

## Press information

# HOCHTIEF wins ideas contest on optimizing military properties

**Essen-based service provider develops PPP model for 140 Bundeswehr locations/Savings potential totals EUR 600 million**

### CORPORATE COMMUNICATIONS

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A German Ministry of Defense company, Gesellschaft für Entwicklung, Beschaffung und Betrieb mbH (g.e.b.b.), has awarded HOCHTIEF first prize in a nationwide contest on ideas for operating bases for the German armed forces. The contest was aimed at optimizing real estate management in order to create financial scope for the modernization of 140 properties owned by the Bundeswehr. On the g.e.b.b. side, the project was initiated by the company's Managing Director Dr. Martin Rüttler and Peter Praum, head of the Planning, Construction and Operation business segment. The locations selected for the contest account for about ten percent of the operating costs of Defense Ministry properties - around EUR 150 million a year.

The concept put forward by the Essen-based service provider will make it possible to modernize the properties and reduce the operating costs by 30 percent. Over a contractual period of 15 years, this represents a total of EUR 600 million. HOCHTIEF would achieve this by means of a public-private partnership (PPP) model on the basis of a concept for integrated facility management. The contract would involve a volume of more than EUR 2 billion, Germany's biggest ever PPP project.

The HOCHTIEF proposal involves a cooperation model between the Essen-based company as private partner and the Defense Ministry. As in other proven PPP models, the requisite investment for the military bases would be privately financed. In addition to modernization of the properties, the project would involve optimizing the management processes by deploying structured facility management, for instance in the field of energy. The Defense Ministry would retain ownership of the properties and also the sole right to use them.

In other countries, HOCHTIEF already applies its real estate and operational know-how in the field of national defense. The company's Australian subsidiary Leighton Holdings Limited, for instance, was recently commissioned by the Australian Department of Defense to extend and modernize the Lavarack Barracks on the basis of a PPP contract. That contract has a volume of around EUR 130 million. The goal of the measures is to adapt the base to growing requirements and thus generate cost and efficiency gains.

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 real estate, facilities and infrastructure projects. Further information is available at [www.hochtief.com/press](http://www.hochtief.com/press).

HOCHTIEF Facility Management is a leading vendor of integrated facility management solutions in Europe. With around 4,500 employees, the company provides services in such business segments as Automotive, Chemical/Pharmaceutical Industries, Electronics/Semiconductors, Financial Service Providers/Real Estate Investors, Airports/Aviation, Healthcare, Sports Facilities and Energy. The solutions offered by HOCHTIEF Facility Management go far beyond the traditional concept of FM. The company takes an end-to-end view of buildings, the land they stand on, and the relevant plants and processes. For more information on what HOCHTIEF Facility Management has to offer please go to [www.hochtief-facilitymanagement.com](http://www.hochtief-facilitymanagement.com).

HOCHTIEF PPP Solutions GmbH is the HOCHTIEF Group's competence center for public-private partnership (PPP) projects in Europe and South America. The company focuses on the market segments of toll roads/traffic infrastructure and public-sector building construction/social infrastructure. For the privately financed realization of public infrastructure projects, HOCHTIEF PPP Solutions offers all services from a single source - from planning and design through to financing, construction/refurbishment and operation. The company is currently involved in a total of 18 PPP projects representing an investment volume of almost EUR 3 billion. In the segment of public-sector building construction, HOCHTIEF PPP Solutions is one of the market leaders in Germany. Further information is available at [www.hochtief-pppsolutions.com](http://www.hochtief-pppsolutions.com).

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