—directly in lithium batteries, for example, or also indirectly using smart generating systems and appliances.

Dr. Stielor: The thing is, we cannot afford to wait until all the technical advances are ready for use on an industrial scale. We have to store increasingly large quantities of energy on a temporary basis in the next few years. Pumped storage power plants are excellently suited to this task. HOCHTIEF has already built a number of these in the past. Some of these existing power plants can be enlarged without any added impact on the landscape.

We are also currently seeing if the pumped storage approach can be used in disused workings such as gravel and limestone quarries where water management systems are already in place, or on small watercourses in regions like Eastern Europe.

Energy efficiency not only means sustainable power generation and smart grids, but energy economy. What, in your opinion, are the options here?

Prof. Bullinger: If we want power, heat, and mobility to stay affordable going forward, we must use energy more efficiently. The number one priority here is low energy refurbishment of existing buildings. Buildings are one of the biggest sources of emissions. In Germany, buildings alone account for nearly 40 percent of energy consumption.

The second priority is energy-efficient production. In a Fraunhofer study on this subject, we showed that up to 30 percent of energy can be saved in industrial production in the medium term. That is about half the electricity consumption of private households in Germany, or the output of four 1.4 gigawatt power stations.

A third issue is lighting: Nearly 20 percent of electric power worldwide goes on lighting. If we convert lighting to LEDs that use 80 percent less electricity, we can save over 56 terawatt hours in Europe—that's nearly six nuclear power stations.

Dr. Stieler: There are also major energy savings to be had in building and operating real estate. This goes for existing as well as new properties. There are already certification schemes for energy-efficient buildings. HOCHTIEF is a leader in the development and delivery of sustainable real estate. We design both office and residential buildings to use little energy. Our buildings repeatedly gain awards, like Nordex Forum in Hamburg. I am especially pleased in this connection to see that investors are already homing in on the added value in sustainable real estate and are prepared to buy into green buildings. Energy efficiency pays—economically as well as socially.

But we are not going to sit on our laurels. We are researching into ways of extracting further energy savings out of new building materials and innovative technologies.

Other potential we can tap into involves operating buildings and industrial facilities as a service for clients. For instance, HOCHTIEF specialists analyze energy use in buildings and facilities and make suggestions on how to cut consumption. The options include installing state-of-the-art combined heat and power plants. These are efficient and generate the energy needed on site. Our energy managers can often pinpoint measures that cut consumption by up to 30 percent on their very first analysis.

New power plants and installations, expanding and converting power grids—these are all long-term projects. How long will it be before the scenario of a sustainable energy supply becomes reality?

Prof. Bullinger: Putting energy systems in Germany and Europe on a sustainable footing involves deep-rooted changes to today's industrial society. It will take four decades, but a fully renewable energy supply is achievable by 2050. In the process, we must continue to guarantee security of supply and avoid backing the wrong technologies.

What do you regard as the most important challenge for your organizations in this development process?

Prof. Bullinger: We are outstandingly placed to develop ideas and solutions for the changeover to renewable energy in Germany. Some 2,000 scientists from 16 institutions are involved in this as their main research focus in the Fraunhofer Energy Alliance alone. They are developing system technologies such as power grids and means of storage and are conducting research into how to boost energy efficiency. Their efforts are supplemented by those of other teams of scientists from the Construction Alliance and the Transport Alliance, who likewise dedicate a substantial share of their work to energy issues. The Fraunhofer-Gesellschaft is supporting German industry in the switch to renewables with innovative ideas and new technologies.

Dr. Stieler: HOCHTIEF can make a substantial contribution in the challenge to transform our energy systems facing society today. We provide our knowledge and experience together with the equipment needed to build and assemble wind farms, power grids, and pumped storage power stations. We can also improve energy consumption in real estate not just on a piecemeal basis, but to lasting effect over the entire life cycle of a building. In this, we can draw on capabilities acquired in the development, construction, and operation of infrastructure projects, real estate, and facilities.

With this integrated approach and our life cycle management strategy, HOCHTIEF is already playing an instrumental role in the supply of energy in Germany. We will continue to build on this commitment—all over the world.

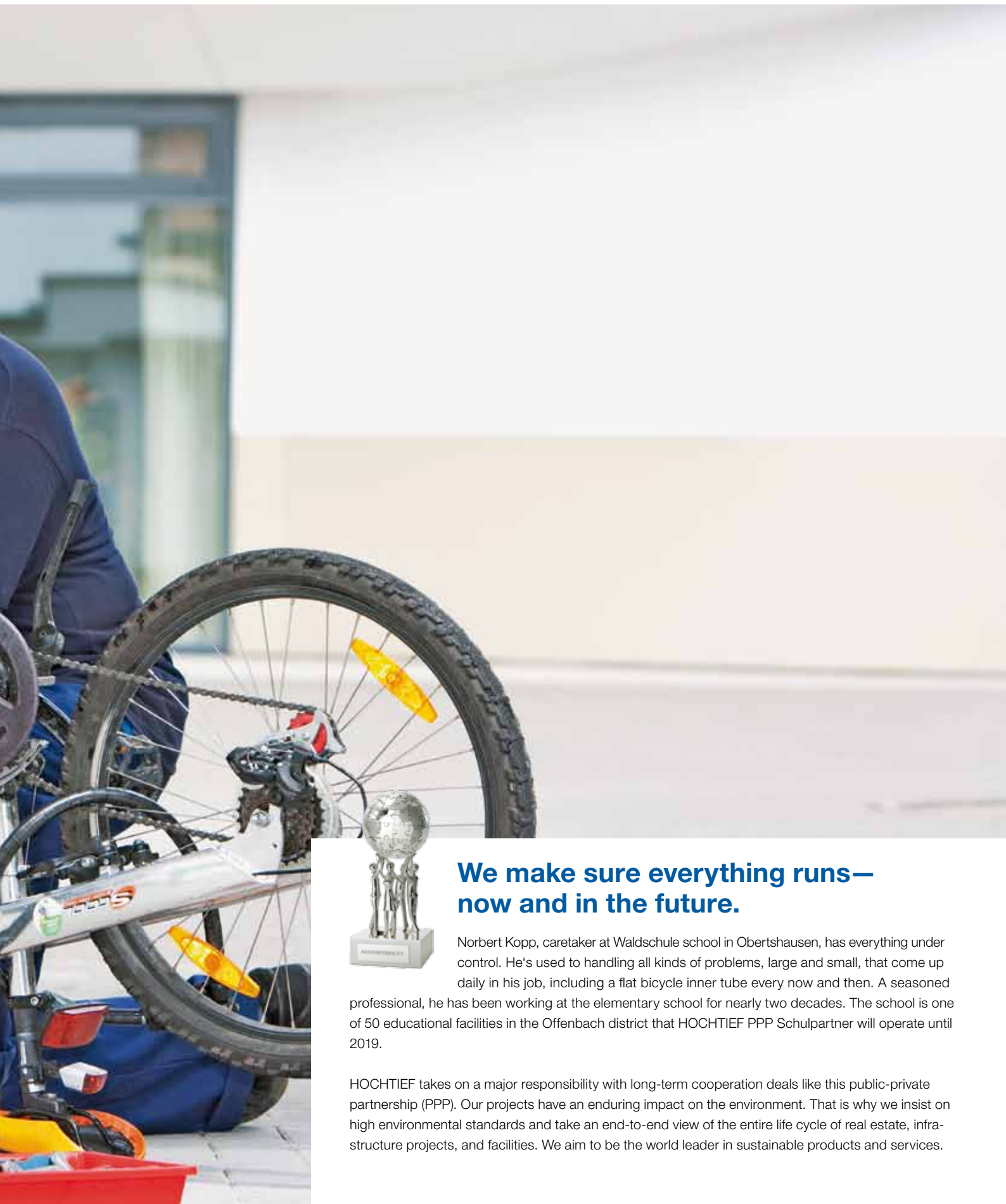


"Energy efficiency pays—economically as well as socially."

Area 1

Sustainable products and services





We make sure everything runs— now and in the future.



Norbert Kopp, caretaker at Waldschule school in Obertshausen, has everything under control. He's used to handling all kinds of problems, large and small, that come up daily in his job, including a flat bicycle inner tube every now and then. A seasoned professional, he has been working at the elementary school for nearly two decades. The school is one of 50 educational facilities in the Offenbach district that HOCHTIEF PPP Schulpartner will operate until 2019.

HOCHTIEF takes on a major responsibility with long-term cooperation deals like this public-private partnership (PPP). Our projects have an enduring impact on the environment. That is why we insist on high environmental standards and take an end-to-end view of the entire life cycle of real estate, infrastructure projects, and facilities. We aim to be the world leader in sustainable products and services.

Area 1

Sustainable products and services

The challenge: Through our projects, we design the spaces where people live and shape the environment for a long time to come. This brings with it an enormous responsibility. We embrace this responsibility, for example, by striving to offer more sustainable products and services. Forward-looking innovations, intensive gathering and transfer of knowledge between corporate units, and our commitment to green building form the foundation of this approach.

Our objective: We aim to be the global market leader in sustainable construction and construction-related services. Achieving this goal means expanding our range of offerings along the entire life cycle of infrastructure projects, real estate, and facilities.

Sustainable action has a long tradition at HOCHTIEF. As an international provider of construction services, evidence of this is provided especially by the sustainable products and services we develop, refine, and implement the world over in line with market requirements and with an eye toward the future. Just a few years ago, for example, green building was considered by many to be a short-lived trend. HOCHTIEF never shared this opinion and for years has been a believer in the tangible benefits of sustainable construction. The proof is in our numerous completed projects that meet above-average environmental standards.

Good reasons for green building

Buildings account for 42 percent of all energy used in the European Union and emit 35 percent of the total greenhouse gases. This is where green building comes in. Deutsche Bank Research puts the energy conservation potential of ecologically designed buildings at an average of 30 percent. In addition, their reduced water consumption and lower maintenance costs take pressure off the budget. The use of environmentally friendly construction materials conserves natural resources—not to mention the fact that they provide users with a pleasant living and working atmosphere. For all these reasons, Deutsche Bank experts forecast green building to become the standard within ten years.

Europe is not the only region where experts project a growth surge in green building. Our American subsidiary Turner arrives at similar findings in its 2010 Green Building Market Barometer. Around half the companies surveyed said they planned to begin construction or renovation projects incorporating green features within the next twelve months. Notable reasons cited include better energy efficiency and lower costs of operation and maintenance.

As a rule, the capital expenditure for a property that meets high sustainability standards exceeds the expense of constructing a conventional building. However, clients and investors are increasingly willing to pay this premium. A recent study by Roland Berger Strategy Consultants indicates that users are also prepared to pay an average of 4.5 percent more rent to live in sustainably designed properties.

Green pays off

This has also been confirmed by a HOCHTIEF-commissioned 2010 study by Technical University Munich in which issues including how office users perceive sustainability criteria, what they value most and whether they are prepared to pay for it were investigated for the first time. The subjects of the study included building features such as the option for users to control the indoor climate, green open spaces, and the potential for additional energy conservation. The most important conclusion was that green building features produce potential additional value of up to 10.5 percent over typical local rents.

For investors, the benefits of green buildings are mainly in lowering ancillary costs. In contrast, the unquestionable improvement in the comfort of building users and the resulting productivity boost are factors considered only rarely by decision-makers. An internal analysis conducted by HOCHTIEF underscores this finding. The ancillary cost savings generated by a certified building and the possible productivity increases by its users due to an improved working environment were compared. The result was that the positive effects on personnel came in at around EUR 21 per square meter per month, greatly exceeding the ancillary cost savings of EUR 0.91 per square meter per month.



The voice of the market: Our US subsidiary Turner's Green Building Market Barometer indicates that green buildings are increasing in popularity.

The Nordex Forum as seen by the client



Wolfgang Haller,
Head of Corporate Real
Estate Management,
Nordex SE, Hamburg

Why did Nordex opt for a green office building?

Nordex is committed to the principles of sustainability, including treating our world's natural resources in an environmentally and economically responsible way. Our contribution to this effort is developing and installing competitive wind turbines. Nordex's focus is on people as employees, business partners, clients, investors, and, last but not least, as consumers. That is why we are so happy to enable our

employees to work in a green building. Because it takes a motivated and satisfied team to create value.

Which building features do you consider particularly valuable as a user?

In addition to the building's "greenness," flexibility, transparency, and low energy consumption are very important to us.

As a tenant, how were you able to influence the planning of the Nordex Forum?

As a tenant, we had nearly unlimited opportunities to get involved in the project's design thanks to our cooperation with the HOCHTIEF project team.

Do you feel comfortable in the new building? Are there noticeable positive effects, for instance, on the working atmosphere?

We feel very comfortable in the new building. The positive effects can be seen in the bright, sunny offices and in the increased efficiency of communication compared with our previous location thanks to open spaces, transparent offices, meeting places, and shared use of the garden areas for reflection and relaxation.



Setting standards with sustainability

HOCHTIEF is a committed trailblazer in green building. The number of sustainable projects we have completed is growing continually, both in Germany and internationally. Our strategy of providing solutions throughout the entire life cycle* of infrastructure projects, real estate, and facilities lays a foundation for especially efficient projects. As early as the planning phase, we can set the stage for superior sustainability in building construction and operation.

With our know-how, we participate in initiatives and organizations focused on further promoting the concept of energy-conserving and environmentally friendly construction. In 2007, for example, HOCHTIEF was among the founding members of the German Sustainable Building Council (DGNB: www.dgnb.de). The first German sustainability certificate was created by the DGNB in cooperation with the Federal Ministry of Transport, Building and Urban Affairs and association members and has served since 2008 as an important quality seal recognizing outstanding buildings. Economic, ecological, technical, sociocultural, functional, and process quality factors make up the rating.

An in-house research project at HOCHTIEF compared the costs and benefits of DGNB certification for selected HOCHTIEF projects. The study indicated that the buildings we have completed generally meet high standards and would be eligible for bronze certification, even in cases where the planning process did not concentrate explicitly on the DGNB's sustainability criteria. In addition, all buildings had the potential to obtain gold certificates if the appropriate measures were taken.

Our commitment to green building is also reflected in our extensive educational work and multi-faceted planning and consulting services. We employ trained DGNB auditors to evaluate our clients' properties and subsequently submit them for certification. Our employees provide information about the DGNB and other certifications in HOCHTIEF's in-house training sessions on green building.

Founded in early 2011 by HOCHTIEF Consult and Technical University Darmstadt, ina Planungsgesellschaft mbH delivers services including end-to-end development of sustainable buildings and urban developments as well as life cycle assessments of construction materials and buildings.

*For further information, please see page 11.



The HOCHTIEF Group company ina delivers consulting and development services to reduce the power required by buildings with high energy standards and to meet operating energy needs from renewable sources whenever possible.

International exchange: HOCHTIEF presented its global experience in green building at the Future Proofing Property Forum, a sustainability conference held in Brisbane (photo left).

HOCHTIEF House in Munich: The office property in the heart of Munich received DGNB pre-certification in gold and the GreenBuilding seal for exceptional energy efficiency.



At the end of June 2011, we participated for the fourth time in the Consense conference held annually in Stuttgart. The international trade fair and congress for sustainable building, investment, operations, and maintenance has developed into a meeting place for experts in just a few years.

Turner also number one green builder

Our American subsidiary Turner has established itself in recent years as the leading green building company in the USA. Turner generated sales of some USD 3.5 billion in this segment in 2009—45 percent of the company's total sales. This secured Turner the top place in the September 2010 ENR list of America's Top 100 Green Contractors. Projects designed and built by Turner are certified to the Leadership in Energy and Environmental Design (LEED) standard issued by the United States Green Building Council (USGBC). The number of green buildings completed or under construction by Turner came to some 616 as of the end of June 2011. Of these, 207 carry LEED certification and a further 247 are in the list of registered green buildings. To meet demand for resource-saving, environmentally friendly buildings, Turner has trained over 1,200 staff as LEED Accredited Professionals for LEED certification—more than any other construction company in the world.

HOCHTIEF also operates in the green building sector in Australia via its subsidiary Leighton. The buildings there are rated by the Green Building Council of Australia (GBCA). As with HOCHTIEF in Germany and the United States, Leighton also employs trained auditors. In September 2010, the project developers at Leighton Properties renewed their membership in the GBCA for the fourth consecutive time, and in November 2010, HOCHTIEF and

Leighton jointly supported the first German-Australian conference on sustainability in Brisbane.

HOCHTIEF's own buildings also green

As a passionate advocate of green building, HOCHTIEF of course ensures that its own buildings also meet sustainability standards. The new HOCHTIEF Houses currently being constructed in Berlin, Hamburg, and Munich are a good example. These properties are modeled on the "one roof" concept with all corporate units in a particular location consolidated at each site. This stimulates the direct exchange of know-how while also enabling our clients to obtain a complete overview of HOCHTIEF's product and service spectrum when they visit. The HOCHTIEF House in Hamburg has already been awarded silver-level pre-certification, and the one in Berlin aims for the same. In Munich, HOCHTIEF is moving into the "smarthouse." This office complex also used by other tenants was one of the first buildings in Germany to receive DGNB gold pre-certification. One of the many unique features of the Munich HOCHTIEF House is the two charging stations for electric cars that came pre-installed.

HOCHTIEF's international subsidiaries are housed in similarly eco-friendly and resource-saving buildings. Flatiron in the USA took up occupancy in new headquarters in 2010. The corporate headquarters in Firestone, Colorado, earned LEED Silver certification for its above-average energy and water efficiency, among other features. Similarly, the conversion of the Turner offices in Albany, New York, has been awarded LEED certification. Winning features here included innovative lighting, a 35 percent cut in energy consumption and modern ventilation systems. In addition, staff contributed their own green ideas—such as the use of mugs in-

 www.usgbc.org

 www.gbca.org.au



Outstanding HOCHTIEF Group corporate headquarters: Our Australian subsidiary Leighton received a 6 Star Green Star rating by the GBCA for its head office in Brisbane (photo left).

Our US subsidiary Turner built the new headquarters for fellow Group company Flatiron in Firestone, Colorado. The project was awarded LEED Silver certification.

stead of throw-away cups. No fewer than eight Turner offices already had LEED certification at the end of 2010. In Brisbane, Australia, the new Leighton Contractors headquarters, completed in 2010, was awarded a 6 Star Green Star rating by the GBCA. The building's features include excellent energy and water efficiency with annual savings of 2,270 metric tons of CO₂ and over three million liters of water. The construction materials were made up of 40 percent recycled concrete and 60 percent recycled steel.

Promoting green building worldwide

HOCHTIEF promotes sustainable construction the world over. Initiatives and initial work projects in non-industrialized countries show how environmental awareness in the construction and real estate sector is increasingly spreading there as well. To cite three examples involving HOCHTIEF: Our US subsidiary Turner is a founder-member of the Green Building Council in the South American island state of Trinidad and Tobago. In 2010, together with a local company, Turner International built a new production location in Costa Rica for medical suppliers Boston Scientific. The project is the country's first to be awarded LEED certification. In the Vietnamese capital, Hanoi, our US subsidiary is building a 362-meter-tall business center consisting of two skyscraper towers. Numerous sustainable features ensure high standards of efficiency and environment-friendliness, including rainwater filtration and a daylight system to make best possible use of natural light. Currently, Leighton Asia is constructing the Zuellig Building, the first certified green office building in the Philippines. The project has already received Gold LEED pre-certification for the many environmentally friendly features planned, such as a centralized garbage recycling system and its energy plan to reduce

consumption 15 percent compared with conventional buildings.

Green services on the march

HOCHTIEF focuses on building sustainability into projects throughout their entire life cycle*. Besides green building and the use of resource-conserving, environmentally friendly materials, technologies, and components, our services therefore include sustainable services such as energy management. This service helps our clients to improve the performance of their energy systems, reduce emissions of pollutants and markedly lower operating costs**.

***For further information, please see page 11.**

Sustainable building operation

In 2011, HOCHTIEF began increasingly stepping up sustainable facility management activities. With our new "blueFM" quality seal, our facility management experts have entered into a voluntary obligation to improve climate protection, use scarce resources responsibly, and reduce the levels of pollution emitted by the buildings and properties we manage. It is primarily the combination of our facility management and energy management services that enables us to identify substantial optimization potential for our clients and accordingly develop sustainability concepts. We project that the CO₂ levels emitted during the operation of buildings and properties can be reduced by up to 20 percent in the next five years by taking the appropriate steps, including in technical building services. Our employees responsible for these properties will take part in special blueFM training courses held during the year so that they are prepared to meet the increased requirements for these projects.

****For further information, please see page 46.**



We also implemented another project-specific sustainable facility management approach. HOCHTIEF employees joined a team of experts and applied their construction-related DGNB and LEED experience to facility management for a leading German financial institution. For the first time, this new model means that office properties can also be certified during operation. Our aim is to further build on this innovative facility management concept in the medium term so that the sustainability of existing buildings can also be ensured.

Diagnosing existing buildings

Around three-quarters of all commercial and residential properties in Germany are more than 30 years old. Most of them have long failed to meet current climate protection and energy efficiency standards. Property owners will therefore spend over EUR 530 billion in 2011 for this purpose, according to forecasts by market research firm Euroconstruct. HOCHTIEF building diagnosis is an innovative tool for profiting from this high-growth market and providing effective support for owners.

The process involves incorporating future operating costs into planning, and the resulting total cost of ownership analysis makes it possible to grow the value of the property for the long term. A building diagnosis starts with an inventory of the operating costs and technical condition of the property. These findings then underpin the recommendations for revitalizing the building we make to the client, which differ in the varying amounts of capital expenditure required and the related returns that can be achieved.

Green airports

As an airport operator, HOCHTIEF increases the value of its airport holdings continually with sustainability playing a key role as early as the master planning phase. This long-term view takes into account factors that boost the economic efficiency of the airport, reduce or optimize its footprint, or improve passenger comfort, for instance. What's more, our objective is to analyze the environmental sustainability of a planned airport expansion project, while at the same time integrating the needs of local residents and adjoining communities into the planning process. In addition, our airport experts have joined with the specialist departments of other HOCHTIEF units and developed integrated services/sustainable airports service, a market strategy for environmental consulting services. One of the four consulting cornerstones involves inspecting and evaluating existing airports for potential energy savings and making suggestions for improvement. Other components include overseeing expansion approval processes and designing waste management concepts for airports.

Continual innovation management

Most of our projects are complex and unique, always requiring HOCHTIEF to do something new. Mastering these challenges and offering our clients real added value necessitates funneling new ideas and customized research and development services into nearly every construction project. Managing innovations effectively is a major factor in HOCHTIEF's sustainability activities. We therefore continually optimize this process. In addition to project-related innovations, we update our internal workflows and processes on an ongoing basis to set HOCHTIEF apart from the competition that much more.

Nordex Forum: Designed for sustainability



HOCHTIEF was involved in the Nordex Forum project from the earliest planning phase and always kept the entire life cycle of the property at the forefront:

- Integrated planning: Experts from various fields were involved in the planning process from the very start so that an end-to-end building concept could be developed as part of an overall sustainability strategy. This included addressing all phases from development and design to construction and operation. As a result, en-

ergy usage and the burden on the environment were minimized, while the comfort and profitability of the building were improved.

- Optimal use and management: One of the keys to optimal building operation and facility management is comprehensive building documentation. For Nordex Forum, HOCHTIEF produced building documentation based on the recommendations of the Federal Ministry of Transport, Building and Urban Affairs.

- Stable value: Making the Nordex Forum fit for the future required paying attention to flexible layouts, upgradable state-of-the-art technology, and reconfiguration options. The building can be adapted to future requirements thanks to the height of the floors, mobile dividing walls, adaptable installation systems and reconfigurable technical building systems, allowing it to remain an attractive property with a stable value for a long time to come.

Various paths to innovation

Innovations are developed at HOCHTIEF at three levels. The first level is central innovation management, which relates to issues with a long-lasting effect on the Group's business. An innovation committee composed of representatives from all HOCHTIEF units decides whether projects will be carried out. In fiscal 2010, HOCHTIEF spent approximately EUR 4.9 million on such innovations. The second level is innovations in the divisions with each HOCHTIEF unit developing, financing, and executing the ideas itself. The third level consists of project-specific innovations. These research and development services are performed when we acquire or work on projects. The development costs in each case are folded into projects and therefore are not documented separately.

Ample room for new ideas

The HOCHTIEF Ideas Room on the intranet of all German-speaking units is our core idea management tool. This is where employees post their ideas for innovative processes, new business models, and sustainability measures. Topic sponsors and regional idea commissions evaluate the proposals and help to implement them. The best ideas are honored and receive awards at an annual meeting. In fiscal 2010, HOCHTIEF employees published 567 ideas in the Ideas Room, around 40 percent more than in the previous year.

Here are two examples of award-winning suggestions by our employees. Thanks to an improved loading technology for cranes, the HOCHTIEF subsidiary Streif Baulogistik saves roughly EUR 45,000 per year and eliminates extra truck trips. The optimized power supply to the ventilation equipment in the mask technology center for chip manufacture in Dresden reduces not only energy consumption, but also cuts costs by EUR 66,000 per year. In accordance with the contract, we share these savings with the clients.

Cross-border research and development

As an international construction services provider, we build projects around the globe that meet above-average sustainability standards. This is why we participate in cross-border organizations and research initiatives.



Stakeholders have their say

Networks

Prof. Ger Maas,
President, European Network of Construction
Companies for Research and Development
(ENCORD)

What is the role of sustainability in the construction industry's innovation management process today?

Construction plays a crucial role in Europe's economy. Construction is the largest employer and is a supplier of products to other major economic sectors. Construction companies are embedded in society and influence people and the environment. As the largest industrial sector in Europe, this industry must accept the political goals set by the European Commission: smart growth, sustainable growth, and inclusive growth. The industry should meet these goals through innovation management.

Why does ENCORD advocate a shared commitment of construction companies to sustainability?

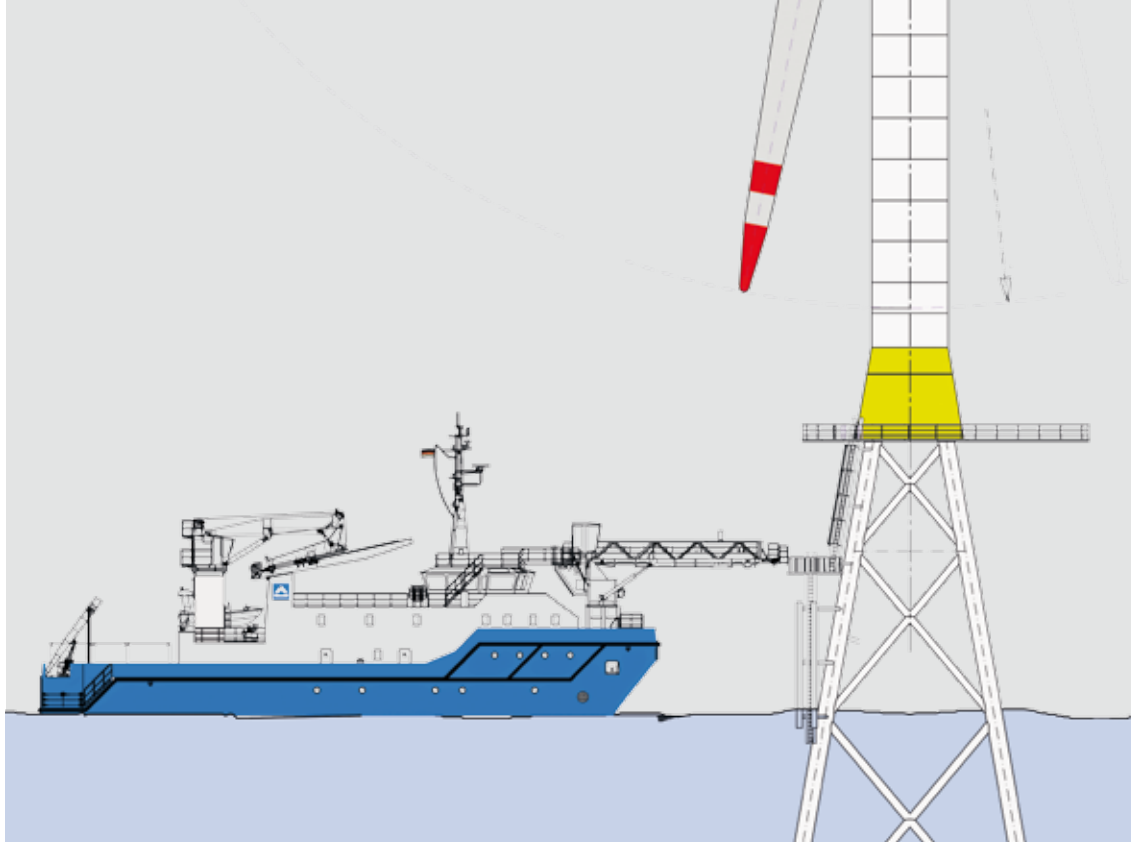
The aim and the added value of a Sustainable Development Charter for the European construction sector are to encourage members to go beyond legislation and to take voluntary actions to make their products and services more sustainable. The charter provides members with a way of demonstrating their actions that are aimed at improving their sustainability performance.

Where do you see the greatest potential for sustainable innovations in the European construction industry?


The life cycle approach delivers the greatest potential for innovation in our industry. It brings us in direct contact with the needs of our clients and makes construction companies responsible and accountable for their services. Responsibility and accountability open up new ways of thinking in design, negotiations, contracts, tenders, construction, and maintenance in our building industry.



In development: We are currently working on a special-purpose vessel for commissioning, inspecting, and maintaining wind turbines. HOCHTIEF Solutions is therefore optimizing services throughout the life cycle of offshore wind farms.



 www.encord.org

HOCHTIEF is a member of ENCORD , the research and development forum for innovative European construction firms, for example. In June 2011, the participating companies collectively signed a “Sustainable Development Charter” in which they agree to integrate sustainability into their corporate strategies and promote this concept, especially in research and development. As a partner to the EU InPro research initiative, HOCHTIEF conducted research through the end of 2010 on how 3D and 4D models can be applied to the entire life cycle of buildings. Virtual design has been used successfully at HOCHTIEF under the names Virtual Design and Construction (HOCHTIEF ViCon) and BIM (Building Information Modeling) for some time.

****For further information on R&D/innovation projects, please see www.hochtief.com/rd.**

Our US subsidiary Turner is the sole construction company taking part in a research project on energy efficiency by scientists at Penn State University. Part of the national Better Building Initiative, the project addresses sustainable criteria and refurbishment systems for buildings. The aim of the Better Building Initiative is to make the USA home to the most efficient buildings in the world. The energy efficiency of commercial buildings is to be improved by 20 percent in the next nine years alone.

*****For further information, please see pages 101 and 102.**

Pioneering sustainable developments

Many of our innovation projects are initiated with a view to operating even more sustainably. For instance, we are continually expanding our portfolio covering the life cycle of offshore wind farms*. Among other projects, HOCHTIEF Solutions is currently developing a special-purpose vessel for commissioning, inspecting, and maintaining wind turbines. The vessel features a transfer system that ensures the safe transfer of people and materials to the turbines, even in extreme weather conditions.

***For further information, please see page 40 onwards.**

Our Australian Group company Leighton Contractors used a warning system developed by a subsidiary in a road construction project for the first time. The Visionstream Telepath™ CB Radio Highway System identifies vehicles driving too fast via radar and warns them of their excessive speed using CB radio, for example. This innovation helps considerably reduce accident risk in road construction projects and improve work safety.

These are only a few examples of HOCHTIEF's extraordinary power of innovation**.

Working hand in hand with clients

HOCHTIEF aims to develop long-term partnerships with clients based on trust. Due to the complexity of many of our projects and our life cycle approach, we often work with our clients for many years. HOCHTIEF promotes this type of cooperation and understanding of our activities by adhering to open communications and information policies***. We always strive to perfect our broad portfolio and develop innovative new products and services that add value for HOCHTIEF and the customer for the long term, an approach that enables our clients to additionally benefit from synergies generated by collaboration within the closely integrated HOCHTIEF Group. This combination is an effective selling point and creates an atmosphere of trust.



The schools of the future: Project company HOCHTIEF PPP Schulpartner is designing, financing, refurbishing, and operating a total of seven educational facilities in the city of Cologne in a public-private partnership. Modern heating and external thermal insulation composite systems will reduce the buildings' energy consumption. In addition, 94 percent of the construction contracts were awarded to small to medium-sized companies from the region.

An exemplary business model

Our PreFair business model makes it especially easy to prepare bids that impress clients with superior quality and attractive prices. In a PreFair project, the cooperation between clients, architects, engineers, and our company begins in the initial project phase. We are therefore in the position to contribute our extensive real estate knowledge to the project at an early stage and ensure optimal, efficient, and sustainability-oriented planning tailored to the wishes and needs of our clients. By making alternative proposals, we unlock considerable potential for savings and optimization, which benefits the client in the long run. These include measures to reduce energy and water consumption to a minimum.

This innovative business model is a winning one for new buildings as well as refurbishment and upgrading projects. In working on such contracts, HOCHTIEF's consideration of the entire life cycle and many years of experience enable us to make tried-and-tested suggestions to measurably increase the quality and value of properties. An additional benefit for our PreFair clients is our timely advising during the early planning phase to determine whether and which DGNB certification their property can receive. Our successful model is oriented toward preconstruction management, which has long been used by our US subsidiary Turner.

Partnerships spanning decades

The long-term partnerships we enter into with our service or public-private partnership (PPP) project clients underscore the trust that customers place in us. Just how satisfied users are with projects is indicated, for example, by a survey conducted by the Allensbach Institute for Public Opinion Research for HOCHTIEF. Parents, school admin-

istrators, and clients of more than 100 PPP schools were questioned about how satisfied they were with the progression of the project. The answers were compelling: 95 percent of clients are satisfied with the quality of the partnership, while 90 percent see advantages for their communities in a partnership with a private-sector company. More than three-quarters of school administrators report positive experiences. The Fürst Wrede barracks in Munich built/refurbished and operated by HOCHTIEF received the 2010 PPP Innovation Award in the "Public-sector Building Construction" category from Bundesverband (Federal Association) Public Private Partnership and Behörden Spiegel, an industry publication. The project is the first social infrastructure partnership between the German government and a private-sector company and was handed over after less than two years—significantly faster than originally planned.

The willingness of the public sector to enter into partnerships with private-sector companies continues to be strong, both in Germany and abroad. In 2010, we were able to enter the North American PPP market with two projects. In Canada, our subsidiary HOCHTIEF PPP Solutions North America along with partners will design, finance, build, and operate ten schools in the province of Alberta, as well as construct 18 police facilities in the province of Ontario with a partner and operate them for 30 years. In June 2011, a consortium including our subsidiary HOCHTIEF PPP Solutions (UK) won a contract to design, finance, build, and subsequently operate for 25 years two schools in Halton Borough serving a total of 2,500 students. The project is part of the Building Schools for the Future investment program run by the British government.

Shiny and new: HOCHTIEF is developing and building the maxCologne project right on the banks of the Rhine River in Cologne. One part of the modern office complex is being constructed based on the existing building, which will be completely revitalized. The project has already received DGNB gold pre-certification for features including its efficient energy plan.



Numerous repeat clients

We see contract extensions and new projects for long-term clients as both a confirmation of the quality of our work and as a challenge to always keep increasing customer satisfaction. One of our repeat clients is Continental. In Hanover, the energy experts from HOCHTIEF Solutions have been delivering energy and production media to the automotive supplier for nine years now. This contract was extended for another five years in summer 2010. We will handle technical and infrastructure facility management at the Continental plant in Nuremberg for five years as well. In spring 2011, HOCHTIEF won a property management contract from Deka Immobilien covering another 30,000 square meters of rental area at three locations. In total, we now manage more than two million square meters of space for this client.

A statistic from our US subsidiary underscores the high level of customer satisfaction with our services: In 2010, Turner already generated 70 percent of annual sales with repeat clients.

Communication with diverse target groups

HOCHTIEF maintains close contact with clients. But it is also important to us to include all stakeholders and provide information without reservation. To accomplish this, we employ various tools and participate in trade shows and professional events.*

*For further information, please see pages 101 and 102.

Green projects around the globe: Examples

HOCHTIEF has become established in many countries and regions as a pioneer in green building. The number of buildings we have constructed and sustainable services we offer is growing continually. The following projects indicate how our company addresses the challenges of green building worldwide with customized architectural and technological solutions.

Office and commercial buildings

HOCHTIEF is developing and building the new maxCologne office complex right on the banks of the Rhine River in Cologne scheduled for completion by the end of 2012. Two existing buildings covering a total of 48,500 square meters will be brought up to new-construction standards. The ecological, sociocultural, and economic quality of the property became evident long before scheduled completion: The maxCologne project was awarded DGNB gold pre-certification in February 2010. The concept includes wrapping the building in two shells with integrated, individually adjustable sun screens. Groundwater will be drawn up through two wells and used in the ceiling-mounted heating and cooling system to moderate temperatures in the office areas. The building will also feature environmentally friendly building materials.

The new corporate headquarters of international IT service provider Atos Origin in Essen will be finished by the end of 2011. The five-story office property with a gross area of some 8,400 square meters was developed by HOCHTIEF with ecological criteria in mind and has already been awarded silver pre-certification by DGNB. Among other things, the project will use environmentally sound construction materials and an energy-saving floor to conserve energy while



Working green in Prague: HOCHTIEF's Czech project development arm offers attractive office and commercial space at Office Islands. The project's appeal stems not only from the large stretches of green and leisure space, but also the fact that it consumes 30 percent less energy than a typical building.

heating and cooling the rooms. This system permanently maintains high-quality indoor air and ensures a comfortable temperature.

Rüttenscheider Tor is another HOCHTIEF building to receive silver certification from the DGNB in 2010. Climate control in the office complex with a gross floor area of around 16,500 square meters is regulated using a heating and cooling system in the ceiling. The primary energy requirement is well below the level stipulated by the 2007 German Energy Saving Ordinance. Even during construction, an office for integrated environmental protection continually monitored the selection and use of materials as well as the building process to ensure that it would not be harmful to health.

In Münster, HOCHTIEF built the PortAL 10 project on a brownfield site. The property features a good 7,500 square meters of flexible, attractive working space. Soundproof windows guarantee acoustic comfort, while a mechanical night cooling system provides thermal relief in the summer. The property was constructed as a low-energy building meeting the requirements of the 2009 German Energy Saving Ordinance. The facade was designed as a thermal insulation compound system using a specific process. PortAL 10 received gold certification from the DGNB, not least for its superior energy efficiency.

The new office building we constructed for the Protestant Agency for Development and Social Welfare in Berlin aims to achieve DGNB gold certification. District heating, thermoactive ceilings, and a special cooling machine are the building blocks of its innovative energy concept intended to reduce the building's primary energy requirement to

well under 70 kilowatt hours per square meter per year. The church organization will move into the seven-story building with rental area amounting to approximately 20,000 square meters in fall 2012. The lease agreed with HOCHTIEF's project developers runs for 20 years and is the most extensive single lease signed for a new building project developed in Berlin in 2010.

At the end of 2010, Siemens moved its Düsseldorf offices to an office project built by HOCHTIEF in Airport City. The new building fulfills the requirements for participation in the GreenBuilding Partner program operated by the European Union. Excellent thermal insulation, high-quality construction materials, and a smart heating, lighting, and ventilation plan make it possible to reduce primary energy consumption by over one-quarter more than prescribed by the German Energy Saving Ordinance.

HOCHTIEF Polska is building the Brama Portowa office complex in Szczecin by the end of 2012. The project comprises two buildings and features a gross floor area of 13,000 square meters. The new building is being constructed to fulfill the requirements for LEED certification. Modern systems for saving water and energy and optimal use of daylight are examples of the environmental and resource-conserving measures taken.

In Prague, HOCHTIEF Development Czech Republic received silver-level LEED pre-certification prior to the start of construction work on the Office Islands project. Even before construction, the buildings, which consume 30 percent less energy than typical buildings, were also awarded a domestic Grade-A Energy Performance Certificate. Office Islands consists of a total of six individual buildings

The pinnacle of sustainability: In the USA, Turner is constructing a new operations center for Sacramento's public utility in a net zero energy, LEED Platinum project (photo left).

Living on the water: The WaterHouses in Hamburg supply energy on site from their own solar and geothermal systems. The high-quality HOCHTIEF residential property aims for a gold DGNB certificate.



and features 70,000 square meters of office and retail space overall. Moreover, the property will have extensive green and leisure space. A variety of energy- and water-saving measures, such as a rainwater retention basin, also contribute to the project's sustainability. Completion of the first phase is scheduled for the first quarter of 2013.

At the beginning of 2011, our American subsidiary Turner secured the contract to build a 20-hectare operation center for the Sacramento Municipal Utility District. As a special highlight, the building will generate as much energy as it consumes, making it the nation's biggest net zero energy project. To attain this ambitious goal, Turner is equipping the building and grounds with features such as photovoltaic solar panels, evaporative cooling, geothermal energy storage as well as radiant slab heating and cooling. The project is aiming for the top LEED Platinum certification.

The new North American headquarters for BASF in New Jersey is a further example of green building at Turner. The building with 30,000 square meters of usable space will likewise seek LEED Platinum certification. This will be achieved by features such as energy-efficient lighting and innovative heating, ventilation and air conditioning systems. There will also be a park for employee recreation.

Turner and a consortium partner are transforming a 1960s state-owned laboratory building in Washington D.C. The primary objective here is to create modern office premises, improve the working environment for occupants and reduce energy consumption. Our US subsidiary is also taking care to reduce and, where possible, recycle construction waste during the project. The project is aiming for LEED Gold certification.

HOCHTIEF's subsidiary Leighton in Australia applied green standards when constructing the One One One Eagle Street office complex in Brisbane. The building features around 63,000 square meters of space distributed over 44 floors. A modern facade, graywater recycling for flushing toilets and cooling with river water are just some of the features that combined are expected to result in a 6 Star Green Star rating from the Australian Green Building Council.

Healthcare properties

Our Leighton Contractors subsidiary was awarded the contract for construction of the new Royal Adelaide Hospital in June 2011. This is the largest public-private partnership project in the healthcare field built to date in Australia. In order to prevent infection risk, all 800 patients will be housed in individual rooms. The building is being constructed according to the most stringent environmental standards and, when completed in 2016, will not only be a hospital meeting the highest technical standards but also the "greenest" project in South Australia. Thanks to numerous energy and water management measures, emissions of greenhouse gases, for example, will be 50 percent lower than those of other comparable hospitals.

Turner is building a 168-bed hospital in San José, California. The project is to seek LEED certification. Features incorporated for this purpose include an enhanced ventilation system as well as green roof areas to reduce energy consumption and improve indoor air quality. A large percentage of construction waste is recycled and low-emitting materials and sustainably harvested wood are being used in construction.

The National Intrepid Center of Excellence built by Turner in Maryland is a cutting-edge treatment center to provide medical and psychological care for traumatized veterans and military personnel. Special focus areas in this project included high indoor air quality and thermal comfort. This entailed the use of low-emission materials and a special lighting system integrating the use of daylight. This is not only energy-efficient, it also meets the needs of patients sensitive to glare. The project has been awarded LEED Silver certification.

Residential real estate

In January 2011, our Potsdamer Zwillinge project in Berlin received a silver preliminary DGNB certificate, making it one of the first residential properties recognized by DGNB. Both buildings are designed as a KfW Efficiency House 70, which require only around 70 percent of the energy used by comparable, conventionally built buildings. Energy is provided by their own combined heat and power station. The excellent infrastructure in the suburb of Berlin, the residential mix with highly efficient use of space, and the resource-conserving, high-quality construction methods were further arguments for the positive evaluation of the project. High-quality natural construction materials, such as certified wood, were used exclusively in the 87 rental apartments.

The WaterHouses, which will be built in Hamburg by 2013, are another first-rate HOCHTIEF property development project. Four triplexes offer space for three residential units each. Another 22 apartments designed to be free of barriers to accessibility are housed in the Watertower, and all buildings meet the passive house standard. Dedicated solar and geothermal systems contribute to achieving this aim. The WaterHouses are situated in the middle of an approximately 4,000-square-meter expanse of water that serves as a rain retention pond for the entire complex. Terraces overlooking the water and boat docks lend the project a unique character. The project is part of a case study at the Internationale Bauausstellung construction exhibition to be held in Hamburg in 2013 and is aiming for gold-level certification from DGNB.

The new Gartenstadt am Ziegelhain project developed by HOCHTIEF on the approximately 33,000 square meters of land formerly occupied by a brick factory in Leinfelden-Echterdingen features a green residential landscape without through-traffic. Fifteen row houses, three garden courtyard apartments, four city villas, and four to five multi-family homes will be built in the first of four total construction phases. A heating plant specifically for the complex provides the property with environmentally sustainable heat-

ing energy almost completely from renewable sources. The overall ecological and economic concept reduces the annual primary energy requirement to an average of 15.3 kilowatt hours per square meter. Residents moved into the first row houses in summer 2011.

Even before construction work was finished in May 2011, all 31 residential units in the Fontanepromenade 12-13 residential complex in Berlin were sold. The HOCHTIEF project, consisting of a six-story and a seven-story building, were constructed as low-energy structures according to the KfW Efficiency House standard. A geothermal system supplies the apartments with heating. This results in 15 percent more primary energy savings than required by the 2009 German Energy Saving Ordinance.

HOCHTIEF is building multi-story, carbon-neutral residential facilities for students in Greifswald under the BIONIQ brand. The buildings are constructed mainly of wood and are therefore fully recyclable. The concept was developed in close cooperation with a long-standing client of HOCHTIEF and an architectural firm. The use of state-of-the-art technologies such as geothermal energy and photovoltaic systems as well as water reclamation with the help of a cistern in the ground also contribute to a very good thermal balance.

Educational properties

The turnkey handover of a new daycare facility in Kriftel, Hesse, is slated for May 2012. The children served by the center will be able to learn and play in a sustainable building constructed by HOCHTIEF. A building shell made of highly thermally insulated components, solar water heating, and the use of a ventilation system with heat recovery are among the features used to achieve the desired superior energy efficiency.

Turner delivered its 100th green building project, the Pleasant Ridge Montessori School in Cincinnati, Ohio, at the end of 2009. The building was awarded LEED Silver certification for features such as a light-colored roof to reflect sunlight and reduce rapid interior heat absorption as well as the need for air conditioning. Daylight is used where possible in rooms and corridors, natural materials provide added environmental benefits, and low-pressure sanitary fittings conserve water.

Covering some 334,000 square meters of floor space, the Stanford University Graduate School of Business Knight Management Center built by our American subsidiary provides students with a completely new learning experience. The center offers ample room for stress-free, shared learn-

ing along with generous green areas. The client specifications were correspondingly demanding, especially in view of the targeted LEED Platinum certification. Prevailing energy efficiency standards had to be exceeded by at least 40 percent and at least twelve percent of electricity consumed had to be self-generated. There were similar requirements with regard to water consumption and the use of materials.

The new Wheaton's Science Center in Wheaton, Illinois, was awarded LEED Gold certification in October 2010. Turner built the Science Center using recycled steel and regionally produced materials, among other things. Seventy percent of the building's electricity comes from a supplier of renewable energy. The Center uses 25 percent less energy overall than a comparable conventional building.

At the end of 2009, Turner secured the contract to build a learning and leadership development center for international auditors Deloitte in Westlake, Texas. Deloitte University is being built to LEED Gold standards. Seventy percent of its energy is from renewable sources, energy efficiency has been enhanced by 14 percent, and water consumption is 30 percent better than the standard.

Public buildings

Our US subsidiary is currently building a new academy in Queens for up to 2,000 New York Police recruits. The complex is slated for the award of LEED Silver certification. The necessary criteria will be met by using features such as energy-saving green roofs, daylight harvesting, and storm water harvesting and reuse.

The Columbus Convention Center Hotel in Columbus, Ohio, is another Turner project with exemplary environmental credentials. The ten-story, 532-room hotel utilizes the latest technology to cut energy consumption by 33 percent. Other green features include construction waste recycling, the use of environmentally friendly regional materials, and the provision of bicycle storage for guests and staff. The project aims to achieve LEED Silver certification.

In the Province of Ontario, Canada, HOCHTIEF Concessions has the contract to design, build and finance seven police detachments, eight forensic identification units, and three regional headquarters. In cooperation with a local facility management partner we will be responsible to maintain the buildings—which are designed to achieve LEED Silver certification—for 30 years under a public-private alternative finance contract. According to the type of building and purpose, custom lighting systems including daylight-

ing control and other sustainability features will lead overall to reduced energy and water consumption as well as optimized operational costs.

Infrastructure projects

Our subsidiary Flatiron is among the leading US contractors when it comes to complex infrastructure projects such as bridges and roads. Flatiron has long met the high environment and economy standards stipulated for such projects by law. The USA's Greenroads rating system aims to make sustainable roadway design and construction measurable and comparable. The rating is based on seven categories, with aims ranging from flora and fauna conservation to cultural outreach in the vicinity of a project while still securing an efficient overall solution. Criteria include use of materials, resources, construction activities, and pavement technologies. Flatiron is well placed with regard to rating systems of this kind in the event that they become standard, as our subsidiary already exceeds the requirements in many aspects.

Our Australian investment Thiess also fulfills sustainability standards when building large-scale infrastructure projects. The state of Victoria's highway department declared the expansion of the West Gate Freeway a measuring stick for other comparable road construction projects. Steel consisting of 90 percent recycled materials was utilized in this project, for example. In addition, an innovative type of asphalt that boasts a significantly longer life than conventional road surfacing materials and a special e-crete, concrete containing a large percentage of recycled materials, were also used.

Thiess additionally applied comprehensive environmental management practices to the expansion of the Pacific Highway, known as the Coopernook to Herons Creek Project. For instance, more than one million liters of rainwater were collected and used at the construction site, and wastewater was processed and used to tamp down dust kicked up during construction work. Fifty percent of the energy required by the project came from renewable sources, a move that cut over 960 metric tons of CO₂ equivalents.

Sustainable products and services

Our overarching objective:

We aim to lead the global market for sustainable projects in the construction and construction-related services segments. We therefore constantly add to our range of services spanning the infrastructure project, real estate, and facility life cycle.

Goal	Action to 2013	Status June 2011
Develop new sustainable products and services along the life cycle	Continue sustainability excellence team activities	13th meeting in July 2011
	Develop growth areas and models for cooperation across business segments	Cross-business segment working groups set up; ten growth areas identified and corresponding business plans drafted
	Expand integrated services/sustainable airports consulting service	The R&D project was successfully completed at the end of 2009 and another project, Airport Carbon Accreditation, was carried out in 2010; new project at Tirana Airport launched
	Decentralize and internationalize ideas management	15 independent Ideas Rooms set up; Turner integration concept prepared
	Introduce blueFM (quality seal for developing and implementing sustainable operator concepts for clients)	blueFM quality seal introduced; 40 property managers trained
	Offer engineering services (consulting, interdisciplinary planning, validation, and certification) for energy-efficient and green building	Founding of ina Planungsgesellschaft mbH
Increase HOCHTIEF global presence in sustainable construction	Increase the number of certified buildings with HOCHTIEF involvement in America	1,247 LEED-accredited auditors, 207 LEED-certified and 247 LEED-registered projects
	Increase the number of certified buildings with HOCHTIEF involvement in Asia-Pacific	105 Green Star-accredited auditors, 5 LEED-accredited auditors, 10 Green Star-certified projects, 2 Green Star-registered projects, 1 LEED-registered project
	Increase the number of certified buildings with HOCHTIEF involvement in Europe	5 DGNB-accredited auditors, 2 LEED-accredited auditors, 4 DGNB-certified and 14 DGNB-pre-certified projects, 2 LEED-certified and 5 LEED-registered projects
	Percentage of sustainably developed, certifiable office properties in Europe: 80 percent of total investments in this segment	Performance indicator included in the Balanced Scorecard; certification planned or implemented for a total of 82 percent of investments
Deepen integration between divisions	Implement "one roof" policy at more HOCHTIEF locations in Europe	HOCHTIEF Houses in Hamburg, Berlin, and Munich under construction; aim for DGNB silver and gold certification
	Implement new online platform Group-wide (HOCHTIEF people.Net)	Pilot phase launched for HOCHTIEF Solutions and HOCHTIEF Corporate Headquarters
Enhance customer satisfaction	Develop online client portal with feedback structure	Client portal launched; portal's international features and contact options being improved further
	Conduct regular customer surveys	Study published on the influence of sustainability on the market value of real estate; customer survey on facility management completed

Area 2

Active climate protection





We shine new light—to brilliant effect.

Gerhard Backhaus (left), lighting project manager at HOCHTIEF Energy Management, shows Ulf Bosold, technical director at the Staatstheater in Hanover, the stage secrets behind an acclaimed idea. Our experts deployed innovative LED technology to slash the theater's lighting energy bills by up to 80 percent—and delivered a lighting system with great visual impact into the bargain. Their applause for a sparkling performance: the European Energy Service Award.

Our energy contracting specialists also revamped the theater's building systems, saving over 2,800 metric tons of carbon emissions in 2010—an example of our commitment to shrinking carbon footprints in partnership with clients, and to actively combating climate change.

Area 2

Active climate protection

The challenge: Buildings burn some 40 percent of global energy. Reducing this share for the future has for years been part of our business. HOCHTIEF has a tradition of sustainable construction, or green building. Implementing innovative energy management and business models based on renewables, we also help prevent greenhouse gas emissions and cut project running costs.

Our objective: We aim to save carbon emissions together with our clients.

Climate change, energy efficiency, and renewables are the focus of intensive global debate. They are also key issues for our Group. For HOCHTIEF, tackling climate change is not just a duty to society and the environment, it is a strategic priority and a building block of corporate strategy*. At the same time, it opens up many new business opportunities that we readily exploit. Drawing on a versatile toolbox of solutions and measures, we work to actively combat climate change—for clients, in project work, and inside our own organization. We continually invest to promote renewables, craft trailblazing solutions in real estate and facility construction and operation, and fine-tune energy management. We likewise work hard to cut energy use and raise energy efficiency within our own Group.

Acting on climate change

Further underscoring our resolve to act on climate change, we joined forces back in 2008 with over 80 leading international companies to sign the CEO Climate Policy Recommendations to G8 Leaders. In 2010, the Carbon Disclosure Project included HOCHTIEF in the Carbon Disclosure Leadership Index for the first time. This index lists 30 major German corporates that excel in transparency on carbon emissions. Our company ranked 14th, scoring 77 out of 100. This put us in Carbon Performance Group B, confirming that climate change is very important to HOCHTIEF and relevant action and initiatives—such as lowering carbon emissions—are built into our corporate strategy.

Bright future with renewables

The renewables share in Germany's power mix is growing fast. Renewables met nearly 17 percent of the country's total energy demand in 2010, avoiding almost 120 million metric tons of greenhouse emissions. The German government targets a 35 percent share by 2020. The market for green power is expanding globally, too. From 2005 to 2009 alone, clean energy investment in the G20 states increased by no less than 230 percent to some EUR 112 billion a year. Even the global economic crisis did not greatly affect the sector's dynamic growth. HOCHTIEF offers clients a variety of ways and means of using renewable energy. All these different sustainable alternatives to conventionally generated power have one thing in common: huge long-term economic and environmental potential.

Full-blown service for offshore wind power

Along with their onshore counterparts, offshore wind farms can make a key contribution to sustainable energy supplies. Higher wind speeds at sea make for a significantly bigger energy harvest. By 2020, up to 10,000 megawatts of capacity is to be installed in German offshore wind power installations. On German government targets, the huge windmills at sea will already be generating 25,000 megawatts just ten years later. The Central Federation of the German Construction Industry (HDB) expects that EUR 25–30 billion will be spent on building wind farms in the North Sea and the Baltic Sea. Wind power already prevents some 28 million metric tons of greenhouse gas emissions annually in Germany today.

HOCHTIEF focuses on the way forward, targeting early mover advantage in new, high-growth segments. A case in point is offshore wind power, where we are already well established with a broad service portfolio and innovative engineering solutions. We design and emplace all types of foundations for offshore wind turbines as well as install, maintain, and assemble met masts and the turbines themselves. Our specialists plan logistics, simulate assembly in varied weather conditions, and conduct subsurface investigations. HOCHTIEF offers a full service package, rigorously applying our life cycle strategy to the offshore wind power segment. We also operate our own special-purpose

*For further information, please see pages 6, 7 and 10.

 www.cdproject.net

Stakeholders have their say

Government



Ursula Heinen-Esser,
Parliamentary State Secretary,
Federal Ministry for the Environment,
Nature Conservation and Nuclear Safety, Berlin

equipment for the offshore business. This includes our two jack-up platforms “Odin,” in service since 2004, and “Thor,” launched in 2010 and currently in action at the Bard Offshore 1 wind farm in the North Sea, where some 80 wind turbines are being erected. All of our offshore equipment is managed and operated by our own team.

Summer 2012 marks the inception of Global Tech I, a further offshore project with HOCHTIEF participation. This involves anchoring 80 bases, each weighing 950 metric tons, to the sea floor 40 meters down. Every one of these will support a five-megawatt, 150-meter wind turbine for a total output of 400 megawatts from mid-2013. Global Tech I is the first deployment for a special-purpose vessel developed by HOCHTIEF with a joint venture partner—the “Innovation,” a jack-up vessel that makes for even more efficient, safer assembly (see also page 42).

Work also starts in spring 2013 on EnBW Baltic 2, a wind farm in the Baltic Sea. HOCHTIEF is part of a joint venture delivering and erecting 80 foundations and looking after logistics for construction of the towers and turbines. When completed, the wind farm with a capacity of 288 megawatts will feed some 1,200 gigawatt-hours of electricity to the grid each year—enough for about 340,000 homes.

HOCHTIEF also serves the offshore segment outside of Germany. Since December 2009, as strategic partner to the SMart Wind joint venture, we have been designated preferred supplier of turbine foundations with partial charge of design and structural engineering for a four-gigawatt project in the Hornsea zone off England’s northeast coast. The Hornsea development zone is part of a government program to build offshore wind farms with a total capacity of 32 gigawatts in UK territorial waters. Work on the first 500-megawatt subproject is scheduled to start in 2014.

Renewable energy sources are pivotal in the transformation of Germany’s energy supply. What implications does that have for Germany as a business location and for the expansion target?

The expansion of renewables in the last decade has massively boosted sales and job creation in the renewables sector, which now has a 370,000-strong workforce. The construction industry also benefits with work such as building wind farms both on and offshore, laying new power lines, and sinking wells for geothermal energy. Of course, not everyone stands to gain from the structural transformation we are going through. But research so far shows the expansion of renewables to have had a net positive effect, also on the jobs market. And provision has long been made to cushion adverse effects like the impact of the renewable energy surcharge on electricity-intensive industries. The new arrangement we have made for this in our Renewable Energy Act is fairer than ever because it is more linear. The expansion targets for renewables—at least 35 percent of electricity and 18 percent of total energy use by 2020—are realistic, and with climate change and global resource conflicts they are necessary and show the way forward. In the long run, the switch to renewables will make Germany a repository of expertise for and an exporter of sustainable energy technology—and that is something the construction industry can capitalize on as well.

Where do you see the biggest growth prospects in renewables?

In the short term, to be sure, the highest hopes are on wind power, and especially offshore wind power. There has also been rapid expansion in biomass use over the last few years. Looking toward the longer term, utilization of solar and geothermal energy will become quantitatively more significant.

What role is played by energy efficiency in the transformation of energy supplies?

The German government’s expansion targets relate to total energy demand. The further we can get this down—by improving energy efficiency, reducing grid losses, and smart load management—the sooner we can meet the targets. Raising energy efficiency is therefore central to our energy strategy. The key to better energy efficiency is the buildings sector. But academic research also points to potential annual energy savings of EUR 10 billion from energy efficiency improvements in industry. In both cases there is work for the construction industry. Government supports efforts to this end with grant programs and procurement stipulations.

What contribution does government expect from the German construction industry?

We work on the assumption that it is in industry’s own interests—and that includes the construction industry—to develop growth segments such as sustainable energy supplies and cut production costs by improving energy efficiency. Going beyond that, I would also like to see the German construction industry be proactive. That could show through in things like getting to grips with notions of resource efficiency, making allowance for climate adjustment in building projects, or simply by companies adopting in-house energy guidelines.

POWER & INNOVATION

Innovative equipment and processes—HOCHTIEF invests in offshore wind power

“Innovation” jack-up vessel: HOCHTIEF partners with GeoSea, part of the Belgian DEMA group of companies, to build and operate special-purpose offshore jack-up vessels. A dedicated company, HGO Infra Sea Solutions, has been established for the purpose. On its launch, the “Innovation” will be the most powerful crane jack-up vessel in the offshore market today. The new special-purpose vessel is



147 meters long, has a beam of 42 meters, and can operate at depths of up to 50 meters. With an 8,000-metric-ton payload and 1,500-metric-ton crane lift capacity, the vessel is ideally suited for installing all types of offshore foundations—and the only one of its kind anywhere in the world. The “Innovation” can be deployed in erecting turbines with outputs of five to ten megawatts and will substantially reduce assembly and service times for this latest generation of offshore wind turbines.

HOCHTIEF not only developed the idea and the innovative design for the “Innovation” itself in conjunction with the joint venture partner, but will also operate the vessel and charter it out. We employ our own crew for the purpose. As demand for special-purpose equipment exceeds current supply, construction of further jack-up vessels is planned.

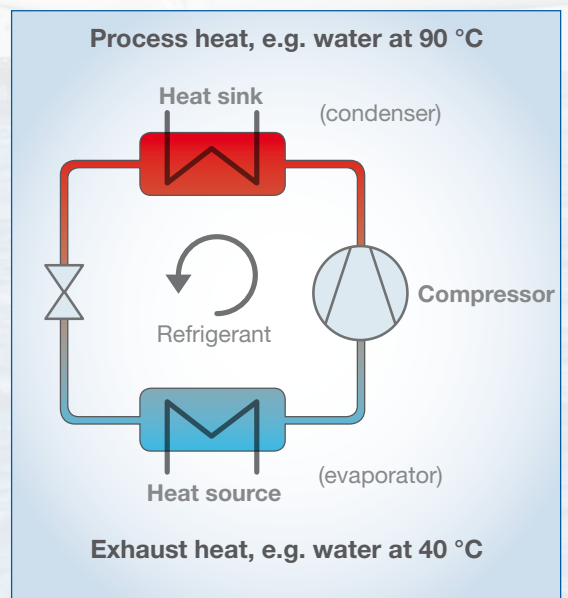
Offshore foundation drilling: With its expertise in offshore wind farm construction, HOCHTIEF spans the full process—and has plans to improve it. In partnership with Herrenknecht AG, HOCHTIEF Solutions has now developed a more efficient and, most of all, more environmentally friendly way of emplacing wind turbine foundations. Normally, piles for the towers are driven into the sea floor with large hydraulic hammers. Up to 8,000 hammer strikes

are needed for each pile. The resulting noise pressure levels can seriously harm marine fauna, especially harbor porpoises in the German North Sea and Baltic Sea.

In our technique, called offshore foundation drilling, foundation structures for wind turbines are anchored to the sea floor by a drilling process. This reduces noise and—because the method is highly adaptable—also opens up various other technical options, such as pile diameters bigger than the six meters that mark the limit for conventional pile driving.

High-temperature heat pumps—heat from the refrigerator cycle

Extracting a large amount of heat out of a small amount of energy sounds like a tall order, but that is just what HOCHTIEF Energy Management is confident of achieving with high-temperature heat pumps. Using this innovative technology, only about 25 percent of the heat energy has to be generated mechanically. The rest is scavenged from exhaust heat or the surroundings. The system is best suited for industrial clients, who can use it to save fuel for energy generation. HOCHTIEF already provides high-temperature heat pumps in energy performance contracting models.



Maximum energy from minimum heat—the latest heat pumps point the way



Compelling returns, including for the environment: The new La Confluencia run-of-river hydro project in the Andes reduces Chile's carbon emissions by more than 400,000 metric tons a year.

Our subsidiary Leighton Contractors undertakes onshore wind power projects in Australia. Scheduled for completion in 2013, the Macarthur Wind Farm in western Victoria will be the biggest wind energy installation in the southern hemisphere. Leighton Contractors is responsible for procuring, transporting, and erecting the wind turbines and carrying out infrastructure work such as building roads, transformer stations, and power lines. The wind farm is projected to generate 420 megawatts of electricity—enough to power 220,000 homes. Leighton is also part of a consortium developing the Mumbida Wind Farm in Western Australia, which is slated to be hooked up to the grid with an output of 55 megawatts from November 2012. The wind farm is expected to save 165,000 metric tons of greenhouse gas emissions a year.

Hydroelectricity—long tradition of clean energy

Hydroelectric power stations convert kinetic energy from moving water into mechanical and then electrical energy. Hydropower has made up a good share of the power mix for decades. As far back as 1973, nearly 1,300 terawatt-hours of electricity was generated in this way each year. Hydroelectric generation has since more than doubled to some 3,300 terawatt-hours annually. This makes hydropower one of the most important alternative sources of energy. About 20 terawatt-hours of electricity came from hydropower in Germany in 2010, avoiding some 17 million metric tons of greenhouse gas emissions. However, the opportunities for generating new energy from hydropower in Germany are virtually exhausted. Many other countries, on the other hand, still have untapped potential for the generation of low-cost, green power from flowing water.

HOCHTIEF has long built hydropower schemes and dams around the world, including projects in Africa, Canada, China, Scotland, and South America. Since 2010, HOCHTIEF Solutions has been working on a new hydropower scheme with a joint venture partner in Cheves, Peru—at an altitude of some 2,000 meters. In addition to the subterranean power plant, the project also involves building 17 kilometers of tunnel, two weirs, and a dam. The state government sees the Andes project, with a design output of 168 megawatts, as a further step in switching energy supplies over to green power. Once completed, the scheme is intended to meet peak electricity demand in the Lima region. In the design phase, our company opted for construction of an inclined shaft in place of the conventional pressure shaft. This made it possible to save the fruit plantations of neighboring farm cooperatives.

A 160-megawatt hydropower scheme has been built for the same client in a joint venture south of Santiago, the Chilean capital. With a design of their own, the HOCHTIEF experts managed to increase the capacity of the La Confluencia hydro scheme by ten percent relative to the original plans. The most important part of the scheme, the above-ground turbine house, was finished at the end of 2010, and work on the entire complex is to be completed in September 2011.

Exelon City Solar in Chicago: SunPower tracker technology makes the solar panels turn as the sun traverses the sky. This significantly adds to the power plant's productivity.



***For further information, please see page 25.**

Solar power—attractive alternative

The sun's energy exceeds global primary energy consumption thousands of times over and for all practical purposes is inexhaustible. In Germany alone, 6.6 terawatt-hours of electricity was generated from the sun's rays in 2009. Only a year later, the figure was 12 terawatt-hours, saving seven million metric tons of greenhouse gas emissions from burning fossil fuel. The steep upward trend is set to continue, with the German environment ministry estimating the country's potential for solar power at 115 terawatt-hours a year. The Renewable Energy Act—among the most progressive energy legislation in the world—supports this rapid growth with a suitable legal framework. Energy utilities are thus required to purchase renewables-generated electricity at a fixed tariff, which creates an incentive for home builders to use solar energy.

Our company helps fund solar energy research and development in areas such as net positive energy homes. In 2009, this included sponsoring a student team from Darmstadt Technical University taking part in the Solar Decathlon for the second time. The international collegiate tournament organized by the US Department of Energy challenged budding architects to build an energy self-sufficient home conceived for the year 2015. One of the winning features of the Darmstadt team's surPLUShome was its exceptional energy balance, with the net positive energy home designed for a family of two generating twice as much energy as it used.

The successful collaboration in this area with Darmstadt Technical University led to the launch of a new company, ina Planungsgesellschaft*, in early 2011. The aim is for experience from the joint research project to be used in work such as developing energy-efficient, sustainably designed buildings.

Solar technology is put to successful use in various HOCHTIEF units and projects. Hamburg Airport, one of our airport holdings, began reaping the benefits of solar power in the fall of 2010. A photovoltaic installation with an annual generating capacity of some 18,000 kilowatt-hours of green power trims the airport's environmental footprint by nine metric tons of carbon a year. Our US subsidiary Turner completed work in 2010 on the Exelon City Solar Project in Chicago, the home of electricity generator and distributor Exelon Corporation. Exelon City is the largest urban solar power plant in the USA, generating more than 14,000 megawatt-hours a year—enough to power some 1,500 homes. The project involved installing over 32,000 photovoltaic panels on a 166,000-square-meter brown-field site. John Holland, an Australian subsidiary, secured the contract from the state government as part of a consortium to conduct a feasibility study for construction of the 150-megawatt Solar Flair generating plant. The facility is slated for completion by 2014 in Chinchilla, Queensland.

Upsurge in geothermal energy

Power generation from geothermal energy is growing dynamically worldwide. Germany's geothermal capacity has doubled in the past 20 years to over 10,700 megawatts, and by 2015 the country is expected to generate 18,500 megawatts of electricity from geothermal sources. HOCHTIEF is well established in this segment with its subsidiaries HOCHTIEF Solutions and HOCHTIEF Concessions. A dedicated company, Süddeutsche Geothermie-Projekte GmbH (SGG), was launched with a number of partners at the end of 2007. SGG develops what are known as hydrothermal power plants. These pump water at 130°C from some 4,000 meters below ground. In the surface power plant, the water transfers its heat to a medium with a lower boiling point. The medium vaporizes and drives turbines that generate electricity. The residual heat can be used for a district heating network. SGG has successfully completed drilling work on the deep boreholes for two geothermal power plants at Dürrenhaar and Kirchstockach in southern Germany. The next step is to develop these boreholes, known as doublets, into power plants. In a first for Germany, we have been able to arrange project finance for the Dürrenhaar plant. Under contract to SGG, HOCHTIEF Energy Management is now in charge of designing and building the plant as well as operating it for ten years. Construction of the geothermal power plant began in January 2011. On completion in 2012, the Dürrenhaar power plant will have an output of some 5.5 megawatts for an annual generating capacity of over 46,000 megawatt-hours.

Harvesting growth in biomass

We are also in the business of operating and managing biogas generators. In 2011, we succeeded in signing a ten-year operation and management agreement for a biomethane generator. The owner and operator of the generator is a special-purpose investment fund. On behalf of the fund, our experts at HOCHTIEF Energy Management are in charge of operational management of the plant, which generates synthetic natural gas (biomethane). The biomethane generator is supplied by farms in the immediate vicinity. After substantial refinement, the biogas generated is fed into the existing local natural gas network. Operating and managing technologically complex and sophisticated plant in the environmental sector is an attractive new area of business for HOCHTIEF Energy Management.

Extending and transforming the energy infrastructure

Expanding renewable energy and the corresponding infrastructure is a fundamental challenge in Germany and the rest of Europe for policymakers, industry, and society alike. HOCHTIEF can contribute significantly in this expansion process. We aim to position ourselves in this segment as partners to government and business. We are already established as innovation leaders and holders of expertise in a number of areas—an example being offshore wind power. We also field expertise and many years of project experience in the development and construction of smart grids and new energy storage systems.* In this way, we help ensure that renewables-generated electricity can be supplied reliably and economically in line with demand. We expect to see considerable investment here in the years ahead. At the beginning of 2010, HOCHTIEF became a founding member of the Friends of the Supergrid  initiative, a European business lobby whose aims include promoting development of the power transmission grid for the North Sea.

*For further information, please see page 18 onwards.

 www.friendsofthesupergrid.eu

Effective energy storage and supply

Pumped storage power plants are one technology where we see major potential. Pumped storage is a highly efficient energy storage system that has been proven on an industrial scale. When energy demand is low, water is pumped from a lower to an upper reservoir. At peak load times, water is then allowed to flow back down to generate hydroelectric power. Large pumped storage power plants are only rarely approved, however, and there are consequently hardly any such systems in Germany. HOCHTIEF is therefore pursuing the idea of building and operating small to medium-sized local pumped storage power plants at appropriate sites. To this end, we can draw on our globally accumulated expertise in constructing dams and hydroelectric power stations.

Another storage medium of the future may be hollow spheres installed on the sea floor and used to store wind and solar power. These exploit the pressure differential between the water surface and the sea bottom to drive pump turbines like those on a pumped storage power plant. Preliminary research on this innovative technology is being conducted at HOCHTIEF.

A further HOCHTIEF innovation: The SurFace system delivers major safety and efficiency gains in surface decontamination. The system consists of a tool head, guide system, and powerful suction unit (photo left).

Compelling resource conservation: HOCHTIEF supplies surface materials manufacturers Benecke-Kaliko with services including process energy, heat, cooling water, and compressed air. Running and energy costs have been cut substantially since the contract started. Carbon emissions have also been reduced by about 4,000 metric tons a year.



A lack of power transmission capacity can be made up for with power tunnels. These subterranean energy superhighways are an effective, technically and environmentally viable alternative to direct buried cable and, in HOCHTIEF's view, can be an important feature of sustainable grid infrastructure. As tunnel builders with decades of experience, we have the requisite knowledge to construct power transmission tunnels of this kind.

an environmentally friendly facade and surface improvement technology in renovation and similar work.

Energy management a growing success factor

Alongside the expansion of renewables, energy efficiency and energy economy also hold major potential in counteracting climate change. Cooling, heating, and running buildings accounts for over 30 percent of Germany's total carbon emissions. In an April 2011 position paper, the German Environmental Management Association (B.A.U.M.) published a statistic estimating the overall potential for saving electricity across Germany at 93.6 billion kilowatt-hours by 2016. B.A.U.M. also computed the outlay needed to achieve this reduction: roughly EUR 42 billion, most of which can be recovered from cost savings.

HOCHTIEF Energy Management GmbH, a subsidiary of HOCHTIEF Solutions AG, concentrates on the growing energy efficiency segment. With a 300-strong workforce around Germany, the company is among the leaders in energy management and energy contracting services. The growth prospects are strong. Sectoral associations forecast a further marked rise in sales for the German energy contracting market in the next few years.

Energy contracting lets HOCHTIEF generate measurable added value for clients: Using a range of different models, we help clients cut operating costs, run energy systems more efficiently, and reduce carbon emissions. We achieve this by designing and implementing efficient solutions as well as by continuously monitoring system status and en-

Safe nuclear decommissioning

Germany's decision to phase out nuclear power will drive increasing demand in the years ahead for companies with expertise in decommissioning nuclear facilities. HOCHTIEF has relevant experience from building and maintaining nuclear power stations. Services include custom-tailored decommissioning plans, approval and execution planning, and the performance of all forms of decommissioning work. We have over 150 occupationally exposed employees from all walks of the construction profession to carry out work of this kind. An example is Stade nuclear power station, where we undertook the dismantling of the reactor shield and pool bottom from 2010 to 2011. The work included preparing the planning documentation, dismantling into segments, transporting the segments off site, and packing them ready for final disposal.

HOCHTIEF SurFace is our proven large-scale system for dust-free surface stripping in nuclear power facilities and buildings. Applications include decontamination of nuclear and chemical facilities as well as refurbishment of water treatment ponds. HOCHTIEF SurFace can also be used as

ergy consumption. As the contractor, HOCHTIEF shoulders the efficiency risk.

In full service contracting, we also add technical and infrastructure services, offering clients all features of standard contracting plus additional services for production locations and properties.

Keeping energy costs predictable

In energy supply contracting, HOCHTIEF optimizes a client's systems and also directly supplies the required process energy and media. We guarantee savings for clients in the form of competitive process energy and media prices. As part of the service, we carry out all necessary changes and secure reliable and efficient long-term energy supplies. Our success speaks for itself: In 2010 alone, HOCHTIEF Energy Management saved over 100,000 metric tons of carbon emissions on behalf of clients.*

In early 2011, our company obtained DIN EN 16001 certification for its energy management system at five locations in Germany. The quality of all energy-related processes and structures within HOCHTIEF Energy Management was analyzed and confirmed by independent auditors for the purpose. The certification affirms that our system makes energy flows transparent and verifiable, and continuously records, analyzes, and evaluates the related data. Additional locations are to be certified before the end of 2011.

Spotlight on energy management at HOCHTIEF

The examples that follow show how, in various areas, HOCHTIEF Energy Management helps save energy and combat climate change.

Dairy energy supply improved

We have served the Heideblume dairy in Elsdorf-Rotenburg, Lower Saxony, as energy contractors for some years. November 2010 brought a 15-year contract renewal. HOCHTIEF Energy Management has made various changes, such as building and operating a new central energy plant. This centers on a combined heat, cooling, and power (CHCP) unit to supply electricity and process media like steam and refrigerant. We also installed an efficient compressed air generator. A state-of-the-art absorption refrigeration system provides exceptionally eco-friendly cooling for the dairy's new logistics center. In total, HOCHTIEF's experts cut carbon emissions from the dairy by more than 3,700 metric tons in 2009. Our activities have won dual acclaim: Early in 2011, the project was recognized by the German environment ministry in the "climate-friendly use of refrigeration in food production" category of the 3rd German Refrigeration Awards. The German Energy Agency (dena) also accorded us its energy efficiency good practice label for energy contracting.

*Source of carbon conversion factors at HOCHTIEF Energy Management: gemis 4.6

Award-winning theater lighting system**

Theatrical lighting that is effective and economical at the same time has long seemed a hard act to pull off, but HOCHTIEF Energy Management has done just that with

**For further information, please see pages 38 and 39.

Energy efficiency stands out among winning features of the Nordex Forum office building constructed by HOCHTIEF:

- Energy strategy: The goal was to create a building that uses minimum energy and gets most of what it does need from renewables. This is achieved with an ultra-efficient outer skin boasting a transmission heat loss some 50 percent better than required by the German Energy Saving Ordinance (EnEV). The outer skin also lets maximum daylight into the interior to save on electricity for lighting. At outdoor temperatures above freezing, heat is supplied by two heat pumps. A boiler system kicks in when the temperature outside drops below a set threshold.
- Total primary energy consumption: Primary energy consumption undercuts the level laid down in the Energy Saving Ordinance by 21 percent. Factors here include the efficient outer skin, optimum daylight use, and innovative building systems.
- Renewables share: The large renewable energy share is attained using air-water heat pumps. Geothermal probes were ruled out because of groundwater issues. The average outdoor temperatures and heat pump performance data result in a renewables share of about 35 percent of heat energy.

- Global warming potential (life-cycle basis): The reduced energy needs and large renewables share give Nordex Forum a global warming potential of 36.9 kg CO₂/m² net floor area—29 percent better than comparable buildings. The calculation takes into account construction of the building, its operation for 50 years, and demolition at the end of its useful life.

Climate protection aspects of Nordex Forum



Banking on energy efficiency: Stuttgart's Südwestbank secures energy savings with cutting-edge lighting and by making cooling and air conditioning run more efficiently—with the help of energy experts from HOCHTIEF Solutions.



an acclaimed lighting system at the Staatstheater in Hanover. We met this challenge by replacing conventional bulbs with 5,000 LEDs and improving the control rig. The outcome was up to 80 percent lower energy costs for lighting. At the same opportunity, HOCHTIEF's experts improved the building systems to reduce carbon emissions by more than 2,800 metric tons in 2010. HOCHTIEF was accoladed for the project in September 2010 with a European Energy Service Award in the lighting category.

Bank saves over EUR 100,000 in energy costs

We took on energy performance contracting for the headquarters of Südwestbank in Stuttgart at the end of 2009 and cut costs there in 2010 by EUR 108,000—a saving over 100 percent greater than pledged. The HOCHTIEF Solutions energy experts also reduced carbon emissions in 2010 by about 270 metric tons. This success was partly down to LED tubes, which are used in place of about 1,000 fluorescent tubes and consume only about half the power. Operation of cooling and air conditioning systems as well as the use of district heat were also better calibrated to actual needs for further energy efficiency gains.

Automotive supplier contract renewed

Ever since 2001, HOCHTIEF Energy Management has supplied the Continental factory in Hanover with energy such as electricity and process media such as steam, compressed air, and water. We have since cut energy costs by about 2.6 percent a year. Carbon emissions were reduced by about 22,000 metric tons in 2009 alone. In the course of the working relationship, we have continuously modernized supply systems and networks. In running the energy systems, HOCHTIEF guarantees maximum security of

supply. This success prompted the automotive supplier to renew the contract in 2010 for a further five years.

Multipurpose arena to save EUR 250,000

HOCHTIEF is heat supply contractor to O2 World Hamburg for the period 2011 to 2021. For the duration of the contract, we will reduce heating costs from current levels by ten percent a year. This corresponds to total savings of some EUR 250,000. The savings are achieved by installing a heat pump, which HOCHTIEF also operates. The heat pump boosts waste heat from an ice rink chiller to temperatures usable for heating.

Improving hospital energy supplies

HOCHTIEF Energy Management is to reduce annual energy costs at the Krankenhaus vom Roten Kreuz hospital in Stuttgart by some 30 percent between 2011 and 2018 and carbon emissions by approximately 500 metric tons a year. We have various plans for achieving these targets, including a condensing boiler for hot water and an improved, centrally managed, HOCHTIEF-monitored building control system. The project's energy efficiency has spurred the 110-bed hospital to apply for low-energy hospital certification from BUND (Friends of the Earth Germany).

Berlin's Bethel hospital likewise aims to secure BUND certification. This involves cutting carbon emissions by 600 metric tons a year and energy costs by over EUR 110,000 a year. HOCHTIEF will help achieve these savings as energy contractor. Our action package includes replacing heating facilities and the central cooling plant, plus installing low-energy lighting and advanced swimming pool systems.



Going green: Berlin's Bethel hospital aims to excel in energy efficiency as it does in medicine. The new systems needed to achieve the energy savings are managed and controlled online by HOCHTIEF.

Berlin State energy economy drive

Energy managers from HOCHTIEF Solutions have been in charge of energy performance contracting for 18 properties belonging to the State of Berlin since 2009. The contract runs for ten years. We are improving energy supplies at properties including the Red Town Hall, inland revenue offices, and court buildings. Part of the contract entails installing modern heating and boiler systems. HOCHTIEF also supplies the properties with energy from six new combined heat and power (CHP) plants. For the lifetime of the contract, we are in charge of system maintenance and controlling as well as monitoring efficient system operation. In total, we aim to save EUR 4.5 million and avoid 22,000 metric tons of carbon emissions. The carbon footprint was reduced by over 2,800 metric tons in the first year of the working relationship alone.

Proactive climate change policies for airports

Action on climate change and energy efficiency are special priorities for our airport holdings as well. HOCHTIEF has an excellence team dedicated to sustainable airport operation. Our experts advise our own airports and others on energy supply and savings, helping them cut costs and further set themselves apart from rivals in terms of sustainability. HOCHTIEF Concessions pools these capabilities in a Sustainable Airports service package. The approach also includes advising clients on the use of renewable energy sources—where possible right from the design phase.

European-level action on climate change

In June 2009, one of our airport holdings, Athens International Airport, supported Airport Council International in launching the Airport Carbon Accreditation Scheme. The 40-plus participating European airports have volunteered to invest in tackling climate change and cutting carbon emissions. In the four-stage accreditation process, an airport's carbon footprint is measured, targets are laid down for carbon reductions, and an action plan is drawn up to implement improvements. HOCHTIEF Concessions actively supports its airport holdings and others in this process.

Multiple energy efficiency activities


2010 saw Düsseldorf International Airport install two new combined heat and power (CHP) plants. With a capacity just short of two megawatts, these can generate some 15 million kilowatt-hours of electricity a year. This is about ten percent of total energy consumption at the airport, the largest in the state of North Rhine-Westphalia. The new CHP plants also save around 8,500 metric tons of carbon emissions a year. Likewise in 2010, Hamburg International Airport added two new buses, taking the number of natural gas-powered vehicles in its fleet up to 45. The vehicles run entirely on natural gas, avoiding about 65 percent of the carbon emissions put out by conventionally fueled equivalents. Our Hamburg airport holding also joined forces with a number of partners at the beginning of 2011 in a regional climate campaign in which passengers voluntarily make a small contribution to offsetting carbon emissions from their flights. The money is invested in projects to cut greenhouse gas emissions and counter the climate impact of aviation.



Addressing climate change within the HOCHTIEF Group

As a company committed to sustainability objectives, we not only attach high priority to addressing climate change in our projects and services. We also act on climate change in numerous ways within the Group.

Carbon offsetting

HOCHTIEF generates carbon emissions in the publication of various print products. An example is the HOCHTIEF Annual Report 2010 which, with a print run of 14,000 copies, resulted in emissions totaling 33 metric tons of carbon equivalent (a measure of how much the greenhouse gas emissions concerned contribute to the greenhouse effect). HOCHTIEF offset these emissions by investing in the Yuntag Wind Power project—a Gold Standard carbon reduction project—and received certification of the emission reductions from the First Climate AG  emissions trading agency. We also offset the carbon equivalent of emissions from printing quarterly and sustainability reports. At the beginning of 2011, our sustainability excellence team offset the carbon emissions generated by its meetings in the preceding year by planting a linden tree in the main city park in Essen. Offsetting is similarly planned for future meetings. There are also plans to make all business rail travel in Germany climate-neutral. Offsetting projects are currently being identified for this purpose.

Green mobility for facility managers

In summer 2010, the vehicle fleet used by facility management experts at HOCHTIEF Solutions gained its first electric car. The service vehicle has a range of between 100 and 140 kilometers. This makes HOCHTIEF Solutions one of the first German companies in facility management to adopt electromobility. Our Karlsruhe project team of facility management specialists keep fit while doing a good turn for the climate by using twelve company bicycles between sites on the Siemens Karlsruhe industrial park. As an added benefit, the bikes save the time and trouble it takes to look for parking spaces.

HOCHTIEF stages climate day

As part of our climate protection campaign, which aims to cut internal energy and fuel consumption in Germany by five percent and business travel by 2.5 percent by the end of 2011, we staged our first climate day in November 2009. The diverse program included expert presentations, information booths at our main German locations, and fuel economy training for drivers. An additional theme was personal climate awareness. To save fuel costs for travel to and from the climate day and limit emissions to a minimum, we broadcast the presentations on the HOCHTIEF intranet.

Turner improves office workflows and processes

Our American subsidiary is the number one green builder in the USA. Turner also works to further integrate sustainability into day-to-day construction site and office workflows. This has led to a Green Workplace Checklist featuring ideas and changes that staff can implement on the ground to boost energy efficiency, reduce occupational accidents, and shrink the environmental footprint of work activities. Each Turner construction site and office is called upon to supplement the checklist and explain action already taken.

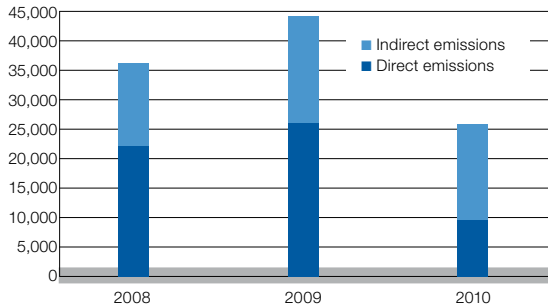
Leighton Contractors boosts energy efficiency

In its Energy Efficiency Opportunities Report 2010, the subsidiary of our majority-held Australian company Leighton presented action it is taking to minimize the corporate environmental footprint. The report includes a presentation of solutions to help save lighting costs. In Australian mine camps and road building work, for example, the company uses LED lighting to consume 75 percent less energy than before. With Green Office Management Plans, Leighton Contractors aims to identify and implement opportunities to improve energy use, waste management, recycling and consumption of materials in all work sites, business premises, and staff homes. The company also reports on a day-long training course for plant and equipment operators with the aim of maximizing fuel efficiency and lower emissions. The two pilot events showed 24 and 16 percent improvements in fuel efficiency respectively.

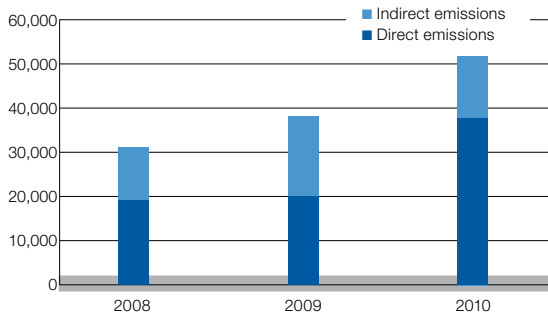
 www.firstclimate.com

Key figures

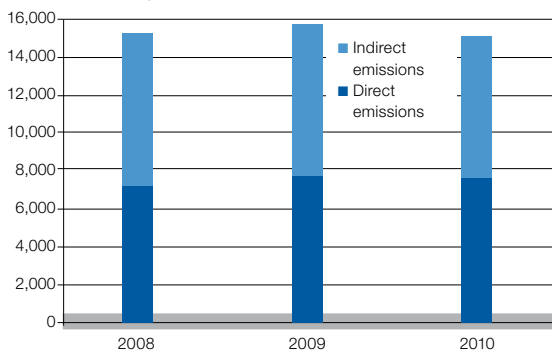
Greenhouse gas emissions*: Germany



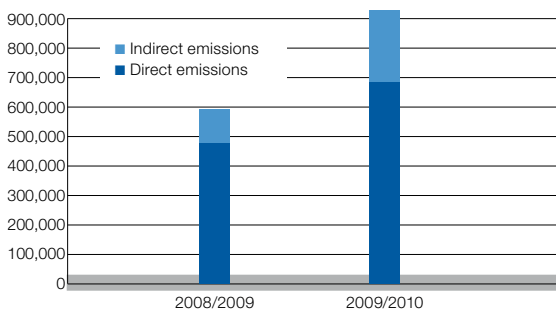
Greenhouse gas emissions*: Europe (except Germany)



Greenhouse gas emissions*: Turner USA



Greenhouse gas emissions*: Leighton Australia



The key figures shown relate to the energy consumption and carbon emissions of the main corporate units in Germany, Europe, the USA, and Australia. The German and European data is estimated from material-specific cost types assuming average prices.

Energy consumption levels and the greenhouse gas emissions inferred from them directly depend on the nature and scale of the projects in progress. A tunneling project with a tunnel boring machine, for example, generates far greater indirect carbon emissions than a building construction site or a facility management project. The trend in the key figures therefore indicates very little as regards actual climate protection activity.

All HOCHTIEF units (including HOCHTIEF-led joint ventures) in the following countries are included in the data:

Australia (Leighton Holdings)
Austria
Czech Republic
Germany
Greece
Hungary
Luxembourg
Poland
UK
USA (Turner Construction)

*Metric tons of carbon equivalent.
Source for carbon conversion factors: GHG Protocol tool for stationary combustion Version 4.0

Active climate protection

Our overarching objective:

We aim to save carbon emissions together with our clients.

Goal	Action to 2013	Status June 2011
Cut carbon emissions	Cut company carbon emissions in Germany by 5 percent by end of 2011 (2008 base year)	Status December 2010: 6.5 percent cut in carbon emissions from vehicle fleet 3 percent (absolute) cut in German office electricity consumption
	Switch major office locations in Germany fully over to green power and include additional locations	Approx. 5,300 MWh of green power purchased in 2010
	Cut business travel kilometers by 2.5 percent by end of 2011 (2008 base year); increase use of web and video conferences	Status December 2010: Business travel kilometers reduced by 17 percent per employee per year
	Turner: Cut company carbon emissions by 5 percent by end of 2011 (2006 base year)	Status December 2010: 3.4 percent cut in carbon emissions
	Implement energy efficiency initiatives in projects at Thiess and Leighton Contractors in Australia	2010: Thiess and Leighton Contractors publish latest Energy Efficiency Reports
	Adopt new climate change mitigation targets Group-wide	Conceptual planning to start in 2011
Offset carbon emissions	Offset carbon emissions from rail travel in Germany	Suitable offsetting projects currently being identified
	Offset carbon emissions from printed publications produced by Corporate Headquarters	Total of over 130 metric tons of carbon emissions offset with certified wind power project
	Offer carbon-neutral construction and operation	Pilot project launched
Increase share of energy-efficient services	Further expand energy contracting business	2010: 105,000 metric tons of carbon emissions saved for clients
Develop and expand wind energy business models	Add to service portfolio spanning life cycle of offshore wind power installations	Orders secured for two new offshore projects; building of "Innovation" jack-up vessel on schedule (completion due mid-2012); construction of additional vessel planned
	Push ahead innovation and research in offshore segment	Innovative foundation emplacement method for wind turbines developed with Herrenknecht

Goal	Action to 2013	Status June 2011
Develop and expand hydropower business models	Bid for hydropower projects	Hydroelectric power station in Chile due for completion in September 2011; further hydropower project started in Peru
Develop and expand geothermal energy business models	Develop and build geothermal power plants	Dürrnhaar geothermal power plant designed, built, and operated by HOCHTIEF Energy Management; further project in development
Develop and expand energy infrastructure and storage business models	Build pumped storage power plants with outputs up to 100 megawatts	Business plan compiled
	Design, build, and operate buried cable and power tunnels	Business plan compiled
	Participate and initiate research into new storage technologies	First research project started on hollow spheres on sea floor
Develop and expand nuclear power plant decommissioning business models	Deploy HOCHTIEF technologies for decommissioning of nuclear power plants	Three decommissioning projects in progress in Germany

Area 3

Resource protection





We make a mark—by bringing nature back to landscapes.

The landscaping along the new and upgraded stretch of the A4 highway near Eisenach is literally in their hands: HOCHTIEF employees Mandy Prager and Alexander Maul from concession company Via Solutions Thüringen are working on the extensive job of greening this stretch of highway and adjacent areas. Even during the construction phase, road builders and environmentalists cooperated closely, and now the area is being renaturalized.

Notably in large-scale projects, our work is not done when construction is finished. We consider it vital to return the land and living spaces to their original state. In all of our projects, we aim to conserve and preserve natural resources.

Area 3

Resource protection

The challenge: Construction projects require a huge amount of materials; they use and largely seal off whole areas of land, and produce considerable amounts of waste. Resource protection is therefore of particular importance to HOCHTIEF.

Our objective: We aim to conserve natural resources and optimize the use of resources.

Active environmental protection is a key component of all of HOCHTIEF's projects and activities, both in Germany and in all other countries where we do business the world over. We consider it important that our employees develop an in-depth understanding of ecology, so we continually provide education on this topic. The experts at HOCHTIEF know how to conserve resources and what green building means in practice. We have set ourselves the goal of

identifying the effects of our actions on the environment early on and keeping these to a minimum.

To do so, we follow a directive in force throughout the Group since 2003 formulating our environmental and occupational safety policies. More than 60 percent of HOCHTIEF's corporate units are certified according to the ISO 14001 environmental management standard. For many projects, we develop tailored environmental protection plans that integrate innovative ideas from our company.

High standards for infrastructure projects

Large-scale projects involving road, tunnel, or bridge construction in particular sometimes require substantial intrusion into the environment as well as affecting the people living in the vicinity. We consider it our duty to

Resource protection at Nordex Forum



In building the Nordex Forum, HOCHTIEF paid close attention to resource protection and planned the structure to ensure low levels of resource consumption during operation as well.

- **Sustainably sourced wood:** HOCHTIEF used wood exclusively from sustainably managed forests in building the Nordex Forum. These products included doors, room dividing walls, and window sills that meet Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification Schemes (PEFC) criteria.
- **Waste management in the construction process:** Those participating in the construction process were trained specifically to avoid producing waste. HOCHTIEF monitored and documented materials sorting during the entire construction process.
- **Land use:** The Nordex Forum was built on the former premises of

Hamburg-Ochsenzoll hospital in a location formerly used as a helicopter landing pad and sports field. The existing transportation and operating space of the facility was "recycled" for the Nordex Forum so that no previously uncovered land had to be surfaced.

- **Efficient use of space:** Since the space in the Nordex Forum is used optimally and the proportion of difficult-to-use space is low, HOCHTIEF was able to lower the relative construction and operating costs. The environmental impact of the building's operation was also mitigated as a result, because the scope of the required heating, ventilation, and air conditioning systems is reduced. The space efficiency factor, i.e., the ratio of usable space to gross floor area, is 0.68.
- **Ease of disassembly/recycling:** How readily a building can be disassembled and recycled largely depends on using materials that

can be returned to the materials cycle. Doing so requires accurate sorting of materials by type during dismantling and extraction of high-quality recyclable materials from each building. The Nordex Forum meets these requirements thanks to its facade, interior fittings, and technical systems, which were designed to be easily dismantled. The building's high green-building standards and virtually complete avoidance of pollutants also lower the quantity of waste requiring disposal.

- **Water:** The building consumes 7,308 cubic meters of water per year. Rainwater is collected and used to flush toilets, and most surplus water is absorbed into the ground on-site. This saves drinking water and reduces the amount of waste water produced.



Formerly a hospital complex, now an urban development: The property previously housing Allgemeines Krankenhaus Barmbek in Hamburg is currently being converted into a new urban neighborhood. It features a mix of apartments in the revitalized historical buildings along with modern, new structures for commercial use and housing retail and service companies (photo left).

Taking a river's pulse: The Pineios River, which flows through the region where our Maliakos-Kleidi highway project is situated, ranks among the most important wetlands in Greece. This is why we continually monitored its water quality during the construction period.

take appropriate measures before construction work even begins to reduce interference with flora and fauna to a minimum and to eliminate or minimize disturbances to the local population wherever possible. Often, the land on which HOCHTIEF builds is renaturalized or compensatory measures are taken after construction work is completed.


Governmental requirements for PPP projects

Construction companies are required to submit extensive environmental and resource protection plans, particularly when tendering for public-sector infrastructure projects. A case in point is the expansion of the A8 expressway between Ulm and Augsburg under a public-private partnership (PPP) contract. In this case, the government agencies involved evaluated our documents based on various state and federal laws—from the Bavarian Soil Protection Act to the Habitats Directive. The authorities were impressed by our measures to protect nature, shape the landscape, prevent emissions of pollutants, promote an animal-friendly environment, and reuse demolished or removed materials, as well as our efforts to rehabilitate the environment or compensate for environmental impacts. We fulfilled similarly stringent governmental requirements in the project to build a new and expand an existing stretch of the Maliakos-Kleidi highway in Greece. These efforts entailed continually measuring construction site noise, managing waste efficiently, ensuring the minimal use of natural resources during the construction phase, and appropriately handling archaeological finds along the stretch of highway we worked on.

High standards for airports

The issue of environmental protection is also highly prioritized in all activities at HOCHTIEF's airport holdings, including the use of eco-friendly and resource-conserving technologies and planning projects to make optimum use of the space available. In this way, our experts help airports conserve the available resources while also lowering energy consumption. Our focus here is on the working environment of employees as well as the quality of life of the people living adjacent to the airports. For this reason, we support a number of voluntary noise abatement initiatives, such as those at the airports in Budapest, Düsseldorf, and Hamburg, along with the use of low-noise aircraft and machines.

Working together for improved sustainability

The Australian Green Infrastructure Council (AGIC)  was founded in 2008 by a group of engineering, environmental and planning, financial and construction-industry companies and institutions with the goal of promoting sustainability during the entire life cycle of Australian infrastructure projects. The Council additionally aims to develop sustainability rankings and standards. Leighton's subsidiary Thiess is among the founding members of the industry group, and Leighton Contractors and John Holland are also on its membership rolls.

 www.agic.net.au

Systematic waste management

Reducing garbage to a minimum and subsequently returning waste materials to the economic cycle is a primary component of our environmental activities. This is why at HOCHTIEF we sort all garbage by type on construction sites as well as in our offices. The waste recycling rate of

Waste management specialists in demand: At Luft-hansa Technik in Hamburg, HOCHTIEF Solution's facility managers select appropriate waste disposal facilities and ensure professional disposal and recycling of waste, some of it containing hazardous substances.



our projects worldwide significantly outperforms the national average in each country. In Germany, for example, our recycling rate is approximately 90 percent. Our US subsidiary Turner recycled around 220,000 metric tons of garbage in 2010, equal to a share of 82 percent. In green building projects, up to 90 percent of construction waste is recycled, while in infrastructure projects, HOCHTIEF develops plans at an early stage to keep quantities of excavation materials to a minimum and to reuse them where possible. For instance, we use material excavated during tunnel construction to produce concrete for road and path building projects.

Some examples of the systematic approach to waste management within the Group follow. For more than five years now, our subsidiary HOCHTIEF Polska has been sorting waste materials from construction sites and office buildings. Reusable materials, such as wood and scrap iron, are recycled. In addition, the company prepares detailed overviews of the waste produced and monitors the disposal activities of subcontractors. Timely, detailed planning of the quantities of materials needed for projects also helps reduce the amount of garbage generated. Moreover, HOCHTIEF Polska requires subcontractors to take back packaging materials.

In 2010, HOCHTIEF (UK) Construction exceeded its self-defined goal and recycled more than 80 percent of its construction waste. In building the Newhaven incinerator, for example, the company disposed of and recycled around 10,000 cubic meters of contaminated soil.

Our US subsidiary Flatiron won the contract to replace the deck of the Grand Avenue pedestrian bridge in the Glenwood Springs area, Colorado, in 2010. One of the main reasons was an alternative proposal for an innovative storage system for construction waste. This prevents construction waste from entering particularly sensitive environments during the construction work.

All of HOCHTIEF's airport holdings have developed and implemented their own high standards for sorting waste. For instance, Budapest Airport is aiming for a recycling rate of 60 percent in the coming years, a figure exceeding the average recycling rate in Hungary by around tenfold. By the end of 2010, the airport had already hit 40 percent.

Although the issue of recycling is not as firmly rooted in the Gulf region as in Europe, for instance, HOCHTIEF is actively promoting resource protection in the construction of Barwa Commercial Avenue in Doha, the capital of Qatar. An example of these efforts is the sorting of paper waste at the eight-kilometer-plus construction site. Each month, approximately 13,000 people generate more than one metric ton of waste paper here which is returned to the materials cycle.

Waste management as a service

In the HOCHTIEF Group, we have numerous waste disposal and recycling specialists. The HOCHTIEF Solutions subsidiary Streif Baulogistik is one unit that prepares waste disposal plans for construction sites, calculates waste quantities and costs, assists clients in awarding contracts for disposal services or itself handles the disposal of all waste generated as well as accurately sorting garbage by type. During building of the new corporate headquarters of

GNS Gesellschaft für Nuklear-Service in Essen, nearly 200 metric tons, or over 85 percent, of the trash generated at the construction site was sent directly for recycling.

The facility management experts at HOCHTIEF Solutions also handle waste management for their clients with a focus on environmental protection, hazardous materials as well as proper disposal and recycling of waste. As a certified specialist in garbage disposal, HOCHTIEF Solutions works for Lufthansa Technik in Hamburg, for instance, a company generating a broad range of hazardous wastes. HOCHTIEF selects the appropriate disposal facilities after careful auditing. Since we are familiar with the client's process chain, we can devise suitable and cost-efficient solutions.

Thiess Services, a subsidiary of our Australian Group company Thiess, is one of Australia's leading waste management service providers. The company's knowledge of all aspects of waste management and technical equipment make it possible to develop customized solutions along the entire waste disposal chain for clients, both in Australia and abroad. In May 2010, Thiess Services Middle East began operating a processing plant in Abu Dhabi to recycle debris from construction and demolition projects, a contract that will run for 15 years. Concrete and asphalt are first sorted and then crushed. Subsequently, the service provider uses the processed material to cover surfaces or as fill in new construction and infrastructure projects. The facility is the largest and most modern of its type in the Middle East. In Australia, Thiess Services now uses larger dump trucks to pick up and dispose of garbage which can transport over 40 percent more than conventional trucks. These vehicles allow the company to save fuel and reduce its carbon emissions by 800 metric tons per year. The Australian experts provide related information in their own showroom, where visitors can learn how to sort garbage correctly and which products can be recycled and which cannot.

Guaranteed water supply and quality

Clean drinking water remains the most important substance for life, yet at the same time is becoming an increasingly scarce resource. A billion people around the world lack access to clean drinking water today. HOCHTIEF is involved in various projects that contribute to improving the supply of water to people and regions. This includes modernizing existing water pipes and sewer systems, expanding the water infrastructure, and building water treatment plants.



Stakeholders have their say

Public/NGO

Caspar von Blomberg,
Managing Director,
Carbon Disclosure Project Europe,
Berlin

Why is transparent corporate water reporting important?

Climate change and population growth have an immense impact on the scope and quality of water supply. The effects will be felt especially by the economy: Without systematic preparation to meet these challenges, the result could be serious production and supply problems. Comprehensive, reliable, and comparable water consumption data is therefore essential for risk assessment in the capital markets. Water will be the factor separating the new corporate winners from the new corporate losers, and investors must identify them early so that capital can be allocated efficiently. Apart from that, companies must follow the same rules for water reporting as apply to climate reporting. The ones that recognize and address their risks more promptly will also be more competitive, and reporting specifically helps with this process.

How important is water as a factor in risk assessment in corporations today and in the future?

Despite the fact that as much as 86 percent of all of our reporting companies anticipate water risks affecting their business model in the future, most of them today are still at the very beginning of their learning curve. They lack the tools for systematic risk monitoring as well as those for measuring and managing water usage. For many companies in particularly water-sensitive sectors, water risks will become very critical parameters in their risk management efforts. These companies face complex challenges arising from the broad regional differences and specifics regarding the availability of water.

What contribution to water issues can the construction industry make?

The construction industry already plays a key role in overcoming water scarcity. Drinking water supply systems in some large European cities are quite antiquated and leak up to 30 percent of the water before it reaches consumers. And many coastal cities around the world are threatened by rising sea levels due to climate change. In addition to the physical impact on buildings and production facilities, this will also result in salinization of the groundwater, thereby endangering a vital drinking water source for major cities. Smart, comprehensive infrastructure solutions are required everywhere, and this is how the construction industry can help.

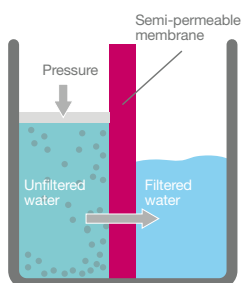
State-of-the-art technology: In Utah, Flatiron is helping to build a cutting-edge wastewater treatment plant (photo right). The contaminated groundwater is purified by using high pressure levels to force the water via various treatment trains through a semi-permeable membrane (see diagram below).



Working worldwide to supply water

In the region surrounding the city of Tábor in southern Bohemia, HOCHTIEF Solutions in the Czech Republic refurbished and expanded the water and waste water system in a total of 23 construction phases, including replacing hydrants and installing a new main water supply pump. To avoid impacting the historical old town center, the company used a particularly gentle propulsion process for the tunneling and sewer system work.

Our US subsidiary Flatiron is participating in a project to build a cutting-edge groundwater treatment plant in West Jordan, Utah, by the end of 2011. This plant features a reverse osmosis process in which pressure is used to force water in three separate trains through a semi-permeable membrane to filter contaminants out of the groundwater. The process is exceptionally friendly to the environment and resources because it uses no chemical substances. Once completed, the municipal facility will process more than 29 million liters of water daily.



Reverse osmosis diagram

Leighton's subsidiary John Holland is one of Australia's leading suppliers of water and wastewater infrastructure services. Among the numerous projects finished or under construction is the Mardi to Mangrove Link. In 2009, John Holland was awarded the contract to further expand the Mangrove Creek Dam into a water reservoir and, among other things, to erect an approximately 19-kilometer pipeline to nearby Mardi Dam. The project counts among the largest water infrastructure developments in the region since the 1980s and is a key element of the Water Plan 2050 which will help secure the water supply for the Central Coast of New South Wales for the long term.

In the Australian state of Victoria, drinking water stores have shrunk considerably due to extreme droughts in the past. This is why the world's most advanced seawater desalination plant has been under construction there since October 2009. Thiess is building this large-scale project in a joint venture with another partner. Together, they will design and build the plant as well as operate and maintain it for 30 years. In total, the project consists of 29 buildings housing sorting, filtering, reverse osmosis, and other technical systems for making Pacific Ocean water drinkable. The plant is expected to produce up to 150 billion liters of drinking water per year, or around one-third of the consumption of Melbourne, the second largest city in Australia. All facilities and pipelines will be powered exclusively using renewable energies. In addition, a coastal park will be created around the plant with wetlands, swamps, and woodlands providing new habitats for local flora and fauna. This is one of the largest ecological restoration projects in Victoria's history.

The desert state of Qatar is also investing in its drinking water supply. Here, the Habtoor Leighton Group is completing two water supply networks by 2012. The contract includes the construction of two pumping stations and around 16 kilometers of supply pipelines, as well as reservoirs, buildings, and infrastructure.

Wastewater disposal services

Alongside an adequate supply of drinking and recycled water, an appropriately structured wastewater disposal system also plays an important role in the water cycle. HOCHTIEF participates in various projects in this arena, such as the construction of sewage treatment plants. The



Working for clean water: HOCHTIEF built a three-stage sewage treatment plant in the Bulgarian city of Rousse. The facility treats the wastewater of more than 240,000 people, first roughly cleaning it mechanically, then chemically, and finally biologically.

Civil Engineering and Environmental unit is HOCHTIEF Solutions' center of excellence for turnkey sewage plants. With their expertise, the unit's specialists assist clients, mostly municipalities, from development through financing to construction and later operation of plants around the world. We are currently working on projects in Romania, Bulgaria, and Germany.

In Australia, Leighton's subsidiary John Holland has been a partner to the city administration of Sydney in implementing extensive projects to modernize and expand the sewage system in the region in a program running since 2002. John Holland's role is to build a total of five new pumping stations and a good 90 kilometers of pipeline in the Upper Blue Mountains to which some 14,000 properties are connected. Upon completion of the project in 2011, some residents will be linked to a modern sewage system for the first time ever.

John Holland and Leighton Asia are participating in a joint venture with another partner to build the world's largest sludge incineration works to date in Hong Kong by 2013. The facility's capacity will be approximately 2,000 metric tons per day, and it will generate its own power. The project also includes an environmental information center, gardens, and a habitat for waterfowl.

HOCHTIEF airports: Improved water infrastructure

The environmental activities of our airport holdings also include treating the precious resource of water with care. For instance, Düsseldorf International operates a 120-kilometer drainage network with 2,900 wells, storm water sedimentation and retention basins, pumping stations as

well as lifting and separation systems. The precipitation falling on the apron area and runways flows via clarifiers into Kittelbach stream. Where de-icing agents are used, the water is tested separately and, if the critical limit is exceeded, transported to the city's wastewater treatment plant. Just like Düsseldorf International, Budapest Airport aims to improve the quality of the adjacent natural bodies of water and introduced a measurement and warning system in 2010. This system prevents contaminated water from flowing from the airport's drainage canal into neighboring rivers and streams. Surface water flows are also directed into the airport's canal network and only then into the surrounding waters if the quality is within the statutory parameters. In addition, our airport in Athens is introducing a system of retention basins for surface run-off.

Sydney Airport commissioned a wastewater treatment plant at the end of 2009. In the first year alone, the plant was able to save the airport around 550,000 liters of fresh drinking water per day. Instead, water recycled on-site is now used for flushing toilets and in the cooling towers of the airport's air conditioning units. Tirana International Airport, HOCHTIEF's airport holding in the Albanian capital, launched a wealth of activities in 2010 to reduce water consumption and prevent pollution of the nearby bodies of water. For instance, the airport is using fewer pesticides as well as introducing biodegradable aircraft cleaning supplies and de-icing agents.

Environmentally and resource-friendly coal mining in Indonesia: At the Senakin mine, Thiess is responsible for more than just excavating natural resources from the earth. As in many other projects, our Group company will subsequently rehabilitate the entire site.



Renaturation in contract mining projects

With more than 60 years' experience, HOCHTIEF has made a solid name for itself as the world's leading contract miner thanks to Australian subsidiary Leighton and the companies in its portfolio. We excavate more than 100 million metric tons of resources each year in Asia and Australia on behalf of mine owners. In doing so, we put special emphasis on efficient and environmentally friendly mining. Continual monitoring of the situation in the mines and the mining processes is standard procedure. Our mining specialists take various measures that aim to minimize the environmental effects of mining and improve the carbon footprint of projects, such as using fuel-efficient machines or solar panels to generate power. In addition, we subsequently provide renaturation services.

In one case, Leighton subsidiary Thiess was awarded a coal mining contract at Meandu Mine in the South Burnett region of Australia. The company devised an environmental management system tailored to the requirements of the project in accordance with ISO 14001 guidelines. After mining ends, all affected land will be rehabilitated back to the condition of the local ecosystem.

Maintaining biodiversity and habitats

Biodiversity is the foundation for key industrial production processes and the human environment. Society, the political sphere, and the economy require continuously available ecosystems and genetic resources with their balancing effect. Using biological resources sustainably helps maintain the quality of habitats and therefore ensures that conditions are in place for human health. So resource protection is not just about the environment. HOCHTIEF is aware

of this and, as early as the planning phase of construction projects, advocates maintaining biodiversity in the areas surrounding its projects. We develop customized environmental strategies to minimize the impact of our construction projects on nature. Moreover, as a responsible corporate citizen, we renature the affected land in many projects, thereby protecting the local flora and fauna.

In September 2010, Germany's Federal Minister of Transport opened the remaining stretches of the new, expanded A4 highway, known as the Hörselberge bypass*, to traffic. Our subsidiary HOCHTIEF Concessions built the public-private partnership project along with a joint venture partner and will operate the bypass for 30 years. Immediately after the 22.5-kilometer stretch of new highway was finished, the operating company Via Solutions Thüringen began to shape the landscape directly adjacent to the new route and near the highway section, thus helping to offset the new construction by rehabilitating the local ecology and landscape. Over 80,000 bushes, more than 8,000 saplings and nearly 450 full-grown trees were planted on center medians, road embankments, ditches, and shoulders. Three valley bridges and numerous crossings for small animals provide the Hörselberge bypass with much better ecological permeability than the old route. In addition, re-routing the A4 created a link between biotopes which contributed significantly to reconnecting Hainich National Park with the Thuringian Forest.

Our Australian majority interest Leighton received "Project of the Year" honors at the Infrastructure Partnerships Australia Awards in 2011 as the member of a joint venture. The prize was awarded for the Gateway project expanding a

*For further information, please see pages 54 and 55.

highway in Queensland. The contract entailed refurbishing the existing bridge, constructing a second overpass and a seven-kilometer, six-lane stretch of highway as well as upgrading 16 kilometers of the existing road. The project was also recognized for the environmental solutions implemented. For instance, the joint venture identified a species of endangered plant on the construction site before building began, acted to preserve the plant and then subsequently replanted it in its former habitat. Moreover, an 18-kilometer fence and three underpasses protect and allow for the mobility of the animals in the area.

Before construction started on the Chevez hydroelectric power plant in the Andes, government agencies and HOCHTIEF Solutions' clients requested an across-the-board environmental protection plan. The first step was to prepare an overview of the plants in the region facing extinction and requiring protection. These are safeguarded during the construction work and later replanted in their original environment. The performance standards are particularly stringent since the World Bank's International Finance Corporation is partially financing the project. The objective of the various environmental protection regulations is to help prevent pollution and maintain the cultural assets existing in the region as well as the living space of the local population. Biodiversity is, however, not the only focal point in HOCHTIEF's sustainability efforts in this project in South America. A centralized energy supply system we set up allows much less electricity to be used during construction work and results in diesel fuel savings in operating generators.

HOCHTIEF's aurelis Real Estate is building Europaviertel (West) in Frankfurt am Main, a sustainable urban development with a gross floor area of approximately 560,000 square meters outstanding for its high-quality environmental features. A special effort is being made to protect various species of plants and animals, including wall and sand lizards as well as rare grasshoppers. This is one of the reasons a total of 7.4 hectares is being devoted to ecological buffer areas, including 10,000 square meters of embankments as retreat and overwintering areas, 29,000 square meters of grassland where animals can find food, and ample green roofs as well as generous green space. Europaviertel (West) is participating in the pilot phase of the newly developed New Construction of Urban Quarters category of the DGNB certification system.

Making space usable

In Australia, Thiess Services has become established as the top company in remediating contaminated areas. The company has provided this service since 1984. Since then, more than 70 large-scale remediation projects have been completed, including properties used by chemical and industrial companies, oil- and gas-producing facilities, military installations, and landfills. A current example is a project undertaken by Thiess Services to clean the sediment layers of a section of the south arm of the Hunter River in New South Wales, directly adjacent to a former steelworks, by 2012. The subsidiary of our Australian investee Thiess built the necessary facilities and is properly disposing of the contaminants.

Reducing land use to a minimum

One of HOCHTIEF's goals is to build new properties and facilities while using as little land as possible. In addition, we have had great success in rehabilitating brownfields and closing existing construction gaps. Our specialists from various fields apply their expertise to revitalizing existing buildings. We devise sustainable plans of use, analyze the profitability of remediation projects, and prepare meticulous proposals on how to improve the structure and energy efficiency of buildings and properties to boost their quality while at the same time cutting energy consumption and costs. Our energy and facility management experts additionally deliver financially attractive and innovative contracting solutions as well as guaranteeing sustainable operation and an efficient energy supply.

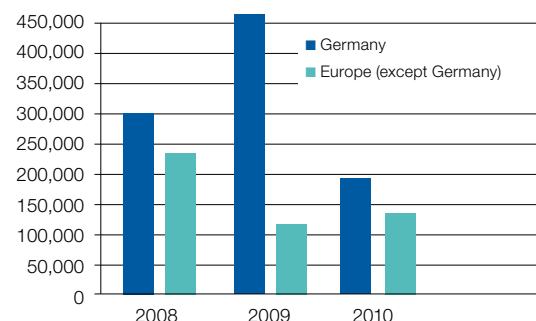
The sustainable revitalization and expansion of the former Unilever building in Hamburg into the new Emporio high-rise complex is a good example of how existing buildings can be made energy-efficient by undertaking various structural, facade, and technical systems projects. As a result, users can be provided with a pleasant, modern working and living environment. The Emporio will feature an optimally energy-efficient double shell facade, lowering operating costs for heating and cooling by more than 64 percent. Moreover, after the renovation project, the high-rise, which is a landmark building, will have a softer impact on the environment thanks to producing almost 1,700 fewer metric tons of CO₂ per year. The project aims to obtain LEED Gold sustainability certification and already received pre-certification in silver from the German Sustainable Building Council (DGNB) in early 2009.

Our US subsidiary Turner also revitalizes existing buildings. There are two particularly successful cases in which the heritage of the legendary Bauhaus period was preserved. In Chicago, the company is refurbishing the Everett McKinley Dirksen United States Courthouse (Dirksen Federal Building) designed by former Bauhaus director Mies van der Rohe. The work is slated for completion by 2012. Turner is handling the construction planning and logistics for the renovation work to modernize the building and make it energy-efficient. Our US company built the corporate headquarters of American Life and Accident Insurance Company in Louisville, Kentucky, back in 1974 according to plans drawn up by the Bauhaus architect. Thirty-five years later, Turner refurbished the technical systems in the insurance company's building and greened the roof—the largest of its kind in Kentucky—giving native plants a new habitat.

At HOCHTIEF's airport holdings, the use of space is also an important issue. Sydney Airport, one of our airport holdings, improved its use of space according to its master plan which includes information on various issues, such as how long the airport can operate with the available space, how the existing space can be ideally utilized, and how the airport could be expanded in an environmentally friendly way. HOCHTIEF's airport experts actively participated in drafting the master plan based on strict statutory regulations and the airport's commitments to neighboring residents. Our Düsseldorf International airport holding is one of the first companies in the capital of North Rhine-Westphalia to compensate for the additional space used due to continual construction work by paying into an "eco-account." This covers areas on the airport's premises as well as in the city of Düsseldorf and the adjacent Mettmann district that the airport bought or leased. The environmental quality of this land will be improved with the funds paid into the account by way of greening, planting trees and meadows, and returning bodies of water to their natural state. In total, these measures have so far been applied to more than 310,000 square meters of land.

Key figures

Water consumption (in m³)



The data is estimated from material-specific cost types assuming average prices. HOCHTIEF companies included: See page 51.

Environmental damage

In 2003, HOCHTIEF initiated a reporting system for environmental damage to be applied across all divisions. No environmental damage was caused in the period under review.

Our subsidiary Leighton classifies environmental incidents into three levels:

- Level 1: High severity, irreversible detrimental effect on the environment
- Level 2: Medium severity, persistent but reversible detrimental effect on the environment
- Level 3: Low severity, detrimental effect can be reversed in less than three months

A Level 1 incident occurred at Leighton's subsidiary Thiess in the 2008/2009 fiscal year. No high-severity incidents were recorded in fiscal year 2009/2010.

For further information, please see www.leighton.com.au.

Fines

In the period under review, no fines were levied against HOCHTIEF for violations of environmental regulations.

Resource protection

Our overarching objective:

We aim to conserve natural resources and optimize the use of resources.

Goal	Action to 2013	Status June 2011
Avoid harm to the environment	Structure and step up training measures for employees and partners	Environmental protection issues integrated into HOCHTIEF Academy
	Harmonize reporting standard for environmental damage Group-wide and integrate into OSHEP Directive	Conceptual phase
Improve organizational structure for environmental protection	Standardize environmental protection processes and increase external certification	Facility management companies in Ireland and the UK obtained ISO 14001 certification in 2010; environmental certification Group-wide: 64.5 percent
	Develop uniform EU-compliant (REACH) hazardous substances management system and make available to all EU corporate units	Introduced across Germany and completed
	Implement environmental issues in risk-oriented audit planning in European units	Environmental aspects included in an electronic survey; initial survey begun
	Promote international exchange of environmental protection experience	Joint meeting of European units planned
Procurement/purchasing: Increase share of environmentally certified materials and products	Continue green line for office supplies on the HOCHTIEF procurement platform	Around 25 percent of office supplies in Germany feature environmental certification since introduction of the green line in 2009
	Introduce standard for the procurement of FSC/PEFC-certified wood	FSC/PEFC certification included in HOCHTIEF standard bill of quantities
	Minimize use of products containing hazardous substances	Risks of products containing hazardous substances continually assessed by hazardous materials management system in Germany
	Increase use of green IT in European offices	Since 2009, more than 5,800 pieces of IT equipment in Germany exchanged for new, US Energy Star-labeled devices
Increase construction waste recycling rate	Implement measures to improve waste sorting at construction sites; improve quality of waste quantity data collection	Recycling rate in 2010: Poland: 98 percent Germany: 90 percent Turner: 82 percent HOCHTIEF UK: 77 percent
Develop and build on business models along the life cycle of drinking water and wastewater treatment plants	Conduct worldwide market research	Market research conducted
	Step up acquisition activities for sewage plant construction in Southern and Eastern Europe as well as the Middle East	Six complete sewage plants being built

Area 4

Attractive working environment





We conduct drills in case the worst comes to the worst—and we provide the highest safety standards.

In order to make sure they can handle unexpected situations during bridge construction, Mike Kennard and Kevin Buch, employees of our US subsidiary Turner, simulate a rescue in ice-cold water. Their team receives the best possible preparation and training before going to work on the construction site. This builds trust and a sense of security—allowing workers to concentrate completely on their challenging jobs.

As a company that acts sustainably, we take responsibility—first and foremost for the employees who are hard at work for us all over the world. It is our goal to provide the highest standards in occupational safety and the best possible health protection. This is just one of many ways we aim to further strengthen our status as an attractive employer.

Area 4

Attractive working environment

The challenge: HOCHTIEF is responsible for more than 70,000 employees and more than 60,000 sub-contractors worldwide. It is our goal to create the best possible working conditions for them and to provide the highest standards in occupational safety and the best possible health protection. In addition, we encourage a healthy work-life balance.

Our objective: We aim to further strengthen our position as a sought-after employer in the industry.

Strong reputation on the labor market

The HOCHTIEF Group is a popular employer all over the world. Some 40,000 applications received in Germany alone in the period under review (2009–2011), to name just one example, are a testimony to this. Our Australian and American subsidiaries and associates are likewise highly regarded by people seeking challenging, fulfilling careers. Our US subsidiary Flatiron, which specializes in transportation construction and civil engineering, received 24,650 job applications between October 2009 and June 2011. Over 17,000 people applied for positions at Turner during the same period.

HOCHTIEF's attractiveness is also reflected in excellent external rankings. In 2010 and 2011, undergraduates interviewed by the Immobilien Zeitung trade magazine voted our company the number one preferred employer in the real estate sector. According to a survey of German universities by the consulting firm Universum, HOCHTIEF is one of the top 20 most popular employers for engineers in 2011. We also scored very well in the "Top Employers in Germany" survey conducted by the CRF Institute (Corporate Research Foundation), receiving the "Top Employer in Germany" certificate for the third time.

In the USA, our subsidiary Turner is also highly regarded for its efforts to promote diversity. For instance, the company is ranked 44th on Diversity Employers magazine's list of the top employers for college graduates from a variety of backgrounds.

One sign of employees' satisfaction with our company is tenure of employment: The average in Germany is 13 years, and with Turner in the USA the average is 9.2 years.

HOCHTIEF also continues to receive positive feedback through the "Employees Recruit Employees" campaign, launched at the end of 2007, in which HOCHTIEF staff can recommend potential applicants for a position and receive a bonus if the applicant is subsequently employed. The success of the campaign prompted us to extend the program to include the "Trainees Recruit Trainees" initiative.

High regard for employees

In 2010, HOCHTIEF honored particularly successful collaborations between HOCHTIEF units for the first time with the HOCHTIEF Cooperation Award. In total, 34 teams from throughout the Group competed for the award with a wide range of cooperation projects. The jury focused in particular on the quality of cooperation, the tasks mastered together, and the added value for the Group. The winner was the team responsible for designing and building the Nordex Forum, a multi-award-winning sustainable office building in Hamburg. A special award was also granted to the team that acquired and successfully managed HOCHTIEF's first major PPP project, which was for schools in the Offenbach district.

Partnership-based dialog with employees

HOCHTIEF has a high-priority tradition of obtaining feedback from employees and including them in processes and decisions. In Germany, the structured annual appraisal interview held between each employee and their superior is an established tool for staff development. It focuses on issues such as development opportunities, potential for improvement, and continuing education measures, as well as taking stock of teamwork. In order to help make these appraisal interviews as efficient as possible and ensure that the agreed measures are put into action, HR managers receive an overview of the staff development measures agreed in the interview each year. We also use this tried-and-trusted concept in many European HOCHTIEF companies.





Proud winners: HOCHTIEF's Cooperation Award honored teams that created added value for clients and thus also for HOCHTIEF through successful cooperation with other HOCHTIEF units.

Employee feedback opens up opportunities

As a responsible employer, it is our duty to be well informed about the mood in the workforce and current concerns being discussed among employees. Only then can we identify scope for improvement and take appropriate action. For this reason, HOCHTIEF conducts regular employee surveys. The most recent one was conducted in 2009 at Corporate Headquarters in Essen as well as at operational units across Europe. Our employees answered questions on issues such as pay, working conditions, continuing education, communications, involvement, and the situation in the individual corporate units. Participation was voluntary, anonymous, and largely electronic. Recurring questions make it possible to accurately compare the results. This procedure enables us to give employees regular feedback. Whenever we identify negative trends, we can take prompt action to counteract them. At the same time, the survey is an important tool for HOCHTIEF's success on the labor market. We postponed the employee survey originally planned for 2010 due to the restructuring measures going on in the Group at that time. But the survey is to be conducted regularly again over the next few years.

Biannual employee surveys are also conducted at Flatiron in the USA. This gives the HOCHTIEF subsidiary a view of the workforce's opinions on issues such as communication, training, and compensation, as well as health, work-life balance, and community involvement. The findings are used to define relevant metrics and action plans. Our US subsidiary Turner surveys staff on job satisfaction every three years, covering topics such as compensation, the tools available, internal communications, and organizational strategy. The latest survey was conducted in 2008, and the next is currently being prepared for 2011.

In 2009, we introduced extensive restructuring measures in the HOCHTIEF Europe division, culminating in the establishment of HOCHTIEF Solutions AG in February 2011. In this connection, the "Drive" program was launched in 2011. The aim of this initiative is to get employees involved in strategy development and implementation, to encourage cross-cutting networked cooperation, and to open up new areas of business.

Successful start with induction programs

Every new employee at HOCHTIEF is personally prepared for and inducted to their future tasks. In Germany, they also receive a manual with key information on topics such as the workplace, company rules, and directives as well as occupational safety and health.

German university graduates start at HOCHTIEF either as trainees or through direct entry. The trainee program generally entails a number of placements in selected parts of the company. In some cases, the trainee's induction is cross-cutting and takes place outside Germany. There are also accelerated programs for graduates with some professional experience. HOCHTIEF offers these individuals personalized induction programs so they can get to know the Group quickly. Similar programs have also been set up by our subsidiaries Turner and Flatiron in the USA and Leighton in Australia. The common goal of all these programs is to give new employees the best possible start in the HOCHTIEF Group and to integrate them into existing teams.

Focus on continuing education

The professional and personal development of all employees has always been one of our Group's most important success factors. Only if we give our employees the opportunity to continuously learn new things can they develop and meet the demands of their jobs effectively. The particular aim of HOCHTIEF's training activities is therefore to promote existing strengths Group-wide and to tap into potential.

Wide range of internal training

In Germany, we bring together continuing education and staff development in the HOCHTIEF Academy. Courses offered here include part-time study tailored to HOCHTIEF's needs. This offer, which is unique to the industry, includes officially recognized degree programs with the qualification of "Bachelor of Engineering—Construction Site Management" and "Bachelor of Facility Management." It enables the company to prepare graduates individually for the requirements of the Group.

Training in the reporting period primarily focused on the topics of communications, staff management, conflict management and methodological skills, and the HOCHTIEF Management Workshop series of seminars for middle management. Including study programs, more than 97,500 hours of training and 330 multi-day events were held at HOCHTIEF in Germany in 2010. In total, 4,698 persons took part in training and special events.

Our international subsidiaries and associates also give their teams' personal and professional training high priority. Employees of our US subsidiary Turner, for example, pursue continuing education options at Turner University. In 2010, some 680 training sessions in the form of one-day and multi-day classroom-based training, as well as a wide range of online training programs were offered altogether. In addition to training managers, the focus was on the work-life balance. Flatiron Construction University offered more than 120 courses in 2010, focusing on performance and technical skills, safety, leadership, team building and business management. Most classes offered through FCU are both instructor-led and web-based.

HOCHTIEF Polska received the 2010 "Man: Best Investment" award from the Polish Ministry for Regional Development for its training project "Development of engineering staff and employees." The two-year program included

training in the areas of administration, negotiation skills, finance, and computer skills. Our Australian Group company John Holland won the prestigious Construction Skills Queensland Training Excellence Award 2010 for its exemplary employee training.

Management culture further enhanced

Since the start of 2010, HOCHTIEF's senior managers have been assessed by their superiors in order to strengthen their personal development. Topics include staff management, strategic and entrepreneurial action, and dealing with clients and coworkers. Following assessments, cross-cutting feedback meetings are held with the Executive Board and divisional management, where targets and measures are discussed in order to ensure the continuous professional development of managers.

Turner in the USA joined with the Kellogg School of Management to launch three new seminars for general and senior managers on company management and critical decision making skills. In 2010, Flatiron launched a series of seminars for managerial staff on the company's guidelines, and is also collaborating with a number of colleges that teach content relating to core skills such as entrepreneurship, people management, and occupational safety. Moreover, managers from the international HOCHTIEF companies are increasingly taking part in staff development activities in Germany. This enables us to foster a common understanding of management culture throughout the Group and further reinforce the HOCHTIEF network.

In Germany, cross-divisional talent pools provide another option for systematically preparing selected employees to take on functional and management tasks. The two-and-a-half-year program includes part-time training activities and participants are assigned an experienced mentor.

Our PhD program gives particularly committed employees the opportunity to complete a doctorate at a German university either part-time or full-time. In 2010, three PhD students successfully completed the program and took on more advanced tasks in Germany and abroad. Since 2011, we have linked PhD sponsorship with our research and development program in order to provide innovative employees with even more targeted support.



Welcome to the team: 122 young people kicked off their careers in Germany in August and September 2010. Pictured are HOCHTIEF's new trainees in Hamburg.

Training young people for the future

As a company that acts sustainably, we take on responsibility for society. This commitment includes offering students attractive training places and thus opening the door to a career. HOCHTIEF traditionally trains more people in Germany than required for its own needs. On December 31, 2010, 455 young people were undergoing training with us in more than 30 trade, technical, and commercial occupations. Due to the restructuring in the Europe division, the number of trainees fell by 13.8 percent from 2009 to 2010. This is the first decrease since 2005. HOCHTIEF stands for high-quality training: Almost 97 percent of trainees from our company passed their final exam in 2010. More than half of the trainees were subsequently taken on.

HOCHTIEF used an online selection process to recruit trainees for the first time in 2010, whereby students took a vocational aptitude test online from home. This speeds up the selection process and makes it more efficient and cost effective.

HOCHTIEF continued during the reporting period to support an Essen training initiative which enables students from underprivileged backgrounds to familiarize themselves with construction-related professions through internships. Over a period of two years, the participants spend a few weeks each at three different stations at HOCHTIEF. The program improves the young people's prospects of finding a training place.

Our international subsidiaries and associates also offer professional training. The training program of the Thiess national company in Indonesia, for example, is considered to be the best vocational preparation in the entire country. The program started in 1992 with eight participants. Today it takes more than 500 trainees. High school and vocational college graduates are trained over five years to be heavy-duty mechanics, automotive electronics engineers, and welders.

Winning the enthusiasm of graduates for HOCHTIEF

A shortage of specialist staff as well as demographic change make it necessary to systematically push ahead with the search for suitable young talent and to present HOCHTIEF as an attractive employer. In Germany, we recruit some 80 bachelors, masters, and other students each year. Training and informal meetings help our graduates to network internally.

The search for suitable candidates—for instance, from the fields of economics and engineering—starts at universities. For this reason, we took part in a number of university and graduate fairs again in the reporting period, including bonding events, career days, and recruiting events. We also have a presence at trade shows, such as Expo Real or the Hannover Messe trade show. In addition, HOCHTIEF increasingly works in collaboration with professors and plays an active role for students in a range of faculties, with lectures and training on topics such as applications and presentations. The success of these activities speaks for itself: Through close contact, qualified students develop an interest in our company and we win them as future HOCHTIEF employees at an early stage.



Stakeholders have their say

Labor market

Julian Ziesing,
Head of Research & Consulting,
Potentialpark Communications,
Stockholm

Which criteria are used to choose an employer these days?

There are threshold criteria, like salary, which have to be right. But it's difficult to create a sustainable employer brand with them. The key factors are corporate culture, interesting tasks, and development opportunities. These are the things that are most likely to make people stay for the long term, because they enjoy working for the company. In the age of social media, the biggest challenge is to credibly set yourself apart from competitors in these criteria, with all employees acting as ambassadors for the employer brand values. This doesn't work if you only focus on these aspects when there is a recruitment shortage. Rather, you have to work on them year after year over the long term.

What role does a company's reputation play in selection?

Many companies have the problem that they attract stereotyped profiles due to the way they are broadly perceived, but when it comes to jobs that don't fit the bill, there is no interest. In this way, a company's reputation can have conflicting effects on recruitment. Employer branding should always address areas where the company aims to resolve a recruitment problem, whether current or anticipated for the future. If you want to be one of the most attractive employers in a target group, there's no way around efficient talent acquisition. We believe the greatest shortcomings in this regard to be in user-unfriendly online application systems that can damage a carefully established reputation.

What can a company do to make itself attractive to applicants?

In terms of communications, have a presence, maintain a dialog, hold open a range of channels, find out what works best in what way. The future probably doesn't lie in a specific medium with standard rules of communication, but rather is completely unpredictable.

What role does a company's website play in recruitment?

All applicants and potential applicants visit the career website at some point. If something is wrong here, it is always obvious. It isn't the only source, but it must tie in with all the others, such as the company's image in the media, on other online platforms and networks, as well as for customers and consumers. The career website acts as the pivot for all communications, even communications that don't take place online. We are particularly impressed by the success of some companies with social media. They are treading new paths of recruitment and employer branding with their performance on these networks. They are adding a new dimension to their existing web presence with interactivity and personal contact. That's where the most exciting competition lies for 2012.

Anyone who performs well at HOCHTIEF during their internship or as a working student has the opportunity to be put forward for the intern retention program. The aim is to identify talented individuals at an early stage, to foster their talent through new experiences such as international assignments, and to recruit them to start their careers at HOCHTIEF. Furthermore, we continue to support five hand-picked students a year from the universities of Bochum, Essen, and Dortmund through a scholarship program.

Our international companies pursue a similar course of action, with attractive programs that pull in talented, dedicated future employees. Turner in the USA, for example, offers the Bridge program to give college students a chance to gain exposure to a construction profession during vacation time. Turner then supports successful interns during their studies through to graduation. In 2010, Turner partnered with the York College School of Business and the Small Business Development Center to establish the Construction Management Academy. It is open to all York College students and specialists in the construction industry. Our American subsidiary E.E. Cruz is actively seeking specialists in construction engineering; their efforts include grants for students in this field at the New Jersey Institute of Technology.

Through its Early Talent Management program, Flatiron also maintains close relationships with top colleges and universities in the USA and Canada. Flatiron employees share their expertise by giving classroom lectures, mentoring university competition teams, serving as alumni contacts and participating in campus career fairs.

The Australian HOCHTIEF subsidiary Leighton established a partnership with the University of New South Wales back in 2004, where each year it supports future construction engineers with scholarships. The Leighton subsidiary Thiess has a two-year graduate program which helps to recruit interesting candidates—between 50 and 80 graduates a year—for the company at an early stage.



Identifying talent early: Interns or working students who perform well in the HOCHTIEF Group are encouraged and supported through to the start of their career.

Work-life balance grows ever more important

Reconciling work with a private life is an increasingly important factor for employee satisfaction. We want to create the necessary framework conditions for this work-life balance. For this reason, HOCHTIEF has initiated a range of individual measures in Germany. This includes the partnership with B.u.K. (Betrieblich unterstützte Kinderbetreuung), which has been in place since 2005, and with Familien-service. Both organizations advise and support our employees in finding qualified child care and nursing care. They also help in cases of family emergencies. HOCHTIEF covers the costs of the advisory service.

Special holidays and the families days on the Blue Site Park activity building site of the HOCHTIEF subsidiary Streif Baulegistik also give families a break and bring our company closer to our employees' families as well.

Personalized reintegration measures help to ease the return to work after parental leave or long-term illness. Flexible workplace and working time arrangements as well as modern IT allow HOCHTIEF to address the individual needs of employees without disrupting work processes. Options range from reduced working hours per day and a shorter working week, through to modern home offices for anyone working from home. In 2010, 7.2 percent of HOCHTIEF employees in Germany worked part time.

Work-life balance is also a high priority at our international companies. Flatiron, in the USA, provides employees confidential resources for counseling, legal, financial and work-life services, such as child care, senior care and parenting. In Qatar, where we have been represented since 2006 and

where we now have more than 330 of our own employees, a Social Committee organizes get-togethers such as picnics and sporting events for employees and their families. There are free swimming lessons for children. Since 2008, HOCHTIEF has also been financially and organizationally involved in founding a German school in Doha.

Benefiting from diversity

People who work for HOCHTIEF differ—in gender, age, ethnicity, religion, views, and sexual orientation. This diversity is an important factor for our success. The diversity of talent, working methods, and experience has a positive influence on project work and enriches the corporate culture in our Group.

Different measures ensure that every employee enjoys respect and individual advancement. At HOCHTIEF, equal opportunities are taken as read: We signed the Diversity Charter initiated by the German government back in 2008 and committed to creating a working environment free of prejudice. We adhere strictly to Germany's General Act on Equal Treatment (AGG) and have additionally enshrined equal treatment of all employees in our guiding principles. We stringently ensure that these principles are put into practice. If, in spite of this, employees find themselves being discriminated against, in Germany, for example, they can turn to an in-house conflict advisory service where members of the Works Council or human resources officers are ready to help.


Opportunities for Australian minorities: The first graduates of a new recruitment program offered by Thiess have increased the number of trainees from indigenous communities. This program gives them the foundation for a long-term career within the company.



***For further information, please see page 68.**

****For further information, please see page 81.**

Our US subsidiary Turner has established similar programs and structures. The company is not only considered a top employer by graduates of diverse backgrounds*. A survey by DiversityBusiness.com placed Turner among the Top 50 Organizations for Multicultural Business Opportunities, recognizing the company's achievements in partnering successfully with subcontractors run by ethnic minorities or women. Turner also supports Hispanic and African-American engineers' associations.

In October 2010, our Australian subsidiary Leighton launched a new Workforce Diversity Policy for the entire Leighton Group. One of the aims of the policy is to further increase the proportion of women and indigenous people in the workforce. Special training programs open up career paths to these target groups. Leighton is one of the founding members of the Australian Indigenous Minority Supplier Council (AIMSC) , an initiative that promotes and certifies companies run by indigenous people. In December 2009, Leighton signed its first contract under the AIMSC with the telecommunications provider Message Stick Communications. In addition, Thiess has a 20-week training program for young people from this ethnic minority in the Queensland region, which prepares participants for a subsequent apprenticeship in the company. The program is the result of a collaboration between commercial, social, and political institutions. It aims not only to get more indigenous Australians into work, but also to give them a foundation for success and to prepare them for long-term careers within the company.

In the reporting period, there were no known violations of rights of indigenous people or ethnic minorities at HOCHTIEF.

The number of women engineers and architects, for instance, at HOCHTIEF in Germany has grown steadily—by a good 32 percent in the last five years**. The number of women in management positions has also risen, from 8.8 percent in 2009 to 9.2 percent in 2010. Our Australian company Thiess sponsors a special scholarship program for women in mining. Leighton intends to appoint its first female member to the Board by the end of 2011. Turner in the USA appointed its first female CFO in February 2011.

In keeping with the international nature of our Group, including on the part of our shareholders, the HOCHTIEF Supervisory Board includes four members from Spain and one from Qatar. There are currently no female members. However, the Supervisory Board intends to encourage the election of women into its ranks. In the interests of diversity in its future composition, therefore, the Supervisory Board has undertaken to ensure an appropriate degree of female representation when proposing candidates for recommendation to the General Shareholders' Meeting.

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Regional working hours

The working week is determined by the different laws, collective bargaining agreements, and company agreements in effect at the various HOCHTIEF locations. It varies from division to division from 35 to 48 hours. Part-time employees can work from one to five days a week with varying numbers of hours.

Exceptional social benefits

HOCHTIEF's social benefit packages exceed national statutory requirements in almost all areas. Furthermore, employees of many of our companies receive additional voluntary benefits. As an employer that actively takes responsibility for its workforce, we make social provision for our employees. For this reason, many German HOCHTIEF companies have set up a company scheme including an old-age pension, an invalidity pension, and a surviving dependants' pension. This comprehensive package is based on three complementary, matching modules: basic coverage, profit contribution, and deferred compensation. The pension obligations are covered by HOCHTIEF Pension Trust e.V., pension liability insurance, and sound assets. Pension payments are made out of the ongoing business and refunded by HOCHTIEF Pension Trust at the year-end.

Our international subsidiaries and associates offer flexible options for insurance and provision. For example, health insurance is offered to employees in Poland. In the UK, staff members can pay into the company pension plan with benefits including a lump sum in the event of occupational fatality and dependents pensions. Turner in the USA provides various health insurance plans that differ in their contributions and benefits. The HOCHTIEF subsidiary also meets a part of the cost of medical consultations, hospital stays, and prescriptions. The Turner Retirement Investment Plan ensures that employees will be provided for as they get older. It consists of a savings plan made up of employee contributions and employer matching contributions along with health provisions to supplement health insurance benefits. Our American subsidiary Flatiron contributes six percent of employee salary to a retirement savings account, regardless of individual contribution. The company also offers several medical, dental, prescription drug and vision plans and provides life insurance and other coverage for employees. Flatiron has a robust health and well-being program, and on-site gyms at some locations.

Fair pay and collectively agreed wages

HOCHTIEF employees are compensated according to their qualifications and performance. Gender, age, ethnicity, religion, view, and sexual orientation do not play a role. Our Group and its companies adhere to the applicable collective bargaining agreements and corresponding wages, or statutory minimum wages. HOCHTIEF expressly condemns wage and social dumping and advocates universally applicable collective agreements. We also support the investigative efforts of the competent authorities.

Smooth employee integration

We consider the professional integration of new employees into the HOCHTIEF Group a key factor in the success of company acquisitions. In 2010, we integrated 110 employees of our new North American subsidiary E.E. Cruz into the Group. In addition, following the acquisition of Vorwerk's building management subsidiary Hectas Gebäudemanagement, 21 of that company's former employees moved to HOCHTIEF Facility Management.

Social responsibility in workforce reductions

As a matter of principle, any redundancies at HOCHTIEF are effected in a socially responsible manner. Before we part with a member of staff, we see if they can switch to another unit or division within the Group. Where layoffs are unavoidable, we help people to find new jobs as quickly as possible, for example, through counseling and training. A total of 1,160 employees left HOCHTIEF in Germany in fiscal year 2010, 581 of whom handed in their notice. We recruited 619 new employees for the company.

Constructive relations with works councils

HOCHTIEF employees everywhere have the right to elect their own representatives to safeguard their interests. Management expressly welcomes the right of employees to union membership. Since 2010, 100 percent of the workforce are represented by works councils. Employee representatives also sit on the Supervisory Board. For our management, it goes without saying that employee concerns are integrated into business processes to the best possible extent. For this reason, management and works councils generally meet once a month, or more frequently when occasion calls for it—for instance, in times of major change within the company. Works council members also take part in regular meetings of occupational safety and health committees, in which over 90 percent of the workforce are presented Group-wide.

High priority for occupational safety: Regular emergency drills like this one on Tower 185 in Frankfurt improve safety.



There has been a European works council at HOCHTIEF since 1996. It comprises representatives from Germany, Austria, Poland, Hungary, Luxembourg, and the Czech Republic and meets twice a year. It represents all employees of HOCHTIEF and its majority holdings in EU countries and its role includes, for example, to promote a constructive working relationship and social contact at European level. Furthermore, the European works council has information and consultation rights vis-à-vis management with regard to international measures that affect our employees.

Transparent internal communications

Our employees can count on being informed in a timely and comprehensive manner about important developments and changes within the company. HOCHTIEF has enshrined this principle in its corporate culture. We communicate with our employees through a range of publications, such as the Group employee magazine “Baubude”, which is published in German and English, newsletters, and the HOCHTIEF intranet. In addition, the works council and management issue invitations to meetings where comprehensive and up-to-the-minute information is provided.



In Germany, HOCHTIEF is tapping into new forms of internal communications and information sharing with Corporate Web 2.0. The “peopleNet” platform can be used to maintain contacts as well as share information and documents quickly and easily within project and specialist groups. Other tools include blogs, discussions, surveys, videos, and documents. The aim is to further improve internal networking between experts, to make information paths shorter and more efficient, and to make it easier for

employees to work together. The nine-month pilot phase for the project was launched in July 2011.

Integrated environment and safety management

As a company that acts sustainably, we take responsibility for our employees. This includes providing them with an exceptionally safe working environment and the best possible protection for their health, throughout the entire HOCHTIEF Group. A comprehensive organization makes it possible to meet these high standards. In June 2008, at the World Congress on Safety and Health at Work, HOCHTIEF signed the Seoul Declaration, which aims to motivate governments, organizations, and industry to strive consistently toward reducing work-related accidents and diseases.

The HOCHTIEF competence center for occupational safety, health, and environmental protection (OSHEP) ensures that occupational safety and health are given a high priority across the entire Group. The main tasks of the OSHEP center include improving the integrated Group-wide environment and occupational safety management systems on an ongoing basis. It also monitors implementation of regulations in the individual HOCHTIEF units. We have had some successes in this regard: In 2010, for example, the accident rate in the entire Group fell to 1.79 accidents per 1,000,000 man-hours, down from 3.30 in 2008.

Different initiatives, one goal

While looking back with pride on these positive trends, HOCHTIEF still does not intend to stop there. We are stepping up activities designed to improve occupational health and safety in all units and companies. HOCHTIEF Polska, for example, has been a partner in the Agreement for Work Safety in Construction since August 2010. The cooperation aims to reduce risk at construction sites and lower accident rates with training courses and other measures. Our Polish HOCHTIEF company has also supported a work safety in construction campaign bannered "Respect life! Safe work at heights" since 2010. E.E. Cruz, the subsidiary we acquired in 2010, has similarly been active, optimizing occupational health and safety with initiatives such as establishing an Executive Safety Committee as well as monthly safety conference calls.

In April 2011, our subsidiary Leighton called on the Australian government to set statutory standards for workplace safety to increase the responsibilities of everyone involved in the construction process. Under such regulations, designers, buyers, tradespeople, contractors, and clients would have to work together to improve safety. In November 2009, Leighton Asia launched the Strive for Life program, a comprehensive occupational health and safety campaign which includes three-level risk management and a change in corporate culture.

Our facility managers likewise aim higher than prevailing industry standards. Accordingly, a total of nine of our facility management locations in Germany and the rest of Europe qualified for OHSAS 18001 certification in the reporting period. OHSAS stands for "Occupational Health and Safety Assessment Series" and is a management sys-

The Nordex Forum provides offices for 600 employees. The sustainable building has a wide range of benefits for users:

- **Thermal comfort:** This is the basis for efficient, high-performance work and is directly correlated with user satisfaction. It can substantially affect energy consumption in office and administrative buildings. The Nordex Forum more than meets the criteria for temperature, ventilation, and relative humidity in summer and winter.
- **Indoor air quality:** HOCHTIEF tested the indoor air quality for contaminants such as solvents and formaldehyde directly after completion of the building. The test results were all below the guideline values and limits, in some cases by up to 50 percent.
- **Acoustic/visual comfort:** Acoustic comfort means ensuring the noise level and intelligibility in the rooms are such that they do not impair the health or performance of users. The reverberation times in the Nordex Forum fall well within the recommended values of the relevant DIN standard. Measures for visual comfort include assessing the daylight in the usable space. Here, too, the Nordex Forum satisfies the highest standards.
- **User influence:** In the Nordex Forum, users can adjust individual functions in the rooms to meet their needs: ventilation, sun protection, glare protection, temperatures during and outside of the heating period, and control of daylight and artificial light in the workplace. This is also closely correlated with performance and satisfaction in the workplace as well as having a significant influence on energy consumption.
- **Security and risk of accidents:** Access to the building is controlled by technical security systems. The corridors inside the building and pathways outside are clearly set out, visible, and well lit. A security service is available around the clock.
- **Accessibility:** The building is wheelchair accessible, as are selected workstations and the connected building functions.
- **Cyclist-friendly:** The underground garage houses weatherproof, theft-protected bike stands. There are

showers and changing rooms for cyclists.

- **Exterior quality:** There are various areas open to users of the Nordex Forum: Terraces and seating areas offer recreation space facing in different directions. The top story has roof terraces in front of the offices. The roof vegetation has a positive impact on the microclimate.
- **Sound insulation:** External noise is reduced to a minimum thanks to the special facade construction.

Nordex Forum offices



Realistic: Before employees of our Australian subsidiary Leighton use the giant excavators and dumpers in the mine, they practice driving them in a simulator.



tem that delivers clear procedural instructions. It sets down, for example, how work-related accidents are to be handled or work materials tested.

Each year, the OSHEP center stages an Occupational Safety Day. This is a joint event by all corporate units in Germany to further promote safety awareness in the workforce. Discussion rounds and activities help to reduce work-related accidents and diseases as well as to optimize existing guidelines and standards. In 2010, the Occupational Safety Day was held under the motto “Well Prepared for Emergencies”; in 2011, the topic was near-accidents. In addition, a series of posters were displayed in offices and on construction sites highlighting plain and practical information on occupational safety and health topics.

Many HOCHTIEF employees drive company cars or commercial vehicles on the road. In Germany, therefore, regular driver safety training courses are held to practice correct conduct in a range of traffic scenarios and improve safe vehicle use.

Leighton employees at the UHG coal mine in Mongolia receive a special kind of driver training: Our Australian subsidiary has developed a simulator in which employees can train to use the heavy excavators and dumpers in a safe, realistic environment.

Multitude of success stories

We are achieving our goal of working accident-free on more and more projects. In June 2010, HOCHTIEF Solutions (UK) celebrated a year without accident or disruption in the upgrade of the London train station Stratford—and this under particularly difficult circumstances due to ongoing train operations. An integrated safety management system and the close cooperation of all those involved in the project, for instance, in the sometimes daily safety meetings, contributed to this success.

Turner’s office in North Carolina recorded four million hours accident-free on their projects in April 2011. In the past four years, the unit has received various commendations for its positive occupational safety record.

Preventive occupational safety on our major Barwa Commercial Avenue project in Qatar also paid off with an impressive result in February 2011: Some 10,000 people had worked for 40 million hours on the construction site for the shopping boulevard without any serious accidents. By that point, 200,000 training hours had been completed, which were mandatory for all those working on the project from 35 countries. Nevertheless, there were unfortunately two accidents with subsequent lost time. One more reason to further optimize the health and safety system.

In November 2010, Leighton Asia gave a positive report for the construction work on the Masbate gold mine in the Philippines, where 1.5 million hours have been worked accident-free since October 2009. The Strive for Life occupational health and safety program also produced positive results on the North Luzon Expressway road building proj-



Increased safety for the “greenhorns”: At our subsidiary Flatiron in the USA, all the newcomers wear green helmets so their more experienced colleagues can easily recognize them and lend a helping hand more quickly in an emergency.

ect in Manila: Here, Leighton Asia recorded two million man-hours without loss time injury from April 2009 to June 2010.

Award-winning safety

The commitment of HOCHTIEF and its employees to active occupational safety and health has also received external recognition: In summer 2010, the BG Bau statutory accident insurance institution awarded the Construction Security medal to one of our employees for his exemplary dedication to occupational safety and health over some 30 years of service. Turner and Flatiron also received awards for above-average commitment to occupational safety. The Associated General Contractors of America commended both companies in March 2011. In addition, the two HOCHTIEF subsidiaries have been awarded Golden Gate Recognition from the state of California for their health and safety program during the modernization and expansion of the Sacramento International Airport. They were distinguished for their significantly lower risk of serious accidents at the airport building site as compared to other workplaces in the industry.

Intensive health management

Active people live healthier lives. This is HOCHTIEF's firm conviction and the company acts accordingly. Thus there is a company sports association and various sports groups, which are very popular with employees. Some of these initiatives have been going since the 1960s.

The facility managers at HOCHTIEF Solutions provide just one example of our health management in Germany: The Southeast Region, for example, offers its employees a

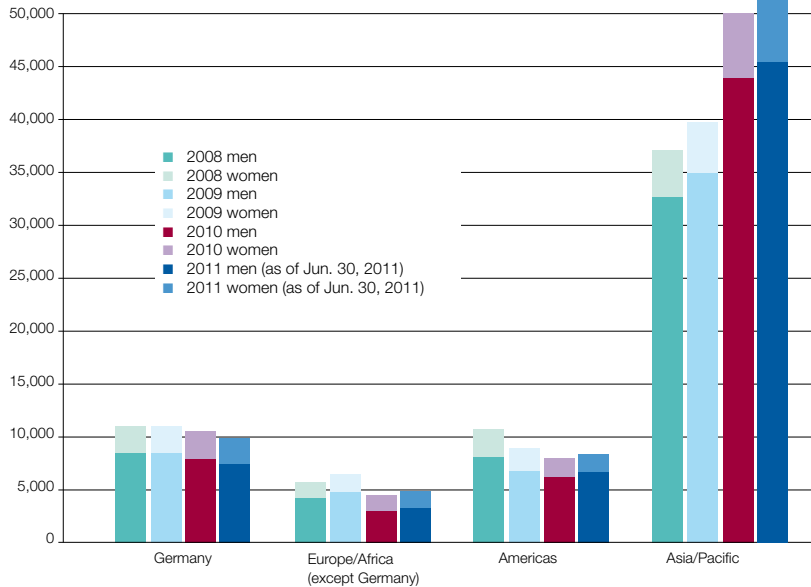
range of sports and health activities—for instance, discounted membership of wellness facilities or anti-stress workshops. For this health management, the HOCHTIEF unit won the Active Company award.

Our subsidiary Turner's North Office was designated a Fit-Friendly Company by the American Heart Association in 2010. The reasons? The office encourages healthy choices on a daily basis, such as taking the stairs rather than the elevator and eating light, nutritious meals. Flatiron offers free biometric health screenings for all employees and their spouses at annual Health Fairs. The screenings help employees identify risk factors in the areas of blood pressure, glucose and cholesterol. Similar check-ups, such as diabetes screening, are also offered by our associate Habtoor Leighton Group.

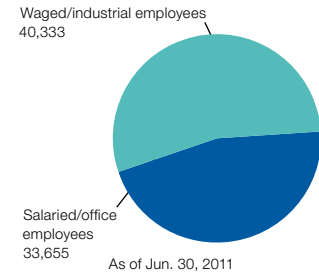
In Germany, we offer all HOCHTIEF employees the opportunity for regular check-ups in occupational medicine centers. Individual workplace-related preventive checks help to optimize working conditions and situations. Managers over the age of 40 can take advantage of regular, all-inclusive health checks. The targeted preventive check-ups help to avoid or eliminate risk factors and thereby achieve early diagnosis of physical problems or prevent them from arising in the first place. In order to improve health awareness overall, a number of training courses are offered that provide information on general health issues, sports, and nutrition.

Key figures

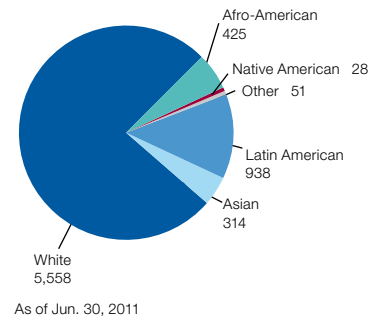
Key figures on employees in the HOCHTIEF Group



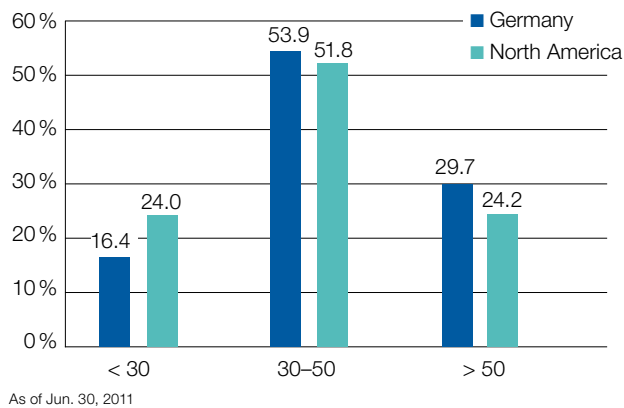
Workforce structure



Employees by ethnic group in North America



Age structure at HOCHTIEF in Germany as well as at Turner and Flatiron in North America (years)

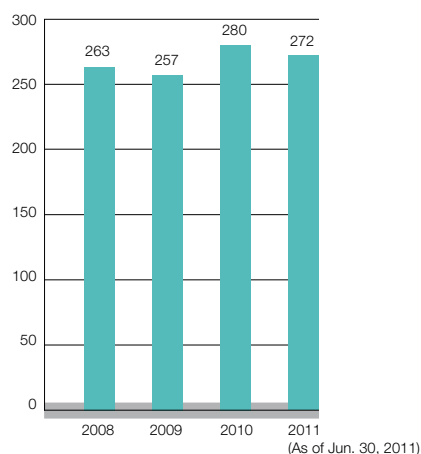


HOCHTIEF workforce structure

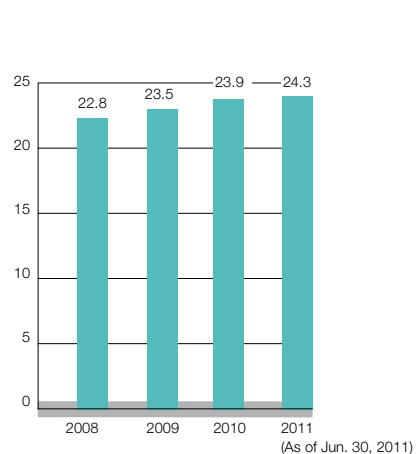
The average age of the HOCHTIEF workforce in Germany is 43.3 years. The average age at international HOCHTIEF companies is 35.5 years. The share of women in the workforce grew again: On June 30, 2011, it was 19.7 percent Group-wide, and was at its highest in Europe (except Germany) at 31.4 percent and Germany at 24.3 percent.

People with severe disabilities comprised 4.16 percent of the HOCHTIEF workforce in Germany as of December 31, 2010. As this is below the statutory five percent quota, HOCHTIEF pays a compensatory levy.

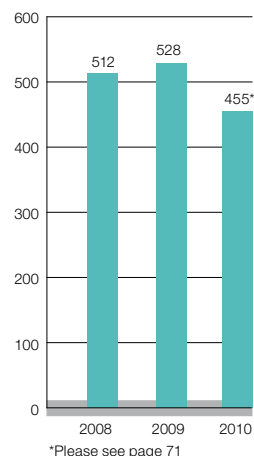
Development of the number of female engineers at HOCHTIEF in Germany (as of Dec. 31)



Development of the percentage of women in the HOCHTIEF workforce in Germany (as of Dec. 31)



Development of trainees at HOCHTIEF in Germany (as of Dec. 31)



Number of fatal accidents in the HOCHTIEF Group

Region	2008	2009	2010
Americas	1	0	0
Asia/Pacific	8	0	2
Germany	0	0	1
Europe (except Germany)	2	1	0
HOCHTIEF Group total	11	1	3

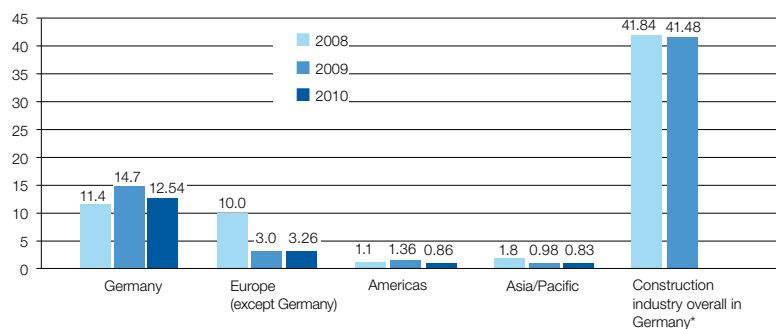
Subcontractors (in Europe) are not included in the table. However, they must comply with the safety standards that apply to HOCHTIEF.

Obituary

We deeply regret that employees have died during their work.
We extend our condolences to their families.

At the Glendoe Hydro Scheme project in Scotland, HOCHTIEF was fined around EUR 304,000 in 2010 due to a regrettable occupational fatality in 2008.

Accident rate within the HOCHTIEF Group (accidents per million man-hours)



To bring our accident statistics reporting in line with international standards, we now state the accident frequency rate (AFR) rather than the number of accidents per 1,000 employees.

*Source: Annual accounts of German institutions for statutory insurance and prevention; figures for 2010 were not yet available as of the editorial deadline.

Attractive working environment

Our overarching objective:

We aim to further boost our position as a sought-after employer and, over the long term, establish ourselves among the most attractive employers in the industry.

Goal	Action to 2013	Status June 2011
Occupational safety and health		
Avoid work-related accidents involving HOCHTIEF employees, partners and subcontractors	Continue annual Occupational Safety Day and poster campaigns at all European and American units	Germany: Occupational Safety Day with theme of near-accidents held at Germany and European locations in June 2011
	Implement system for identifying near-accidents in Europe	Brochure on near-accidents compiled and distributed
	Structure and intensify training measures for employees and partners	Occupational safety topics integrated in HOCHTIEF Academy curriculum
Foster shared Group-wide occupational safety culture	Promote international exchange of experience on occupational safety	Joint conference of European units planned
Improve occupational safety structures	Put in place risk-based audit planning for internal occupational safety audits	Occupational safety risk factors were incorporated into an electronic survey; first survey launched
	Standardize occupational safety processes and increase external certification	Nine Facility Management locations units were certified in accordance with OHSAS 18001 in 2009; 63.5 percent of Group certified for occupational safety
Improve emergency planning	Revise Group-wide crisis reporting process	Process drawn up for crisis procedure in Group
Keep employees healthy	Continue vaccination advisory service and preventive occupational health-care in Germany; introduce "Employee Wellness Program" at Flatiron	Vaccination advice and preventive check-ups for VDU users on Occupational Safety Day; biometric screening offered to Flatiron employees
Personnel development		
Increase employee satisfaction	Continue regular, systematic employee surveys as a management tool in Germany and Europe; expand "Best Place to Work" action plan at Flatiron	Germany: Further employee survey planned after completion of restructuring measures; Flatiron: Employee survey conducted in second quarter of 2011, new application initiated for Fortune's 100 Best Places to Work ranking
Adopt Group-wide basic principles for human resources management	Compile and apply Group-wide human resources directive setting out a framework, values and human resources mission statement; develop Group-wide human resources strategy	Labor standards and human rights standards have been incorporated into the HOCHTIEF Code of Conduct

Goal	Action to 2013	Status June 2011
Ensure availability of specialists in the future	Continue Bachelor of Arts Facility Management and Bachelor of Engineering—Construction Site Management degree programs as part of continuing education program	Facility Management: 37 students, 15 new applicants Construction Site Management: 64 employees qualified, 67 trained as certified building construction site foremen
Recruit and promote managerial talent	Continue to expand international recruitment channels in line with corporate strategy	Existing concept was revised; program set to launch in 2012 with an international job exchange
	Continue doctoral program; sponsor new doctoral thesis proposals through innovation management/Innovation Committee	Five PhDs completed and more in preparation, of which one sponsored through the Innovation Committee
Increase employee connectivity	Improved consistency and quality of Development Appraisal process, with special focus on collaborative career path development with employees; strengthened consistency of succession planning process	Launching simple connectivity measures to support Development Appraisal process and career path development
Train employees	Expand professional development offerings and increase the number of training hours per employee; increase e-learning offers; develop Group-wide reporting standards	Continuing education programs were revised in all HOCHTIEF companies and expanded to include additional offers
Work-life balance		
Promote a balance between work and family	Promote part-time jobs and working from home	New, simplified company agreement introduced; implementation underway where possible and expedient; indicators integrated into new reporting system (CRedit)
Fair pay		
Ensure fair pay for all employees	Harmonize compensation systems (in Germany)	Implementation underway: Introduction of company collective bargaining agreements in the Facility Management, Energy Management, and PPP Schulpartner units as well as HOCHTIEF Offshore Crewing GmbH
	Increase proportion of employment contracts with performance-based compensation and performance incentives	Implementation underway; company collective bargaining agreement in Facility Management with incentive bonus and performance-based profit sharing
	Regular participation in remuneration studies, annual internal salary analyses and annual division-level annual analyses	The annual remuneration study for Board members and senior managers was conducted in May 2011, along with other division-level analyses

Area 5

Corporate citizenship



We score top marks— and we want to share our knowledge.

Our subsidiary Turner is head of the class in the USA. For more than 40 years, Turner employees have been sharing their experience and knowledge of the latest technologies with smaller companies in the construction industry as well as companies run by ethnic minorities and women; like Cindy de Prater, shown here in Chicago, they teach free courses at the acclaimed Turner School of Construction Management.

We take social responsibility wherever our company operates. We engage for the local communities, promote education and young talent, and support local industry.



Area 5

Corporate citizenship

The challenge: HOCHTIEF carries out projects—and therefore sees itself as a local partner—in all four corners of the globe. It is standard practice for us to employ mainly local people and subcontractors. We also support social and cultural initiatives. Here, the two areas we focus our support on are education/nurturing young talent, and modern/Bauhaus architecture-related projects.

Our objective: We aim to get involved in the community wherever our company is at work.

For HOCHTIEF, acting sustainably means engaging in the ecological and economic arenas. We also embrace social and community responsibility wherever we are at work. Among other efforts, this includes hiring locals to fill vacant posts and awarding contracts to regional subcontractors. In order to maximize efficiency and in accordance with our sponsoring directive, we have focused our sponsoring activities since 2007 on two areas. The first is Bauhaus and modern architecture. The second is supporting children and teens as well as the socially disadvantaged, and we promote their training and continuing education.

Many of our employees use their free time to engage for social issues. On their own initiative, they take responsibility to support social, community, and charity activities. We are particularly proud of these members of our workforce and extend our thanks to them; their exemplary conduct has a positive influence on the corporate culture at HOCHTIEF.

Supporting Bauhaus and modern art

As an international construction services provider, HOCHTIEF has a special commitment to preserving modern architecture. That is why the Bauhaus school of art and architecture has been the focus of our sponsoring efforts for years. To commemorate the 90th anniversary of Bauhaus, we supported the largest Bauhaus showcase ever as the main sponsor in 2009. A total of 166,000 visitors enjoyed the show at the Martin-Gropius-Bau in Berlin. In addition, we sponsored the exhibition “From Art to Life. Hungarians at the Bauhaus” at the Bauhaus Archive in Germany’s capital in December 2010. HOCHTIEF was also involved in the refurbishment of the Feininger Mas-

ters’ House in Dessau, which since March 2011 is now presented in its original colors from 1926.

Promoting education and supporting young talent

As a corporate citizen, we see it as our responsibility to constructively promote the modern professional training and further development of young people. That is why we support related initiatives and institutions, providing both funding and our expertise. Our own programs focus on technology-related higher education programs and professions.

Foster enthusiasm for technology among young people

It’s never too early to promote interest in the building industry. So HOCHTIEF goes to schools to reach out to young people. As a sponsor of the JAS—Jugend Architektur Stadt (Youth, Architecture, City) association in Essen, we interact with children as young as five. JAS offers children and teens the opportunity to voice their needs in terms of the built environment so they will be able to contribute to planning processes in later life.

In addition, we again participated in initiatives by various associations and organizations in 2010, such as the Association of German Engineers (VDI) Technology Day. This initiative is all about showing young people how vital and exciting technical professions are and which ones they can train for at HOCHTIEF. We were also at Girls’ Day 2010, teaching schoolgirls at various locations, including the HOCHTIEF Essen, Berlin, Hamburg, and Frankfurt locations, about the many opportunities open to women for training and jobs in the construction industry. The University of Duisburg-Essen pursues the same goal with its Summer University, in which HOCHTIEF is also involved. This one-week program offers young women the chance to research, experiment, and test, giving them first-hand experience of how enthralling the natural sciences and engineering can be. Technical, commercial, and industrial internships for students are also designed to initiate them into these fields and generate interest in HOCHTIEF. What’s more, we have for years been involved in “Youth Dialog,” which is organized by the Initiativkreis Ruhr. This project aims to bring together students and high-level executives in the region and initiate dialog.

FOCUS ON: RUHR.2010



HOCHTIEF—corporate citizen in Essen: As partner sponsor of RUHR.2010 European Capital of Culture, HOCHTIEF participated in numerous projects and events, for example, as technical manager at the opening event (photo left) and at the “still life” celebration on the autobahn.

HOCHTIEF is a company dedicated to doing business responsibly and getting involved in society—including at its headquarters in Essen. So it was perfectly natural for us to support the RUHR.2010 European Capital of Culture project. In addition to financial backing, our company also sent members of staff to help at no charge, supported various cultural projects, and made office and parking spaces available for free. The HOCHTIEF airport holding Düsseldorf International was also a sponsor.

Technical management

Long before the European Capital of Culture events got underway in January 2010, our facility management specialists had already got started on the work they would continue with through the end of 2010. During that time, two HOCHTIEF specialists were responsible for the technical planning of the events. They assisted in implementing large-scale projects and acted as the main contacts for the artists. To name just one example, Jens Herre, event technologies expert at HOCHTIEF and technical manager of the RUHR.2010 European Capital of Culture project, started preparing in August 2009 for the opening ceremony on January 9, 2010 at the Zollverein Coal Mine Industrial Complex, which was aired live on television throughout Europe.

Involved in various projects

“Change through culture; culture through change” was the concept that convinced the European Commission to select the city of Essen, representing the Ruhr region, as the Capital of Culture 2010. Within this framework, there was plenty of scope for ideas and projects. HOCHTIEF contributed to their success in many ways—for example, by allocating trainees and employees to help with masonry, earthworks, and reinforced concrete on several projects as well as by providing the site installations.

Sponsoring a unique medieval exhibition

From February to November 2010, the LWL Museum of Archeology—Westphalian State Museum in Herne transported visitors to the Ruhr region of the 13th century. Our company sponsored “AufRuhr 1225!,” the largest medieval exhibition ever staged in the region, by contributing to the construction of a motte, for example. HOCHTIEF staff helped build the wooden structure right in the city center of Herne.

Temporary housing: The paper house

The world’s first building constructed out of recyclable recovered paper rolls was built at the Zollverein Coal Mine Industrial Complex, the hub of RUHR.2010. HOCHTIEF supported this initiative, which stood for new directions in green building. HOCHTIEF employees advised the architects on structural design and ventilation, while five of our trainees laid the foundation for the building, which was 39 meters long and nine meters wide.

Traffic-free freeway for a day

Over 300 projects and some 2,500 events made up the year’s Capital of Culture program. A special highlight among them was the “still life” festival on July 18, 2010, for which a 60-kilometer stretch of the A40 autobahn was transformed into an enormous dining table. Daniela Böing, event expert at HOCHTIEF, achieved a master stroke in logistics: Her professional assistance made possible such feats as setting up 20,000 tables along the road. Some three million people took the once-in-a-lifetime chance to walk, cycle, or skate along the closed freeway and visit the tables to learn about the huge variety of groups, events, and topics on offer in the Ruhr region. HOCHTIEF tables were also part of the action, presenting an exciting program with live music.

Experiencing jobs in construction: A visit to a construction site initiates young people like the participants in the Build-A-Bridge program run by our American subsidiary Flatiron into the world of HOCHTIEF.



Our international subsidiaries and associated companies are pursuing similar initiatives to generate timely awareness of HOCHTIEF Group companies among the younger generation. Our US subsidiary Turner, for example, with its Turner YouthForce 2020 is pursuing the goal of motivating young people to get a good education. Selected students receive college scholarships to pursue engineering degrees. Turner also offers internships. Another activity designed to draw students to engineering is the Adopt-A-School initiative. Additionally, Turner and its sister company Flatiron are involved in the national ACE Mentor Program, which gives high school students insights into architecture, construction management, and engineering. Turner and Flatiron employees give lectures at local schools in communities where the companies operate. Flatiron's approach to attracting young talent is comprised of three areas: educational outreach, internships, and university relations. For example, Flatiron has a company-wide education outreach program where students interested in studying engineering compete for scholarships and internships.

National and international efforts for education

All over the world, education is among the key factors in ensuring quality of life and preventing or eliminating poverty. As a company which acts sustainably, we are committed to promoting education even beyond the scope of our company. One way we do this is by supporting the Forum—Young Migrant Talents (YMT) coaching center at the Theodor Haubach School in Hamburg. The organization nurtures teens from immigrant families during their schooling, helping them along their way toward successful careers. We have also been supporting the "Afrika kommt!" (Africa is coming!) project since 2010. This German industry initiative, launched in 2008, aims to teach young potential managers in Sub-Saharan Africa the skills they need for international business. HOCHTIEF provides funding for the project and offers participants the opportunity to broaden their knowledge in Germany.

Nordex Forum in public space



Nordex Forum, a landmark and a newly created space, provides positive stimulus for the site and the surrounding area:

- Public access: The Nordex Forum grounds are open to the public. They include seating and lounging areas not only for employees on their lunch break but for everyone.

The building itself is reserved for users.

- Architectural sculpture: The building's facade boasts graphic elements representing an artistic abstraction of a forest, which is a defining element of the building's location, and of wind energy, which is Nordex's business. They were a

response to the client's desire for artistic design and are not related to any function of the building.



Five thousand euros for a good cause: With the Forum—Young Migrant Talents initiative, HOCHTIEF supports gifted but socially disadvantaged teens.

For a number of years, the National Building Museum has awarded the Henry C. Turner Prize—endowed by our subsidiary Turner—to individuals and organizations exhibiting innovative solutions and outstanding achievements in construction technology and practice. In 2010, the prize went to the group Engineers Without Borders—USA for their efforts to interest future generations of engineers in international development projects. The organization focuses on connecting students in construction-related fields with international development initiatives. For example, they help provide clean water, sustainable energy concepts, and needed infrastructure to developing communities around the world.

Committed to public welfare

We are members of the societies in which our projects create living space, so HOCHTIEF is dedicated to engaging with social and community issues in these regions. We actively embrace responsibility in a sustainable manner. To this end, all our national and international subsidiaries and associated companies communicate openly with the people in the regions where they are located and where they implement projects.

Intensive exchange with neighbors

We consider timely communication and intensive exchange with people who live close to our projects vital to success. That enables us to take the legitimate interests of local stakeholders into account during planning, implementation, and operation of our projects. For projects of above-average size and complexity, we create an individual communications strategy before work begins. We use a variety of tools, such as newsletters or town hall meetings.

We have also been very successful with visitors' days at construction sites and projects. For example, the first Large-scale Construction Sites Day was held in Hamburg in April 2010. Some 10,000 visitors took the opportunity to get a glimpse behind the scenes of HOCHTIEF building sites such as the Elbe Philharmonic Hall and the subway line 4 station. Interest was similarly high in the open house held by the company Via Solutions in summer 2009. The company, in which HOCHTIEF PPP Solutions holds a stake, designed, built, financed, and now operates the A4 freeway between the capital of the federal state of Hesse and Gotha. The event gave visitors the chance to learn about the project and the job of the road maintenance workers on site.

Residents in the areas surrounding the airports in which we hold a stake deserve special care and attention on the part of HOCHTIEF Concessions. Budapest Airport, for example, has been operating a voluntary noise abatement initiative including ventilation systems and soundproof windows since 2007. The school sponsoring initiative of the HOCHTIEF company has virtually become a tradition: For years, HOCHTIEF Concessions has been supporting schools near our airport holdings by providing computers and the necessary equipment. It was decided in 2011 to extend the program to include other segments. Three schools close to the A4 highway operated in Thuringia by HOCHTIEF and consortium partners benefited from a donation. Students now have new IT equipment including an interactive board for multimedia learning.



Stakeholders have their say Subcontractor

Cheryl Green,
Principal Owner of Cheryl Green Studios,
New York

What were you looking to achieve when you signed up for Turner School of Construction Management?

As an aspiring architect, construction means and methods are essential to a successful design. I wanted to gain a better understanding of architecture from the builders (contractors) perspective.

What impressed you the most about the program?

The high quality of instruction and content of the Advanced Construction Management Certificate Program exceeded my expectations. My personal highlights were OSHA, Building Information Modeling (BIM) and Sustainable Building classes.

What have you implemented from the program?

Since graduating from the program, I obtained my LEED Green Associate Certification, and have implemented learned project management standards.

How did the day-to-day experience of the presenters affect the coursework?

The knowledge, talent and skills of the teachers fully enriched the classroom setting. The instructors were able to talk about construction projects they were working on day to day and site examples of current construction technologies as it related to classwork. Recently completed projects, and projects under construction were used as a basic for developing the class syllabus and class projects.

What kind of networking opportunities did the program create with the other participants?

I met Small Business Owners, Realtors, Contractors, Laborers, Plumbers, Municipal Agency Employees, and Teachers. Everyone comes to the program for a different reason. I wanted to enhance my Architectural background with a better understanding of Construction. Now having completed the program I'm giving consideration to transitioning to construction full time. I needed an immersion program geared towards working professionals with "working professionals" teaching the classes—and that's exactly what I found at the Turner School of Construction Management.

Our Australian Group company Thiess received outstanding recognition from residents and the government alike for its community relations during the soil decontamination and remediation for the Homebush Bay project in Sydney: The contaminated grounds of a former chemicals plant were treated over the course of six years by Thiess so that now a new residential area can be built there. The company tasked a special community relations manager with keeping the public informed on the large-scale project and addressing such concerns as possible health-related issues for future residents.

Close cooperation with local suppliers

HOCHTIEF places a high priority on hiring as many local subcontractors and employees as possible for all its projects. One example is the refurbishment phase of the public-private partnership schools in the Offenbach district completed in 2009. Over one in two construction contracts connected with this project were awarded to companies in the district or the surrounding area. Plus, 69 percent by value of the contracts for operating the schools went to subcontractors in the region.

Our choice of local partners, however, depends on other factors in addition to regional criteria. We also place a special focus on working more intensively with companies run by members of ethnic minorities and women. For example, these target groups are offered training courses from our American subsidiary Turner through its in-company Turner School of Construction Management, on topics such as estimating, purchasing, logistics, financing, and safety. More than 32,000 companies in 70 American cities have benefited from this support program since its inception in 1969. In 2010, Turner awarded contracts worth over EUR 670 million to these companies. Our American subsidiary Flatiron pursues similar objectives: Prior to the construction of the Exposition Light Rail Transit line in California, a job center was set up in order to recruit employees from the area and locate local subcontractors.

The Australian HOCHTIEF Group companies Leighton and Thiess are also committed to tapping the enthusiasm and potential of ethnic minorities and women. Leighton Asia, to name just one example, successfully trains young female employees as drivers of heavy trucks. The company has been supporting small companies in rural areas in the Philippines since 2007. By hiring employees who live in areas where projects are carried out, Thiess aims to invest indirectly in the local community.



Making connections: The HOCHTIEF subsidiary Flatiron supports the Bridges to Prosperity project. Putting their know-how and manpower to work on site, the employees help build hanging bridges in locations such as remote regions of South America (photo left).

The first HOCHTIEF-trained female employee completed her qualification as a BIM manager in Qatar during 2011. She will use her newly acquired 3D computer modeling skills both on the job and to support the training of further Qatar employees.

In Qatar, HOCHTIEF ViCon and a partner plan to establish a BIM education and certification center in 2011. Short for Building Information Modeling, BIM is a modern method for optimizing the planning, implementation, and operation of buildings using a 3D computer model. The need for such experts is growing rapidly in the Middle East, leading HOCHTIEF to train local project managers on site in virtual construction.

Great efforts for public welfare

Along with its subsidiaries and associates, HOCHTIEF tailors initiatives and events to the individual requirements and needs of the company's locations and projects.

Two cases in Germany: HOCHTIEF in Berlin/Brandenburg has funded the Capital's Award for Integration and Tolerance carrying prize money of EUR 15,000 in 2011. The award honors the most compelling integration projects in the city. Secondly, the facility managers at HOCHTIEF in Erlangen have for quite some time been bringing happiness to the young patients at the Clinic for Children and Adolescents with small gifts and entertaining events.

In Port Elisabeth, South Africa, HOCHTIEF has continued sponsoring of the Liebenhaus project. This boys' home supports children who have little hope of rising in society, offering reading and mathematics lessons, plus computers and the related software. In October 2010, the Liebenhaus received a media center sponsored by HOCHTIEF.

Flatiron extended its successful collaboration with the Bridges to Prosperity initiative by an additional five years, in which Flatiron funds trips for employees to build footbridges in remote areas, creating the infrastructure neces-

sary to ensure access to healthcare, education, and economic opportunities. In fact, Flatiron combined its educational outreach with these community building efforts: Flatiron engineers challenged local university students to design a sustainable, inexpensive, and easily replicable footbridge to be used for this program. Flatiron employees have built bridges in El Salvador and Guatemala.

Leighton India launched a project with an ecological slant: During a port construction project in India, the children who live and go to school in the polluted areas surrounding the project receive free environmental education, for instance, in the form of games or drawing and writing contests. The aim is to raise their environmental awareness. HOCHTIEF Polska is also participating in an initiative that benefits children, donating some EUR 5,000 for the refurbishment of the new headquarters of the Committee for the Protection of Children's Rights in Warsaw.

We are committed to providing aid on an ad hoc basis in the wake of natural disasters. Our US subsidiaries Turner and Flatiron and their workforces donated some EUR 250,000 to relief agencies such as Doctors Without Borders, Save the Children and the Clinton/Bush Haiti Fund for the victims of the devastating earthquake in Haiti in early 2010. The Donations for Chile drive HOCHTIEF initiated following the earthquake in spring 2010 collected approximately EUR 37,000, half of which was donated by staff in Germany and the other half by the company. The funds went to emergency relief for Chilean children. Following the catastrophic flood around the 2010/2011 new year, our Australian subsidiary Leighton provided manpower and machines as well as some EUR 1.5 million in financial relief.

HOCHTIEF often uncovers historical finds during excavations and civil engineering work. We are aware of the need to preserve these treasures for posterity. While our unit in Cologne was restoring a part of the old dike on the banks of the Rhine, they discovered the remains of a turntable belonging to an old railroad station from around 1881. Parts of the historic finds are now being integrated into the new Rhine Boulevard. In July 2010, workers employed by our subsidiary E.E. Cruz also discovered "buried treasure" while working at Ground Zero in New York: They unearthed parts of a wooden ship from the 18th century that had been buried in mud. Just a few days before, their sister company Turner, working very close to the World Trade Center site, ran across the remains of an embankment wall dating back to the 19th century. The finds were recovered by specialists.

Well prepared for the future

As a company that acts sustainably, we need to react today to new developments whose full effects may only be felt by future generations. One of these is demographic change. The number of older people will grow significantly. The project developers at HOCHTIEF have responded to this foreseeable trend by intensifying their collaboration with BeneVit, an operator of care facilities. Together the partners are creating new living spaces designed to meet the needs of the older generation. Eight such buildings based on a community living philosophy had gone into operation by mid-2011. Additional care facilities are planned.

We are also using innovative living concepts to respond to the growing desire to reside in cities. This is equally true for families, single people, and seniors. Each of these groups has individual ideas about urban life. The "le flair" in Düsseldorf shows how such projects might take shape.

www.flair-duesseldorf.de

Key figures

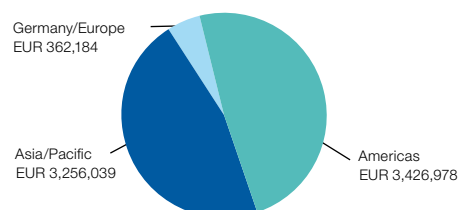
Distribution of value added

	2008		2009 restated		2010	
	EUR million	%	EUR million	%	EUR million	%
Employees	3,261.8	82.0	3,508.6	81.7	4,078.4	80.3
Lenders	195.3	4.9	187.8	4.4	245.8	4.8
Minority shareholders	167.1	4.2	212.9	5.0	258.2	5.1
HOCHTIEF shareholders*	88.2	2.2	96.7	2.3	147.1	2.9
Public authorities	177.9	4.5	192.3	4.5	210.3	4.1
HOCHTIEF	86.9	2.2	95.0	2.2	140.9	2.8
Net value added	3,977.2	100.0	4,293.3	100.0	5,080.7	100.0

*The total dividend amount stated for 2010 is based on the dividend of EUR 2 per no-par-value share proposed by the Executive Board and the number of shares in circulation on December 31, 2010.

Value added analysis shows how HOCHTIEF generates added value for the economy and how it is distributed to the various stakeholder groups.

HOCHTIEF donations and sponsorship figures broken down by region (2010)



Corporate citizenship

Our overarching objective:

We aim to get involved in the community wherever our company is at work.

Goal	Action to 2013	Status June 2011
Promote educational projects and nurture young talent	Support local school and education projects	Numerous examples from HOCHTIEF units worldwide; total donations and sponsorship in this area: approx. EUR 1.5 million
Promote projects to support modern architecture and Bauhaus	Additional sponsoring activities planned as soon as appropriate initiatives and projects are identified	Involvement in RUHR.2010 European Capital of Culture projects; financial support for "From Art to Life. Hungarians at the Bauhaus" exhibition in Berlin and refurbishment of Feininger Masters' House in Dessau
Support populations in disaster areas	Action such as donation drives according to current needs	Donation drives for earthquake victims and flood aid: EUR 250,000 for Haiti EUR 37,000 for Chile EUR 1.5 million for Australia
Promote sustainable development in vicinity of our projects	Draw up and implement community and stakeholder management plans for subsidiaries Thiess and John Holland	52 percent of John Holland projects have implemented a community relations plan
Promote equal opportunity for women and ethnic minorities	20 percent of Turner's contract volume awarded to minority and women-owned business enterprises (M/WBEs)	Status 2010: 16 percent by value of procurement awarded to businesses run by ethnic minorities or women
	Continue Turner School of Construction Management and establish additional locations	2010: 1,362 attendees at events in 70 cities in the USA
	Support projects to promote indigenous Australians	Leighton is a founder member of the Australian Indigenous Minority Supplier Council (AIMSC)
	Attract women to technical professions in construction and mining	Thiess funds a special scholarship program for women in mining; participation in Girl's Day 2010 in Germany

Area 6
Compliance





We stand by our word— in every possible language.

Colleagues like John Lochowiak, Indigenous Affairs Manager at our Australian subsidiary Thieiss, foster intercultural understanding: In a hiring and training program for members of Australian minorities, he liaises between Aboriginal and other groups. Partly thanks to his origins, John Lochowiak is able to bring together people with very different values and ensure that they can work well together.

By learning about other people's cultures, we can reach a common understanding of what is right and what is important. At HOCHTIEF, this is enshrined in our high standards of business ethics and the HOCHTIEF Code of Conduct.

Area 6

Compliance

The challenge: HOCHTIEF operates in countries with differing political, value, and legal systems. Compliance—with all internal and external regulations—therefore plays a major role at HOCHTIEF. All employees are obliged to adhere to the HOCHTIEF Code of Conduct and the high standards laid down in all other internal HOCHTIEF rules.

Our objective: We aim to set standards with our principles of conduct.

Of supreme value to us, HOCHTIEF's reputation must be cherished and safeguarded. We take care to ensure that employees of all Group companies comply with the law and internal company rules and also adhere to HOCHTIEF's ethical principles. Guidance on responsibility is contained in the HOCHTIEF Code of Conduct, which is binding for all employees.

The HOCHTIEF compliance system

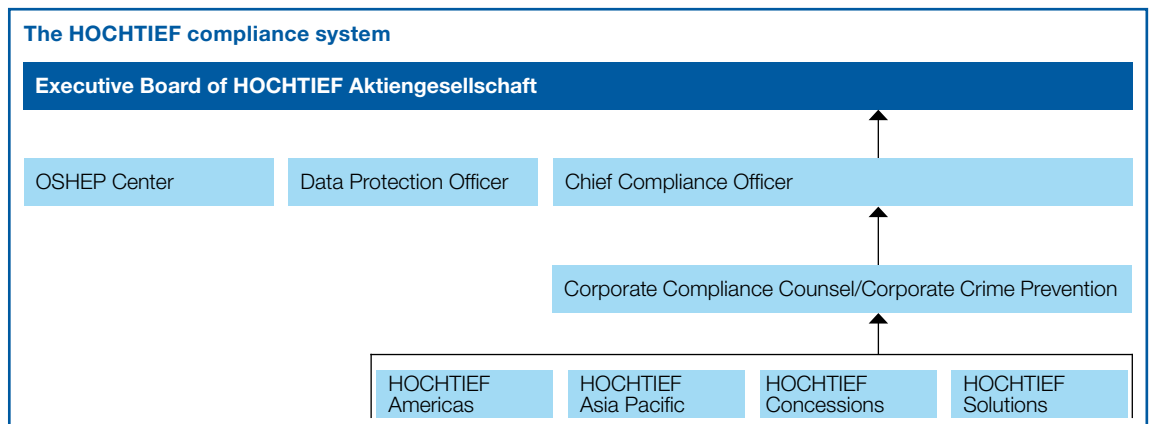
HOCHTIEF established a dedicated compliance system as early as 2008. Its job is to furnish HOCHTIEF employees with advice on questions of compliance and support in complying with the law as well as internal company rules. The compliance system is also there to coordinate action in any instances of non-compliance.

Top-level responsibility for compliance is held by the Chairman of the Executive Board of HOCHTIEF Aktiengesellschaft. The Chief Compliance Officer regularly reports to the Executive Board and annually submits a report to the

Supervisory Board's Audit Committee. Within the holding company, the Chief Compliance Officer is supported by the Corporate Compliance Counsel and a legal expert specializing in criminal law.

Compliance in occupational safety, health and environmental protection matters is the separate responsibility of the competence center for occupational safety, health and environmental protection (OSHEP), while compliance relating to data protection issues comes under the Data Security Officer in charge of the internal data security system. Responsibility for all other compliance issues in connection with combating economic crime and corruption lies within the general HOCHTIEF compliance system.

HOCHTIEF Solutions AG and HOCHTIEF Concessions AG have each designated a compliance officer of their own in consultation with the Chief Compliance Officer. The individual divisions and segments provide further points of contact for employees' questions in the form of compliance officers and general compliance managers. Our American subsidiaries Turner, Flatiron, and E.E. Cruz likewise each have a compliance program of their own that is implemented and evaluated by designated compliance officers. Since 2008, Turner and Flatiron have had internal compliance committees. Similarly, HOCHTIEF's subsidiary Leighton in Australia has its own compliance program as well as an Ethics and Compliance Committee for the exchange of all related information from the sub-groups. The subsidiaries' compliance officers report directly to the HOCHTIEF Chief Compliance Officer.





Compliance system: Elements and codes

Our compliance system embraces various measures and codes to make sure prevailing law and company rules are adhered to. Alongside advice for employees, the elements of this system include:

- The HOCHTIEF Code of Conduct and associated guidelines; these set out the conduct expected of HOCHTIEF employees.
- The whistleblower system:
 - An internal and an external HOCHTIEF hotline for employees and others (clients, subcontractors, etc.) to report— anonymously and confidentially if they wish—possible crimes, breaches of the law or internal company rules, and any other irregularities within the Group.
 - Information and questions can also be submitted to the Corporate Compliance Counsel using the e-mail address compliance@hochtief.de.
- HOCHTIEF training programs.

HOCHTIEF Code of Conduct and guidelines

The HOCHTIEF Code of Conduct provides guidance on responsibility for our employees, bringing together in binding form the key rules on conduct applicable for HOCHTIEF.

The Code of Conduct also reflects our company's ethical

principles. The HOCHTIEF Code of Conduct applies both for internal dealings with each other and for external relations with business partners, subcontractors, and public authorities.

The HOCHTIEF Code of Conduct was revised in 2010. The Code now more clearly reflects the ten principles of the UN Global Compact, which HOCHTIEF committed to comply with and promote in 2008. The UN Global Compact is an international initiative bringing together representatives of private-sector industry with United Nations agencies, employees, and civil society to advance universal social and environmental principles. The principles relate to human rights, labor, the environment and anti-corruption. The revised HOCHTIEF Code of Conduct also incorporates the insights and experience acquired by compliance officers in recent years.

The HOCHTIEF Code of Conduct covers five main thematic areas:

- Business partners and conflicts of interest: Conflicts of interest and bribe-taking, bribery and corruption, donations and sponsoring, observance of anti-trust rules
- Information: Dealing with internal knowledge, confidentiality and contacts, and data protection
- Health, safety, and the environment
- Corporate assets: Documentation of business transactions, treatment of company property and assets, insider rules
- Principles of social responsibility: Respecting human dignity, rejecting child labor, rejecting forced labor, equality of opportunity and prohibition of discrimination, right of association and right of collective bargaining.

The HOCHTIEF Code of Conduct is available in German, English, Russian, Polish, and Czech. A Greek edition is in preparation.

The Code is supplemented by internal directives on topics such as customer events, donations and sponsoring, and conduct when engaging consultants. These provide HOCHTIEF employees with clear guidance on how to address compliance-related issues of this kind.



Stakeholders have their say

Partners in industry

Bernhard Steirnücke,
Director General,
Indo-German Chamber of Commerce,
Mumbai

What are the biggest compliance challenges for German companies in India?*

One of the greatest challenges for the compliance department of any company doing construction work in India is the safety and training of construction workers. Surveys suggest that about one in six construction workers suffers injuries during work time and that the vast majority of them have not had any formal training. The regulatory framework on these issues has been tightened in recent years but not all Indian construction companies have kept up with these changes.

How can a company address these challenges on direct investment?

Be careful who you choose as a partner as well as who is in charge of your staff and HR decisions in India. There are a number of organizations which provide training and safety measures for your employees; but it is equally important that upper and middle management is able and willing to implement your company's safety culture as an integral part of the organization.

What are the opportunities and risks for a German company in the Indian construction sector?

The construction sector in India is the second biggest contributor to the nation's GDP, and it is growing rapidly. Within the next two years, annual investments in construction are expected to surge from about USD 280 billion to almost USD 380 billion. The vast majority of construction companies are very small, thus offering excellent opportunities for large enterprises with a sustainable infrastructure. On the other hand, it is important to constantly monitor the policy environment as well as the competition. Changes happen quickly and should be anticipated early to avoid sudden cost rises or the loss of valuable employees to expanding competitors.

In Transparency International's Corruption Perceptions Index, India came 87th in 2010. What role does corruption play in India? What is your advice for German companies that want to do business in India?

For a couple of years now, not a week goes by without the Indian media reporting on corruption and frauds. However, the increasing news coverage of this issue actually does not show a decline in business standards, but rather proves that India is working on its problems. Corruption certainly is an issue, but it is an issue that is being addressed. Fewer and fewer cases of fraud go unpunished. In this sensitive environment, it is especially important for German companies to stick to regulations and compliance.

*India is a growth market for HOCHTIEF.

The HOCHTIEF whistleblower system

All employees are encouraged to report irregularities, first and foremost to their direct superiors or compliance system contacts. Information may also be reported to Corporate Auditing. The identity of the reporting individuals is kept strictly confidential. HOCHTIEF has also set up an external and an internal hotline for employees to bring attention to compliance issues confidentially. The internal hotline puts callers in contact with Group compliance personnel. Using the external hotline, callers can speak to an independent lawyer specialized in criminal law. Other HOCHTIEF companies have similar hotlines—for example, the Ethics Hotline at Turner, Flatiron, and E.E. Cruz. Employees can also report information to the Corporate Compliance Counsel using an e-mail address. All information can be given anonymously and treated confidentially on request.

HOCHTIEF training programs

A second electronic training program on the topic of anti-corruption went on line in 2011 in the form of an anti-corruption add-on. This follows on from a program in 2009 whose content it updates and expands. The new training program once again presents realistic case studies from the everyday working context for users to solve. The case studies link to information on the legal position and employees receive suggestions on how to act in difficult business situations. The new program is available on the HOCHTIEF intranet for all employees, along with the original anti-corruption training program as well as another on illegal forms of employment. Managerial employees will be required to complete the new program in 2011 and 2012.

Employees in Germany additionally receive classroom-based training, including at induction events, training courses, and departmental meetings.

Other HOCHTIEF companies likewise offer training programs on the HOCHTIEF Code of Conduct and anti-corruption. Turner has a comprehensive ethics and compliance program with intranet-based e-learning courses and annual training at the company's offices around the country. These training programs served as the basis for Flatiron to develop a similar scheme of its own. HOCHTIEF's anti-corruption program likewise provided a starting point for Flatiron to compile an e-learning tool based on it. E.E. Cruz is also currently in the process of establishing its own training program.

Communicating compliance

To raise awareness of company requirements, the HOCHTIEF Code of Conduct, and internal rules as well as to sensitize the workforce to compliance-related issues, these are often made the subject of in-house communications activities at HOCHTIEF, including with articles and interviews in employee newsletters. A compliance section of the intranet gives the names of all contact persons in compliance, lists the in-house directives and circulars to be observed by employees, and provides links to the training programs.


Response to compliance infringements

We respond with full rigor to any infringement of the Code of Conduct. We, of course, acknowledge the danger of anonymous whistleblowing resulting in individuals being falsely accused. Each and every case is therefore investigated with the utmost sensitivity and attentiveness. In-house investigations are carried out by Corporate Auditing in cooperation with the crime prevention unit, which deals with criminal law aspects. Suggestions for action in connection with compliance cases are put forward by the Steering Committee, meetings of which are attended by the heads of the Auditing, Communications, Legal, and Human Resources departments along with the Corporate Compliance Counsel. Responsibility for taking the action, which can go as far as dismissal, lies with the relevant superior or management.

Fair play with business partners and subcontractors

HOCHTIEF attaches great importance to fair play in business, including with regard to competitors. Honesty in the competitive arena is our binding policy—both when bidding for new contracts and in ongoing business relationships. Objectivity and transparency guide the contract award process.

We have also revised the Code of Conduct for HOCHTIEF Subcontractors and Suppliers in 2011, developing it to become a uniform code for all business partners. The HOCHTIEF Code of Conduct for Business Partners sets out the minimum standards we expect business partners to comply with. These include acknowledging social responsibility toward their own organizations, clients, suppliers, other business partners, the environment, and society. We also expect those we work with to encourage their own business partners to practice the same standards of compliance. We consequently reserve the right, at any time and without prior warning, to verify or obtain verification of compliance with this Code.

The HOCHTIEF Code of Conduct for Business Partners, too, is based on the ten principles of the UN Global Compact. Notably, it reflects a longstanding commitment by HOCHTIEF going back to the year 2000, when we became the first construction company in the world to sign up to the standards of the International Labor Organization (ILO) . The ILO is a UN agency devoted to enabling women and men the world over to work in conditions of freedom, equity, security, and human dignity. The ILO's activities revolve around four basic principles: freedom of association

 www.ilo.org

HOCHTIEF monitored compliance with sustainability and ethical principles in accordance with our Code of Conduct to ensure high standards of quality at all project phases throughout the Nordex Forum project:

- Assurance of sustainability in requesting bids from subcontractors and award of subcontracting work: Sustainability aspects were incorporated into subcontracting down to the level of specific construction trades and in selected cases specific deliverables. This was done by adding environment-specific material requirements to the bills of quan-

ties for each trade. Bidders had to sign to acknowledge these with binding effect.

- Contractor and subcontractor quality: The core and shell work was carried out by HOCHTIEF Solutions AG, which is listed by the Association for the Prequalification of Construction Companies (Verein für die Präqualifikation von Bauunternehmen e.V.). All other companies were contracted to comply with, and validated on the basis of, the Code of Conduct for HOCHTIEF Subcontractors and Suppliers. This embraces national and international legal, social, and environmental

standards formulated in national law and by international organizations such as the International Labor Organization and Transparency International.

- Quality assurance in construction: There followed testing of various kinds for construction quality assurance purposes, including building air leakage tests and building acoustics (airborne and footfall sound) tests. All materials used were additionally recorded in building documentation.

Quality assurance at Nordex Forum



and the right to collective bargaining, abolition of forced and child labor, and non-discrimination. We aim to pass on compliance with these principles to our contracting partners.



Data protection a key priority


The HOCHTIEF Code of Conduct also contains provisions on data protection. Both internally with regard to employees and externally as concerns business partners and clients, we have a special commitment to privacy and to protecting data. This safeguards individuals from infringements of their right to decide how their personal data should be used.

Responsible employer

HOCHTIEF considers itself a responsible employer toward every individual in the workforce, in some cases going beyond current statutory requirements under equal opportunities and other legislation. Diversity and openness are an important part of our corporate culture and are actively promoted. For HOCHTIEF, what matters most is teamwork—in line with our internal guiding principles. We encourage employees to emphasize partnership and responsibility. For instance, everyone at HOCHTIEF is called upon to make responsible use of the company's resources.

Transparency and anti-corruption

HOCHTIEF firmly believes in fair competition and transparency in the construction industry. Our consistent anti-corruption policies are reflected, among other things, in membership of Transparency International  going back to 1999. HOCHTIEF is the only German provider of construction services to be a member. The company is also a founder-member of Netzwerk Compliance , a network of German companies aiming to combat unfair business practices. In

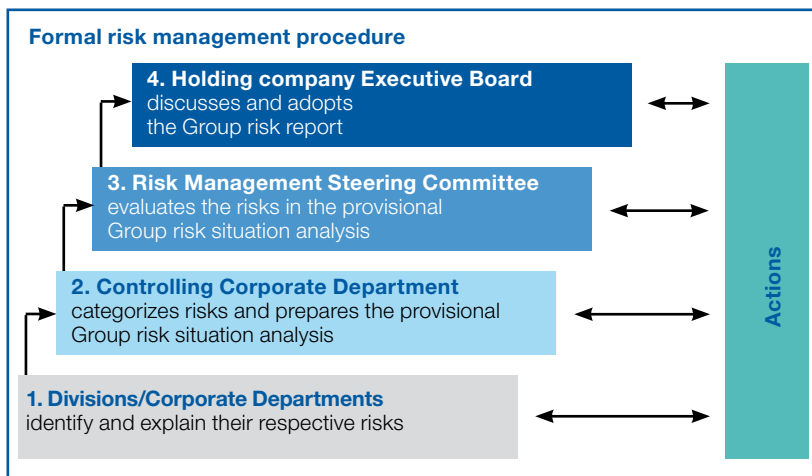
addition, HOCHTIEF is a member of the World Economic Forum's international Partnering Against Corruption Initiative .

We are involved in ongoing policy developments in Berlin through our lobbying and industry associations activities. Our interests are also represented by industry bodies such as the Central Federation of the German Construction Industry (HDB) and the Federation of German Industries (BDI). It is HOCHTIEF policy not to donate to political parties or politicians. We work openly and above-board with all public agencies responsible for our projects.

Sustainable risk management

HOCHTIEF's global business naturally involves risks. But only undetected and hence unmanaged risks pose a real potential threat. Risks include all developments that can negatively impact on the attainment of qualitative and quantitative business goals. Our highly developed risk management system reduces this potential to a minimum through proactive risk control and therefore plays a major part in the company's successful onward development as well as in enhancing our earning power. Risk management at HOCHTIEF encompasses all organizational processes and instruments designed to detect risks at an early stage and to develop and implement suitable countermeasures. Such measures include analyzing projects for health, safety, and environment risks before signing the contract. Investment spending is subjected to careful advance scrutiny and only approved if strict selection criteria are fulfilled. Our Group-wide early warning system is an integral part of our management system and of the planning, control, and reporting system. In this way, we ensure that all material risks are regularly surveyed, assessed, and communicated. Risk management stands and falls with the sensitivity and experience of our workforce. We have therefore created a risk culture at all levels of the organization that is supported by organizational processes, systems, and communications and is constantly being refined and improved.

HOCHTIEF is organizationally well prepared for the contingency of a sudden crisis. Our crisis management and information system lays down key responsibilities and procedures for the event of a crisis. All employees have been provided with the internationally available crisis hotline number, use of which has already been made on several occasions. The process triggered in this way has helped prevent crises and combat them in their early stages. For privacy reasons, the information reported by employees is not published.



HOCHTIEF communicates openly with all stakeholders

Employees
(see page 68 ff.)

Clients
decision makers from business and politics
(see pages 25, 30, 101)

Subcontractors and suppliers
(see pages 90 f., 99 f.)

Government and public agencies
(see pages 41, 100)

Universities and scientific community
(see pages 25, 29 f., 86 ff.)

Investors, shareholders, and analysts
(see pages 13, 29, 102)

School students, undergraduates, and graduates
(see pages 71 f., 86 ff.)

Journalists
(see page 102)

Neighbors and local residents
(see page 89 f.)

Associations, NGOs, and other organizations
(see pages 25, 26, 59, 91, 100)



HOCHTIEF has identified as stakeholders those groups which significantly influence the economic, ecological, and social performance of HOCHTIEF or may do so in the future, as well as those groups which are significantly affected by our Group's economic, ecological, and social performance or may be affected in the future. This was based in particular on our experience from long-standing customer relations, our project business, communications work, and regularly conducted market surveys.

Stakeholder communications and information culture

We also attach great importance to transparency in liaison with stakeholders. We seek goal-oriented dialog with representatives of industry, government, and society, our business partners and investors at local, national, and international level. Our policy of providing open, timely information equips stakeholders to build a picture of the company and reach decisions. In return, this active dialog with stakeholders enables HOCHTIEF to take their requirements, wishes, and expectations on board in its business activities and continue the selective development of our products and services.

The various stakeholder groups naturally differ greatly with regard to issues and perspectives. HOCHTIEF is careful to address the respective challenges discerningly and in context, developing solutions on a case-by-case basis. Stakeholder dialog is therefore an important task within each division and area of responsibility.

Client focus

HOCHTIEF maintains close—at times daily—contact and an open exchange with clients in the context of working with them in person on contracts, in the form of customer events, trade shows, and other trade events, as well as through the “concepts by HOCHTIEF” customer magazine*.

Through its national and international Group companies, HOCHTIEF presents its capabilities to clients at major trade shows and conferences around the world. Trade shows attended in Germany during 2010 included Expo Real for real estate, the Facility Management Exhibition and Congress in Frankfurt, and the Consense International Trade Fair and Congress for Sustainable Building, Investment, Operations and Maintenance. Our US subsidiary Turner exhibited in 2010 at shows such as Greenbuild, the American Association of School Administrators, and the International Conference and Exhibition on Health Facility Planning, Design and Construction. Leighton traditionally has a presence at Coaltrans, the largest meeting of the international coal industry, which will next be staged in Madrid in October 2011. HOCHTIEF experts are also invited to speak and take part in panel discussions at various events. Such events in 2011 include the German real estate industry's Quo Vadis congress and the Deutscher Bautechnik-Tag construction technology congress; an example from 2010 was the Future Proofing Property Forum, an international green building conference in Australia.

We provide clients, business partners, and decision makers in industry with information on current topics and Group projects of interest in our twice-yearly “concepts by HOCHTIEF” customer magazine. The publication has already received several awards. In 2010, “concepts” secured silver in the craft trades, construction and architec-

*For further information, please see www.hochtief.com/concepts.



In dialog: HOCHTIEF presents its capabilities to clients at key trade shows such as the 2010 Expo Real real estate fair in Munich.

ture category of the Best of Corporate Publishing awards—the largest corporate communications competition in Europe.

Since October 2010, the HOCHTIEF website has featured an extra service in the shape of the Client Portal, providing a central overview of the Group's entire service portfolio with direct contact to the relevant units.

To continue refining and improving our products and services, the HOCHTIEF units carry out customer satisfaction surveys as and when the need arises. In 2010, for example, HOCHTIEF Facility Management asked clients across Germany about the working relationship to date. Besides generating positive feedback for employees on the ground, the findings were used to identify action areas, including with ideas for further improving sales and complaints management.

We also conduct regular image surveys to learn more about how HOCHTIEF is perceived in the public eye and hence also by our clients. This enables us to identify development potential in our various areas of activity. The 2010 survey covering 300 opinion formers in Germany showed that HOCHTIEF continues to be the most universally known German construction company and enjoys a very good reputation. Notable factors cited for our good reputation include the Group's tradition and durability, products and services, and trustworthiness. With regard

to sustainability, HOCHTIEF is attributed good growth prospects in green building, energy management, and wind power. A representative survey of 1,000 members of the public once again confirmed that, with both aided and unaided recall, HOCHTIEF is the most widely known company in the industry.

Open exchange with media and analysts

Journalists who cover HOCHTIEF in public through the media are also furnished with regular, timely, and open information—partly on request, but also by way of regularly held events such as the business results and other press conferences, as well as background talks. We make information available to the media as needed.

Likewise for analysts and investors, who can obtain up-to-date information specifically tailored to their needs from our website at any time. Our investor relations team and the Executive Board additionally provide information and answer questions in one-on-one meetings. Regular roadshows, conferences, and conference calls ensure transparency. We explained our strategy in 2010 at 32 roadshows and 19 conferences for investors and analysts. We also regularly take part in dedicated events for small investors. Our General Shareholders' Meeting and business results press conferences have been broadcast live online for many years to keep shareholders fully informed. Our investor relations activities scored well in 2010: In a ranking published by the German Investor Relations Association (DIRK) and Thomson-Reuters-Extel market researchers, HOCHTIEF took seventh place among companies in the MDAX index. Points were assigned for transparency and accuracy in company and Group annual reports, reliability of guidance, plus industry and sectoral knowledge. Our 2009 Annual Report garnered a Platinum award in the annual ranking by the League of American Communications Professionals, a highly regarded American public relations association. This was the third time in succession that HOCHTIEF has secured this prize in the Business Services category.

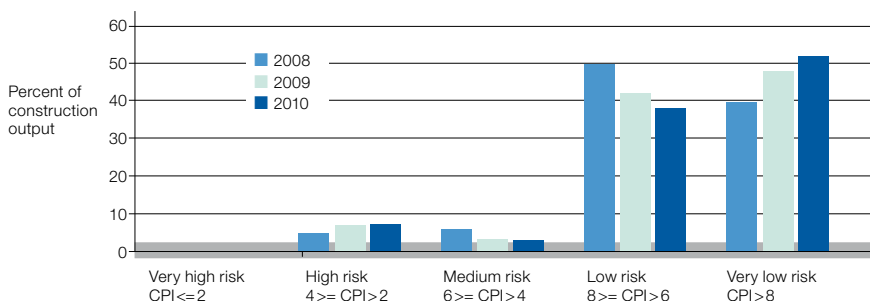
Compliance

Our overarching objective:

We aim to set standards with our principles of conduct.

Goal	Action to 2013	Status June 2011
Promote awareness and application of the HOCHTIEF Code of Conduct	Integrate HOCHTIEF Code of Conduct training module into existing further training units and management seminars	Planning phase
	Expand training programs and add potential compliance risks to training curriculum	Planning phase
	Add UN Global Compact principles to HOCHTIEF Code of Conduct	Revised HOCHTIEF Code of Conduct published in March 2011
	Integrate material regional CR risks into risk-oriented audit planning at Corporate Auditing	Process initiated to integrate regional CR risks
	Implement internal communications strategy on compliance	Strategy drawn up
Demand and encourage sustainability and ethical responsibility in subcontractors and joint venture partners	Integrate Code of Conduct for Business Partners and other CR/compliance issues into prequalification system	Recognition of HOCHTIEF Code of Conduct obligatory for business partners; questionnaire for CR self-disclosure under consultation
	Increase proportion of prequalified and validated subcontractors	2010: 68 percent of procurement value in Europe and Americas divisions prequalified; 2,264 suppliers and subcontractors assessed on performance
	Compile HOCHTIEF Code of Conduct for all business partners	New Code of Conduct for Business Partners published in March 2011
	Introduce self-disclosure on compliance for potential joint venture partners on basis of HOCHTIEF Code of Conduct	In preparation
Extend compliance system	Unify and refine compliance system reporting	New Group compliance directive adopted and published in May 2010

Corruption risk



Measured on Transparency International's Corruption Perception Index (CPI) , HOCHTIEF mostly operates in countries with low or very low corruption risk.

 www.transparency.de

Independent Assurance Report

This unofficial English translation of the German-language Independent Assurance Report has been prepared by HOCHTIEF and is provided for information purposes only.

To HOCHTIEF Aktiengesellschaft, Essen

We have been commissioned with a limited assurance engagement in relation to selected data in the Sustainability Report 2011 prepared by HOCHTIEF Aktiengesellschaft, Essen. In accordance with the terms of our engagement, our examination covered the sections “The Company—Integrated strategy for sustainability” (pages 8–17), “Area 1: Sustainable products and services” (pages 24–37), “Area 2: Active climate protection” (pages 39–53), and the gray boxes on Nordex Forum in the sections “Area 3: Resource protection” (page 56), “Area 4: Attractive working environment” (page 77), “Area 5: Corporate citizenship” (page 88), and “Area 6: Compliance” (page 99).

Executive Board Responsibility

HOCHTIEF Aktiengesellschaft’s Executive Board is responsible for preparation of the Sustainability Report 2011, applying the criteria set out in the G3.1 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI):

- Materiality
- Stakeholder inclusiveness
- Sustainability context
- Completeness
- Balance
- Clarity
- Accuracy
- Timeliness
- Comparability
- Reliability

This responsibility includes selection and use of appropriate methods for preparation of the Sustainability Report, the use of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances, and the design, implementation, and maintenance of systems and processes relevant to preparation of the Sustainability Report.

Practitioner’s Responsibility

Our responsibility is to express a conclusion based on our work as to whether any matters have come to our attention which cause us to believe that the data in the following sections of the Sustainability Report have not been prepared in accordance with the above-mentioned criteria of the GRI G3.1 Sustainability Reporting Guidelines: “The Company—Integrated strategy for sustainability” (pages 8–17), “Area 1: Sustainable products and services” (pages 24–37), “Area 2: Active climate protection” (pages 39–53), and the gray boxes on Nordex Forum in the sections “Area 3: Resource protection” (page 56), “Area 4: Attractive working environment” (page 77), “Area 5: Corporate citizenship” (page 88), and “Area 6: Compliance” (page 99).

We conducted our work in accordance with International Standard on Assurance Engagements (ISAE) 3000. This standard stipulates that we comply with ethical requirements and plan and perform the assurance engagement so as to express our conclusion with limited assurance.

In a limited assurance engagement, the evidence-gathering procedures are more limited than in a reasonable assurance engagement. Therefore, less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner’s judgment. The procedures we followed in the scope of our work included:

- Inspection of the documentation of systems and processes relating to sustainable management.
- Inspection of the documentation of systems and processes for collecting, analyzing, and aggregating sustainability data and random testing thereof.
- Inspection of the IT system used for compilation of sustainability data.
- Discussions with employees of the Corporate Social Responsibility and Corporate Communications units commissioned with preparation of the Report and discussions concerning the analysis of data relating in particular to the thematic areas of building diagnosis, green building, and HOCHTIEF Energy Management.

- Analysis of submitted documents, discussions with sustainability management employees, and random testing to verify sustainability data at The Turner Corporation, Dallas, USA.
- Comparison of the financial key figures listed in the “The Company—Integrated strategy for sustainability” section with the corresponding information in the Company’s 2010 Annual Report.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention which causes us to believe that the data in the sections “The Company—Integrated strategy for sustainability,” “Area 1: Sustainable products and services,” and “Area 2: Active climate protection” or in the gray boxes on Nordex Forum in the Sustainability Report have not been prepared, in all material respects, in accordance with the above-mentioned criteria of the GRI G3.1 Sustainability Reporting Guidelines.

Recommendations

Without qualifying our conclusion above, we make the following recommendations:

- Ongoing development and Group-wide implementation of the CR strategy and its integration into the necessary systems and processes.
- Deeper integration of CR management at subsidiary level and more detailed documentation of related information flows.
- Linking of the CR program with performance indicators and their communication to stakeholders.
- Ongoing development and standardization of processes for compilation, control, and archiving of sustainability data in order to improve data quality, including in light of the new Group structure.

Essen, August 5, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

[Signed] Andreas Bröcher
Wirtschaftsprüfer
(German Public Auditor)

[Signed ppa.] Juliane von Clausbruch

Information on this Sustainability Report

Reporting period

In this Sustainability Report, we have opted to present a relatively brief synopsis of the relevant topics. The report covers the period between October 2009 and June 2011 and follows on from the Sustainability Report published in November 2009. The reporting periods for key figures are stated separately. The next Sustainability Report will appear in 2013. After that we will report annually.

We provide detailed, up-to-date information at all times at www.hochtief.com/sustainability.

Report content and scope

The content of this report has been developed on the basis of internal processes. The relevant information was requested from the operative companies of the Group or originated from official HOCHTIEF documents. The report content has been checked by the staff in charge of the individual issues.

Certain companies in HOCHTIEF's international business portfolio have management systems of their own. This precludes compiling standardized data for the entire Group. We indicate any limits of coverage in this report wherever they apply.

The goals described in this Sustainability Report are based on the assumption that the HOCHTIEF Group will continue to operate in its current form.

Disclaimer

While the data contained in this report has been collected and processed with the greatest possible care, transcription errors cannot be fully excluded.

Implementation of international reporting standards

Principles of the UN Global Compact

HOCHTIEF joined the United Nations Global Compact in 2008. We are consequently actively committed to supporting the Global Compact's ten principles and to advancing them within the Group. We are committed to the respect of human rights, labor standards, and environment protection standards and participate in the fight against corruption.

This Sustainability Report 2011 also serves as our report on progress in implementing the UN Global Compact. HOCHTIEF publishes the required annual Communication of Progress with an overview of specific action on each principle on the Global Compact website, www.unglobalcompact.org.

Guidelines of the Global Reporting Initiative

The HOCHTIEF Sustainability Report 2011 adheres to the current Guidelines (G3.1) of the Global Reporting Initiative (GRI) including the 2010/2011 pilot version of the GRI Construction and Real Estate Sector Supplement (CRESS). Conformity of the information provided with the requirement profiles has been checked by GRI and the report classified as Application Level B+.

For the summary GRI index, please see the back flap on pages 108–110.



GRI External Assurance



Statement GRI Application Level Check

GRI hereby states that **HOCHTIEF** has presented its report "Accountability, Sustainability Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 29 August 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint, light-blue circular watermark that serves as a background for the entire statement.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because HOCHTIEF has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 15 August 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

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CoC: Code of Conduct, AR: Annual Report 2010, NA: not applicable, CP: www.hochtief.com/clientportal, GC: www.hochtief.com/corporate-governance, HT: www.hochtief.com/riskmanagement

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For further information on our commitment to sustainability, please see www.hochtief.com/sustainability

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