

Press information

HOCHTIEF enters geothermal energy market

Company to plan, finance, build and operate first entirely privately financed power plant in Germany - Further locations planned

HOCHTIEF is to realize the first geothermal energy plant in Germany financed entirely by private enterprise. Together with partners, it will plan, finance, build and operate a five-megawatt facility with an investment volume of around EUR 35 million at Dürrnhaar in Bavaria. For this purpose, a company called Süddeutsche Geothermie-Projekte GmbH & Co. KG (SGG) has been set up, in which HOCHTIEF holds 40 percent of the shares. Its partners are Renerco AG (30 percent) and SachsenFonds (30 percent). The founding of this company is subject to approval by the relevant cartel authority.

For HOCHTIEF, this means entry into an innovative new business field. In the future, geothermal energy will play a very important role in power generation. Theoretically, geothermal energy plants could cover Germany's annual electricity consumption 600 times over. At present, suppliers such as SGG receive payment at a level fixed by statute for feeding energy into the grid. This ensures plannable regular revenues. The possibility of increasing the scale of payments for electricity obtained from geothermal energy plants is currently under discussion. SGG also intends to use the hot water tapped in the earth's crust for combined heating and power and provide heat to households and industrial users in the vicinity of the power plants.

By constructing the facility in Bavaria, HOCHTIEF is positioning itself in good time for the growing geothermal energy market. With its partners, the company plans to build and operate further power plants of this kind, each with an output of four to five megawatts in the South German Molasse basin, where SGG already has the necessary permits. These projects will involve the close networking of the competencies of various HOCHTIEF subsidiaries. HOCHTIEF PPP Solutions is project developer and investor. Another subsidiary, Streif Baulogistik, is investing in a 52-meter tall drilling apparatus, which it has developed jointly with the firm of Herrenknecht. HOCHTIEF Construction will be responsible for building the power plants and drilling the boreholes, which are up to 5,000 meters deep.

HOCHTIEF will initially focus on the growth market of geothermal energy in Germany, but international expansion is also already being considered. In addition to the business aspect,

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one factor which the company regards as important is the active contribution to protecting the climate. Geothermal energy power plants reduce the emission of carbon dioxide and - unlike other renewable forms of energy - produce electricity the whole year round. Thanks to this basic load capability, this alternative technology can replace conventional power stations. For years, HOCHTIEF has been an active champion of environmental sustainability and relieving the strain on natural resources.

HOCHTIEF is one of the leading international providers of construction-related services. With almost 47,000 employees and a sales volume of EUR 15.51 billion in FY 2006, the company is represented in all the world's major markets. In the USA, the biggest construction market in the world, HOCHTIEF is the No. 1 general builder via its subsidiary Turner. With its Group company Leighton, HOCHTIEF is market leader in Australia. The HOCHTIEF service offering in the fields of development, construction, services, concessions and operation covers the entire value chain of construction. Further information is available at www.hochtief.com/press.

RENERCO AG, Munich, is an all-round service provider in the field of renewable energy. The focus of the company's business activity in Germany and Europe is the development, project planning and turnkey construction of facilities for utilizing renewable energies. In addition, RENERCO AG has selected shareholdings in wind and hydroelectric power plants and in photovoltaic facilities in several European countries. In the field of geothermal energy, RENERCO has been active in the South German Molasse basin since 2004 and has developed initial locations to the point where drilling can commence. Further information is available at www.renerco.de.

The SachsenFonds Group, based in Haar near Munich, is a financial services provider with a wide spectrum of offerings in the field of structured capital investment. Its focus is on the conceptual design, placement and administration of closed-end retail funds and funds for institutional investors and the assumption of asset management functions. The company's attractive range of products includes domestic and international real estate funds, product leasing funds, renewable energy funds, private equity funds and special-purpose funds for private investors, and property funds for institutional investors.

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