

# HOCHTIEF – building value on sound foundations



Analysts' and Investors' Conference  
Half year results 2003  
Düsseldorf, 26 August 2003

Dr. Hans-Peter Keitel, CEO  
Dr. Hans-Georg Vater, CFO

Half year results 2003: Strategy and Outlook  
Dr. Hans-Peter Keitel, CEO

## Highlights first half 2003

- **Key goal for 06/'03 reached: HT Europe EBT positive** in Q2/'03
    - > Deep **restructuring** proven to be the **right way**
    - > **Returning to profitability** despite the shrinking German market
  - **Group operating earnings** up by 19% to EUR 120m
  - **Group net income** positive in Q2/'03 with EUR 9m
    - > despite risk provision for special funds (Q2: EUR 15m)
    - > despite negative currency impact
- > We deliver. We are on track for value increase!**

## Value increase

**Two strong pillars** for our future value increase:

-> **International focus (I)**



-> **History**

- Highly dependent on German market

-> **Our answer**

- 18% in “home” market (of total work done)
- 82% in strong international markets
- Far reaching restructuring of German business
- Based on three strong regions:
  - > **U.S.**
  - > **Asia Pacific**
  - > **Europe**

-> **Services orientation (II)**



-> **History**

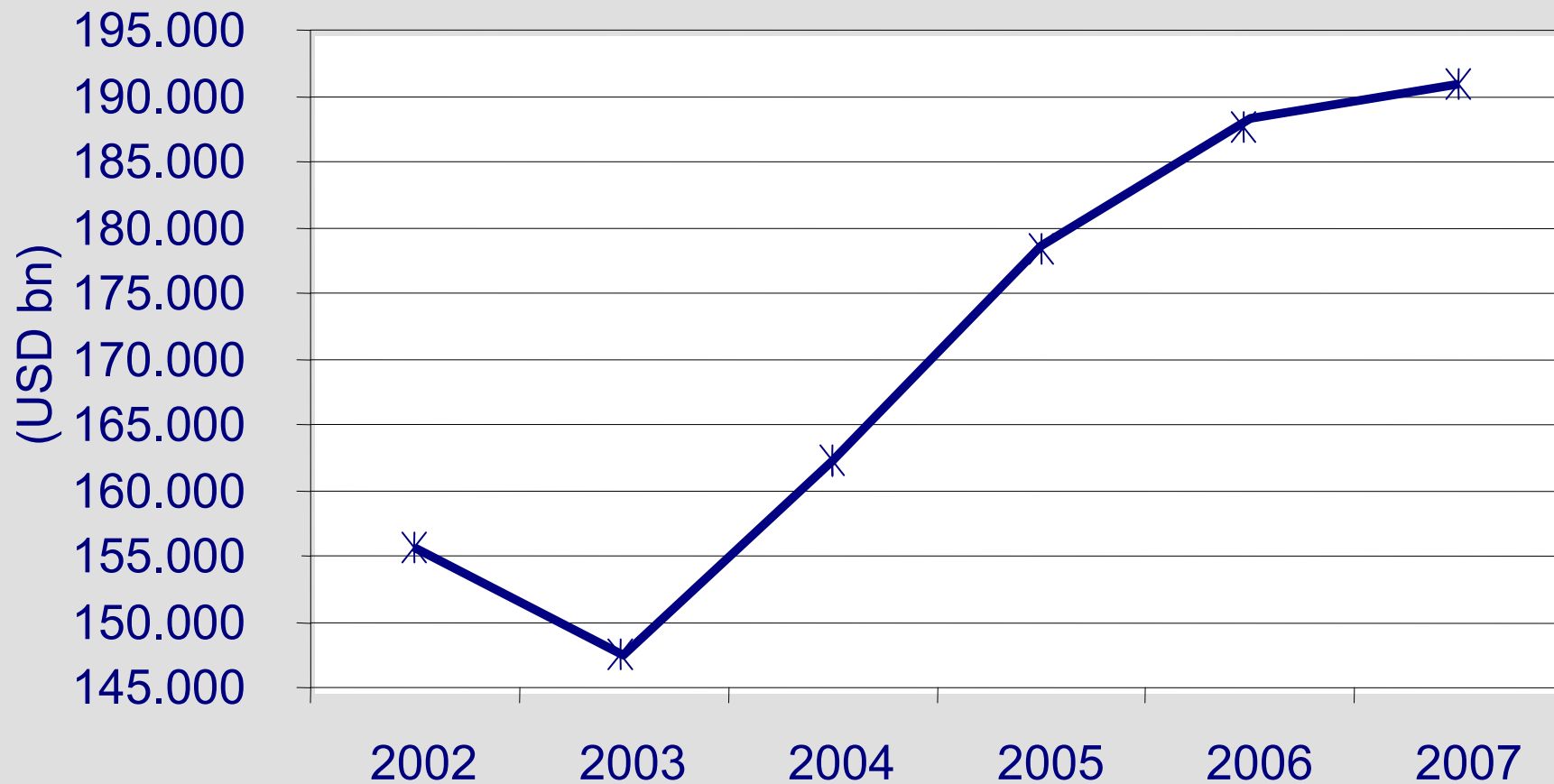
- Cyclical construction business

-> **Our answer**

- **New market segments** with stable income streams -> HT **Airport**
- **Construction related Services**
  - > HT **Development** (PPP, BOT, project development, Facility Management)
  - > Construction Management
- > Services add to 29% of HOCHTIEF's business

## Ad (I): International focus: U.S.

- Total U.S. **available market**<sup>1</sup> 2002 to 2007: +22%



Source: F.W. Dodge, 1st Quarter 2003

<sup>1</sup> Market segments in which Turner is active

## Ad (I): International focus: U.S.

- **The “new” Turner** as a response to changing markets:

**“Adapt innovations and tools to set Turner apart from the rest.”**

### From

Single segment focused

Geographically focused organization

Construction activities

Core segment: office buildings



### To

Multi segment focused

Matrix organization reflecting geographic and segment focus

Additional elements related to construction (Turner Casualty & Security, Logistics, Facility Management, Turner Talk, Turner Knowledge Network, Homeland Security)

Healthcare, education, aviation

## Ad (I): International focus: Asia Pacific

- **Australia's market is booming** for the next 3 to 4 years because of significant investments in infrastructure
- Major **Asian** countries **recovered** from crisis

### Challenges

Large heavy industry projects focused on resources sector



Huge state government transport initiatives



Positive outlook for Asia, but prospect varies by country



### Leighton's answer

Emphasized penetration of the resources sector (EPC projects) (Thiess, Leighton Contractors)

Increased focus rail/road infrastructure (BOT projects) (J. Holland, Thiess, Leight. Asia, Leight. Contractors)

Increased local focus through Leighton Asia Northern and Leighton Asia Southern (Indonesia: resources, Hong Kong/Philippines: large construction projects, Malaysia: transport infrastructure)

## Ad (I): International focus: Europe

- **German** construction market **bottoming out**, **growth** prospects in **future EU** countries
- **HOCHTIEF Europe: not waiting** for market recovery **but acting** through changed marketing efforts

### From

Reactive market penetration

Large client base

Nation-wide spread

"Everybody does everything"

Focus on Germany



### To

Fast market penetration through bundling of knowhow (segment specialist: healthcare, sports, logistics)

Selected project partners and strict risk management

Focus on core regions/metropolises

Competence centers (tunnels, bridges, water mgmt., shopping centers, high rise buildings)

On time evaluation of future EU markets; International complex projects: building (Europe), civil (world-wide)

## Ad (II): Services orientation: Airport

- Expected **growth**<sup>1</sup>: PAX +3.4% p.a., freight volume +4.4% p.a.
- Present and planned programs for **capacity increase** at world-wide airports of EUR 500bn
- **HOCHTIEF Airport** implements respective structures to meet **changed market needs**

### From

Provider of airport infrastructure

Monopolistic markets

Provision of airport related services

"Do-it-all-yourself"-principle



### To

Pro-active service provider with commercial orientation

Opportunities for private enterprises in liberalized markets

Opening up new revenue sources and serving new clients

"Stewardship-/Landlord" principle: Assuring service quality rather than providing it

<sup>1</sup> 2002/2020, ACI report April 2003

## Ad (II): Services orientation: Development

- Continuous demand for **hand tailored** development **projects** in a shrinking market environment -> **opportunities for** strong developers like **HT Development**
- Restructuring and maintenance of roads & public buildings -> start **PPP** projects
- **Outsourcing** trend to Facility Management
- **HOCHTIEF Development's answer** to meet market challenges

### From

Office buildings as "the" core product with focus on the German market

Few PPP projects in Europe in particular in the building sector

Broad spectrum of general Facility Management services with focus on Germany

### To

More focus on education and healthcare and further internationalization

Active role in Europe's future PPP market

Specialized market segment knowledge (banks, industry focus) and selected European expansion

## Ad (II): Services orientation: “Construction units”

### Europe:

- > Consulting
- > Project development (<EUR 10m)
- > Logistics
- > PPP
- > PreFair

### U.S.:

- > Logistics
- > Casualty & Surety
- > Turner Knowledge Network
- > Project Management Systems
- > Turner Homeland Security

### Asia Pacific:

- > Contract mining (Australia, Indonesia)
- > Real estate development (strategic partnership)
- > Environmental
- > New O&M division (Operations&maintenance)

**-> Our approach means lower risk and more stable cash flows**

## Outlook 2003

- **Airport:** **Slight increase** in operating earnings
- **Development:** **Slight decrease** in operating earnings (adjusted for Monachia)
- **Americas:** **Slight decrease** in operating earnings on a high level (neg. currency impact)
- **Asia Pacific:** **Slight increase** in operating earnings on a high level
- **Europe:** **Expected to break even**

### Group:

Scenario 1: stable exchange rates:

-> **Increase** in **new orders** and **sales**

Scenario 2: negative currency impact:

-> **New orders** and **sales** on **previous year's level**

**Strong improvement on the operational level**, therefore:

-> **Operating earnings** and **EBT** above previous year's level (despite 2002 Monachia)



Half year results 2003: Financials  
Dr. Hans-Georg Vater, CFO

## Results first half year 2003

- **New orders** of EUR 6.7bn (-19%)
  - Adjusted for currency impacts: -8%
  - Domestic: +16%
  - International: -24%
  
- **Order backlog** of more than EUR 15bn (+1.3%)
  
- **Operating earnings** of EUR 120m (+19%)
  - Increase due to good operating performance of HT Europe and HT Airport
  - Comparison to previous year's figures difficult:
    - 2002: contribution of tax free Monachia sale (EUR 57m)
    - 2003: negative impact of currency rates (2003: -EUR 11m Turner and Leighton)
  
- **Earnings before tax** of EUR 70m (-21%)
  - 2003 figures include EUR 30m risk provision for special funds with a cautious view to potential development of financial markets
  
- **Net income** of EUR -7m (-109%)
  - Q2/'03 positive with EUR 9m
  - No recognition of deferred taxes in income

## First half year figures 2003

| (EUR m)                          | <b>Jan-Jun<br/>2003</b> | Jan-Jun<br>2002 | % change |  |
|----------------------------------|-------------------------|-----------------|----------|--|
| New orders                       | <b>6,678</b>            | 8,284           | -19      | <b>Sales:</b> adjusted for currency impact: +1.6%  |
| Work done                        | <b>5,553</b>            | 6,221           | -11      | <b>Operating earnings:</b> strong increase due to Airport and Europe contributions   |
| Order backlog                    | <b>15,094</b>           | 14,905          | +1       |  |
| Sales                            | <b>5,352</b>            | 5,957           | -10      | <b>Net income:</b><br>• <b>2002</b> included<br>- EUR 57m net contribution from Monachia<br>- EUR 60m deferred tax income (risk provision and loss carry forwards)<br>- Ballast Nedam (-EUR 25m)<br><br>• <b>2003</b> includes:<br>- Risk provision for special funds (-EUR 30m) |
| EBITDA                           | <b>222</b>              | 227             | -2       |  |
| Operating earnings (=EBITA)      | <b>120</b>              | 101             | +19      |  |
| EBT                              | <b>70</b>               | 89              | -21      |  |
| Income taxes                     | <b>39</b>               | -26             | +250     |  |
| EAT                              | <b>31</b>               | 115             | -73      |  |
| Minority shareholders' interests | <b>39</b>               | 34              | +15      |  |
| Net income                       | <b>-7</b>               | 81              | -109     |  |
| CAPEX                            | <b>192</b>              | 285             | -33      |  |
| Employees (as of 30 June)        | <b>34,760</b>           | 33,398          | +4       |  |

## Airport

| (EUR m)                       | <b>Jan-Jun<br/>2003</b> | Jan-Jun<br>2002 | % change |
|-------------------------------|-------------------------|-----------------|----------|
| New orders                    | <b>1.0</b>              | 3.4             | -71      |
| Work done                     | <b>1.0</b>              | 3.4             | -71      |
| Sales                         | <b>1.0</b>              | 0.8             | +25      |
| EBITDA                        | <b>21.2</b>             | 1.2             | +1667    |
| EBITDA margin (%)             | <b>n.a.</b>             | n.a.            | n.a.     |
| Operating earnings (=EBITA)   | <b>21.1</b>             | 1.2             | +1658    |
| Operating earnings margin (%) | <b>n.a.</b>             | n.a.            | n.a.     |
| Earnings before tax           | <b>5.4</b>              | -9.0            | +160     |
| Net income                    | <b>4.4</b>              | -6.9            | +164     |
| Cash flow                     | <b>-2.7</b>             | -4.5            | +40      |
| CAPEX                         | <b>1</b>                | 94              | -99      |
| Employees (as of 30 June)     | <b>58</b>               | 59              | -2       |

### Key drivers:

- New orders/work done: 2002 figures include internal service fees
- EBITDA/op. earnings: strong increase:
  - High earnings at Düsseldorf Airport including released reserve
  - Payment Berlin Airport project
  - Dividends: Sydney EUR 4.7m
- EBT: impact of financing costs for acquisitions
- CAPEX: 2002 figures include 4% stake increase in Hamburg Airport (EUR 31m) and Sydney Airport (EUR 61m)

### Outlook:

- World-wide PAX recovery after Iraq and SARS
- Operating earnings '03 at least on '02 level

## Development

| (EUR m)                       | <b>Jan-Jun<br/>2003</b> | Jan-Jun<br>2002 | % change |
|-------------------------------|-------------------------|-----------------|----------|
| New orders                    | <b>199</b>              | 331             | -40      |
| Work done                     | <b>259</b>              | 193             | +34      |
| Order backlog                 | <b>787</b>              | 769             | +2       |
| Sales                         | <b>243</b>              | 180             | +35      |
| EBITDA                        | <b>22</b>               | 65              | -66      |
| EBITDA margin (%)             | <b>9.1</b>              | 36.1            | -75      |
| Operating earnings (=EBITA)   | <b>17</b>               | 58              | -71      |
| Operating earnings margin (%) | <b>7.0</b>              | 32.2            | -78      |
| Earnings before tax           | <b>11</b>               | 56              | -80      |
| Net income                    | <b>4</b>                | 94              | -96      |
| Cash flow                     | <b>-2</b>               | 55              | -104     |
| CAPEX                         | <b>3</b>                | 20              | -85      |
| Employees (as of 30 June)     | <b>1,141</b>            | 653             | +75      |

### Key drivers:

- New orders: cautious approach because of weakening real estate and property development market
- Work done/sales: major projects: Westsite Munich, district town hall and office building Cologne, first construction phase office building Düsseldorf (total: EUR 135m); further expansion of Facility Management activities
- EBITDA/op. earnings: 2002 figures include EUR 57m net contribution from Monachia
- CAPEX: 2002 figures included Gruga office park (EUR 13m)

### Outlook:

- Operating earnings '03 expected to be slightly below previous year's level (adjusted for Monachia)

## Construction Services Americas

| (EUR m)                       | <b>Jan-Jun<br/>2003</b> | Jan-Jun<br>2002 | % change |
|-------------------------------|-------------------------|-----------------|----------|
| New orders                    | <b>3,384</b>            | 4,668           | -28      |
| Work done                     | <b>2,726</b>            | 3,314           | -18      |
| Order backlog                 | <b>5,897</b>            | 6,594           | -11      |
| Sales                         | <b>2,674</b>            | 3,151           | -15      |
| EBITDA                        | <b>37</b>               | 58              | -36      |
| EBITDA margin (%)             | <b>1.4</b>              | 1.8             | -22      |
| Operating earnings (=EBITA)   | <b>28</b>               | 46              | -39      |
| Operating earnings margin (%) | <b>1.0</b>              | 1.5             | -33      |
| Earnings before tax           | <b>15</b>               | 26              | -42      |
| Net income                    | <b>7</b>                | 14              | -50      |
| Cash flow                     | <b>17</b>               | 29              | -41      |
| CAPEX                         | <b>6</b>                | 13              | -54      |
| Employees (as of 30 June)     | <b>7,683</b>            | 6,017           | +28      |

### Key drivers:

- New orders: unstable market and currency impact (Turner '03 in USD 3.7bn, -10%); attractive projects in the healthcare and research growth markets: Buffalo Life Science Complex EUR 76m, Research and Education Institute Northern California EUR 81m
- Sales: decrease solely due to currency impact (Turner '03 in USD 2.9bn, +4%)
- EBITDA/op. earnings: currency impact (EUR 5m) and higher pension provision (EUR 10m) burden earnings and margins

### Outlook:

- Strong position in education & healthcare
- Currency impact and higher cost for pension plan will most probably lead to slightly lower contribution compared to '02

## Construction Services Asia Pacific

| (EUR m)                       | <b>Jan-Jun<br/>2003</b> | Jan-Jun<br>2002 | % change |
|-------------------------------|-------------------------|-----------------|----------|
| New orders                    | <b>1,857</b>            | 1,841           | +1       |
| Work done                     | <b>1,343</b>            | 1,602           | -16      |
| Order backlog                 | <b>5,468</b>            | 4,520           | +21      |
| Sales                         | <b>1,431</b>            | 1,643           | -13      |
| EBITDA                        | <b>160</b>              | 177             | -10      |
| EBITDA margin (%)             | <b>11.2</b>             | 10.8            | +4       |
| Operating earnings (=EBITA)   | <b>87</b>               | 81              | +7       |
| Operating earnings margin (%) | <b>6.1</b>              | 4.9             | +24      |
| Earnings before tax           | <b>84</b>               | 77              | +9       |
| Net income                    | <b>26</b>               | 28              | -7       |
| Cash flow                     | <b>129</b>              | 151             | -15      |
| CAPEX                         | <b>162</b>              | 141             | +15      |
| Employees (as of 30 June)     | <b>15,431</b>           | 15,431          | 0        |

### Key drivers:

- New orders: several big projects already in Q1/'03; follow-up order for bottling plant (AUD 115m); currency impact (Leighton '03 in AUD 3.3bn, +7%);
- Work done/sales: decrease due to currency impact (-EUR 88m) and lower Asian contribution
- Operating earnings: disposal of assets (Star Casino); write down of NextGen; lower depreciation figures

### Outlook:

- Expecting further public Australian infrastructure projects for H2/'03 (mainly road and railway)
- Due to strong order situation operating earnings expected to be remarkably above previous year's level

## Construction Services Europe

| (EUR m)                       | <b>Jan-Jun<br/>2003</b> | Jan-Jun<br>2002 | % change |
|-------------------------------|-------------------------|-----------------|----------|
| New orders                    | <b>1,205</b>            | 1,403           | -14      |
| Work done                     | <b>1,191</b>            | 1,070           | +11      |
| Order backlog                 | <b>2,943</b>            | 3,022           | -3       |
| Sales                         | <b>967</b>              | 939             | +3       |
| EBITDA                        | <b>-3</b>               | -34             | +91      |
| EBITDA margin (%)             | <b>n.a.</b>             | n.a.            | n.a.     |
| Operating earnings (=EBITA)   | <b>-17</b>              | -46             | +63      |
| Operating earnings margin (%) | <b>n.a.</b>             | n.a.            | n.a.     |
| Earnings before tax           | <b>-11</b>              | -43             | +74      |
| Net income                    | <b>-9</b>               | -26             | +65      |
| Cash flow                     | <b>7</b>                | -12             | +158     |
| CAPEX                         | <b>18</b>               | 14              | +29      |
| Employees (as of 30 June)     | <b>10,120</b>           | 10,921          | -7       |

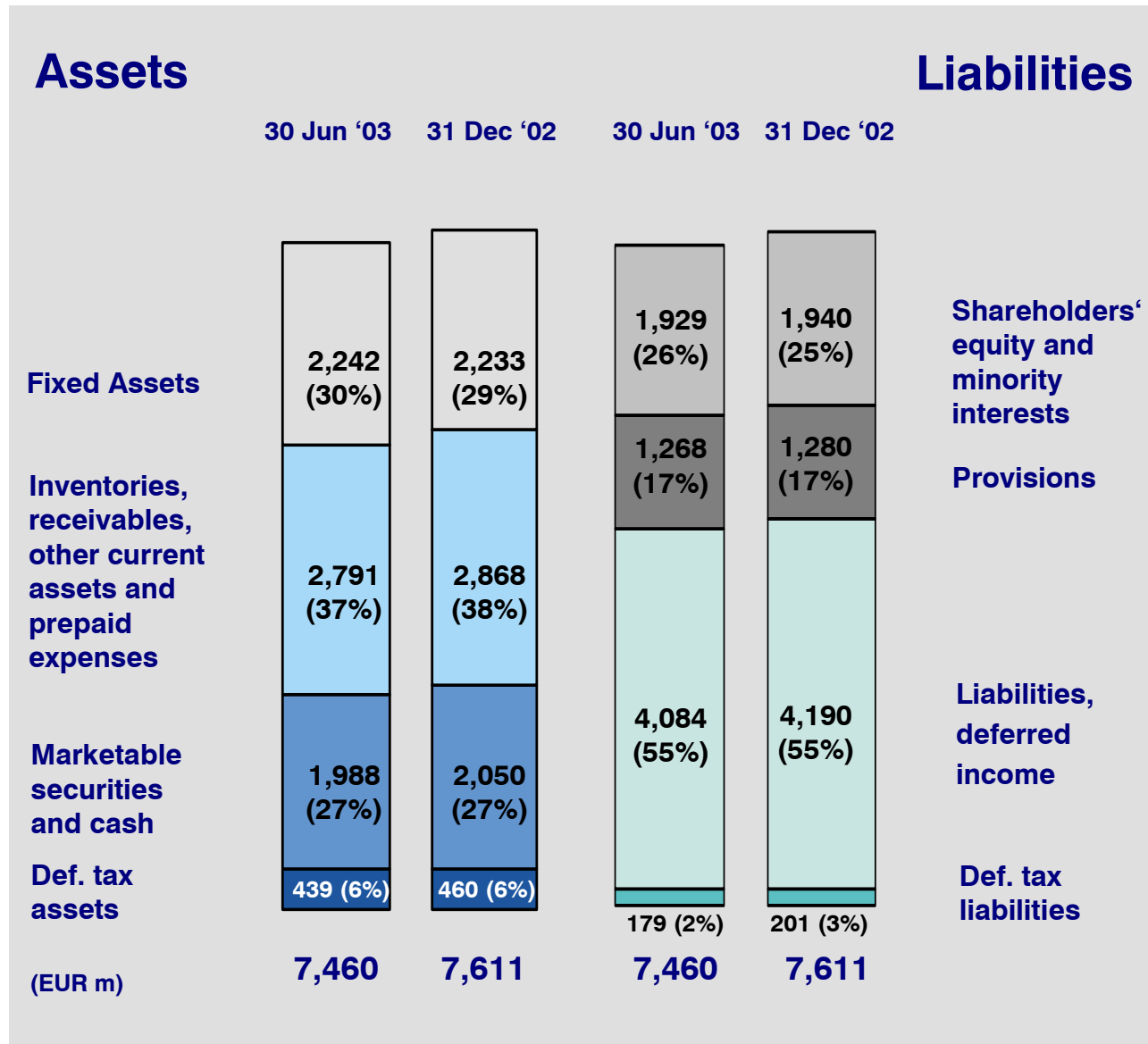
### Key drivers:

- New orders: selective order intake; successful in specific market segments (healthcare, logistics); successful marketing of PreFair concept (volume: EUR 520m)
- Operating earnings:
  - Positive earnings on project level in Q1 and Q2 2003
  - Restructuring costs of EUR 8m (H1/'03)
  - Budgeted amount for uncovered fix costs

### Outlook:

- Development so far proves to reach the expected break-even on EBT level in 2003

# Consolidated balance sheet



## Key drivers

- Negative impact of exchange rates (in particular EUR/USD) leads to a decrease of EUR 150m in total balance volume
- Marketable securities and cash: decrease due to exchange rates impact and disposal of bonds
- Shareholders' equity:
  - Dividends to HOCHTIEF shareholders (EUR 35m) and to minority shareholders (EUR 13m)
  - Change in OCI +EUR 6m (-EUR 4m currency impact, +EUR 10m IAS 39)
  - Half year earnings (EUR 31m)

## Cash flow

(EUR m)

|  | <b>Jan-Jun<br/>2003</b> | Jan-Jun<br>2002 | % change |
|--|-------------------------|-----------------|----------|
| <b>Cash flow</b>   | <b>131</b>              | 210             | -38      |
| Net cash used in/provided by operating activities        | <b>59</b>               | 249             | -76      |
| Net cash used in/provided by investing activities        | <b>52</b>               | -308            | +117     |
| Net cash used in/provided by financing activities        | <b>-34</b>              | -7              | -386     |
| <b>Net change in cash and cash equivalents</b>           | <b>77</b>               | -66             | +217     |
| Cash and cash equivalents at the beginning of the period | <b>686</b>              | 801             | -14      |
| <b>Cash and cash equivalents at end of period</b>        | <b>763</b>              | 735             | +4       |
| <b>Free Cash flow</b>                                    | <b>-31</b>              | -11             | -182     |

### Key drivers:

- Cash flow:
  - 2002 figure includes EUR 57m net Monachia effect
  - Currency impact in 2003 figure: Turner (-EUR 5m), Leighton (-EUR 8m)
- Operating activities: decrease due to significant lower '03 cash flow (s. above) and changes in trade receivables/trade payables
- Investing activities:
  - Property, plant, equipment, financial assets: -EUR 192m
  - Changes in marketable securities in current assets: +EUR 132m
  - Divestitures: +EUR 102m
  - Other financial assets: +EUR 10m

2002 dominated by Hamburg airport (EUR 31m) and Sydney airport (EUR 61m) acquisition
- Financing activities:
  - Lower net borrowings in 2003 compared to previous year's period

**- Appendix -**

## Breakdown Airport

| Jan-Jun              | Passengers (m) |       |        | Air traffic movements |        |        | Aviation      |        |         | Sales (EUR m) |        |        | Total         |        |          |
|----------------------|----------------|-------|--------|-----------------------|--------|--------|---------------|--------|---------|---------------|--------|--------|---------------|--------|----------|
|                      | 2003           | 2002  | change | 2003                  | 2002   | change | 2003          | 2002   | change  | 2003          | 2002   | change | 2003          | 2002   | % change |
| Düsseldorf           | <b>6,48</b>    | 6,63  | -2,3%  | <b>90,04</b>          | 90,67  | -0,7%  | <b>91,58</b>  | 75,28  | +21,7%  | <b>43,56</b>  | 42,58  | +2,3%  | <b>135,14</b> | 117,86 | +14,7%   |
| Hamburg              | <b>4,49</b>    | 4,18  | +7,4%  | <b>72,49</b>          | 73,65  | -1,6%  | <b>57,14</b>  | 58,31  | -2,0%   | <b>27,32</b>  | 26,51  | +3,1%  | <b>84,46</b>  | 84,82  | -0,4%    |
| Athens               | <b>5,38</b>    | 5,30  | +1,5%  | <b>72,26</b>          | 72,72  | -0,6%  | <b>76,80</b>  | 72,90  | +5,3%   | <b>50,50</b>  | 48,90  | +3,3%  | <b>127,30</b> | 121,80 | +4,5%    |
| Sydney* <sup>1</sup> | <b>11,55</b>   | 11,49 | +0,5%  | <b>124,30</b>         | 125,30 | -0,8%  | <b>86,35</b>  | 27,95  | +208,9% | <b>112,60</b> | 115,89 | -2,8%  | <b>198,95</b> | 143,84 | +38,3%   |
| Total                | <b>27,90</b>   | 27,60 | +1,1%  | <b>359,09</b>         | 362,34 | -0,9%  | <b>311,87</b> | 234,44 | +33,0%  | <b>233,98</b> | 233,88 | +0,0%  | <b>545,85</b> | 468,32 | +16,6%   |

| Jan-Jun                  | EBITDA (EUR m) |        |         | EBIT (EUR m)* <sup>2</sup> |       |         |
|--------------------------|----------------|--------|---------|----------------------------|-------|---------|
|                          | 2003           | 2002   | change  | 2003                       | 2002  | change  |
| Düsseldorf* <sup>3</sup> | <b>104,35</b>  | 51,57  | +102,3% | <b>71,48</b>               | 20,74 | +244,6% |
| Hamburg                  | <b>15,27</b>   | 23,31  | -34,5%  | <b>6,47</b>                | 14,01 | -53,8%  |
| Athens                   | <b>77,10</b>   | 75,70  | +1,8%   | <b>38,10</b>               | 37,60 | +1,3%   |
| Sydney* <sup>1</sup>     | <b>128,75</b>  | 57,82  | +122,7% | <b>92,06</b>               | 25,10 | +266,8% |
| Total                    | <b>325,47</b>  | 208,40 | +56,2%  | <b>208,11</b>              | 97,45 | +113,6% |

\*<sup>1</sup> Fiscal year at Sydney Airport runs from 1 July to 30 June.

\*<sup>2</sup> No goodwill amortization at the airports themselves, therefore EBIT=EBITA (op. earnings).

\*<sup>3</sup> Sale and lease back of parking facilities (volume EUR 60m) in 2003.

Airport figures are incorporated in the divisional figures of HOCHTIEF Airport with a time lapse of one year. Above tables represent 100% (not only HOCHTIEF stake).

## Breakdown Development

| (EUR m)        | New orders |            |               | Sales      |               |            | EBITDA        |           |               | Op. earnings |               |            |
|----------------|------------|------------|---------------|------------|---------------|------------|---------------|-----------|---------------|--------------|---------------|------------|
|                | Jan-Jun    | 2003       | 2002 % change | 2003       | 2002 % change | 2003       | 2002 % change | 2003      | 2002 % change | 2003         | 2002 % change |            |
| Infrastructure | 1          | <1         | n.a.          | 1          | <1            | n.a.       | 2             | -1        | +300          | 2            | -1            | +300       |
| Real estate    | 122        | 163        | -25           | 172        | 140           | +23        | 5             | -4        | +225          | 4            | -5            | +180       |
| Facility Mgmt  | 34         | 17         | +100          | 32         | 16            | +100       | 1             | <1        | n.a.          | 1            | <1            | n.a.       |
| Asset Mgmt.    | 25         | 135        | -81           | 32         | 26            | +23        | 9             | 9         | +0            | 5            | 4             | +25        |
| Others         | 17         | 15         | +13           | 18         | 5             | +260       | 11            | 64        | -83           | 8            | 61            | -87        |
| <b>Total</b>   | <b>199</b> | <b>331</b> | <b>-40</b>    | <b>243</b> | <b>180</b>    | <b>+35</b> | <b>22</b>     | <b>65</b> | <b>-66</b>    | <b>17</b>    | <b>58</b>     | <b>-71</b> |

## Breakdown Construction Services Americas

| (EUR m)   | New orders |       |          | Sales |       |          | EBITDA |      |          | Op. earnings |      |          |
|-----------|------------|-------|----------|-------|-------|----------|--------|------|----------|--------------|------|----------|
|           | 2003       | 2002  | % change | 2003  | 2002  | % change | 2003   | 2002 | % change | 2003         | 2002 | % change |
| Jan-Jun   | 2003       | 2002  | % change | 2003  | 2002  | % change | 2003   | 2002 | % change | 2003         | 2002 | % change |
| Turner    | 3,358      | 4,570 | -27      | 2,649 | 3,128 | -15      | 35     | 56   | -37      | 27           | 44   | -39      |
| Aecon     | -          | -     | -        | -     | -     | -        | 1      | 2    | -50      | 1            | 2    | -50      |
| Kitchell  | -          | -     | -        | -     | -     | -        | 1      | 1    | +0       | 1            | 1    | +0       |
| Argentina | 0          | 0     | n.a.     | 0     | 0     | n.a.     | 0      | -1   | +100     | 0            | -1   | +100     |
| Brazil    | 26         | 98    | -73      | 25    | 23    | +11      | -1     | 1    | -200     | -1           | 1    | -200     |
| Others    | -          | -     | -        | -     | -     | -        | 1      | 0    | n.a.     | 0            | -1   | +100     |
| Total     | 3,384      | 4,668 | -28      | 2,674 | 3,151 | -15      | 37     | 58   | -36      | 28           | 46   | -39      |

## Breakdown Construction Services Europe

| (EUR m)            | New orders   |              |            | Sales      |            |           | EBITDA    |            |            | Op. earnings |            |            |
|--------------------|--------------|--------------|------------|------------|------------|-----------|-----------|------------|------------|--------------|------------|------------|
|                    | 2003         | 2002         | % change   | 2003       | 2002       | % change  | 2003      | 2002       | % change   | 2003         | 2002       | % change   |
| Jan-Jun            |              |              |            |            |            |           |           |            |            |              |            |            |
| Building           | 787          | 689          | +14        | 618        | 623        | -1        | -18       | -30        | +40        | -23          | -33        | +30        |
| Civil              | 281          | 595          | -53        | 164        | 113        | +45       | 5         | -11        | +145       | 4            | -12        | +133       |
| Streif Baulogistik | 24           | 23           | +4         | 23         | 22         | +5        | 6         | 8          | -25        | 1            | 1          | +0         |
| HT Polska          | 13           | 69           | -81        | 66         | 87         | -24       | -3        | -2         | -50        | -3           | -2         | -50        |
| HT VSB             | 76           | 44           | +73        | 67         | 68         | -1        | 3         | 3          | +0         | 2            | 2          | +0         |
| RU Russia          | 20           | 7            | +186       | 16         | 26         | -38       | -1        | -2         | +50        | -1           | -2         | +50        |
| Others             | 4            | -24          | +117       | 13         | 0          | +0        | 5         | 0          | +0         | 5            | 0          | +0         |
| <b>Total</b>       | <b>1,205</b> | <b>1,403</b> | <b>-14</b> | <b>967</b> | <b>939</b> | <b>+3</b> | <b>-3</b> | <b>-34</b> | <b>+91</b> | <b>-17</b>   | <b>-46</b> | <b>+63</b> |

## Detailed cash flow

| Jan-Jun   | 2003<br>(EUR '000) | 2002<br>(EUR '000) |
|---|--------------------|--------------------|
| <b>Earnings after taxes</b>   | <b>31,479</b>      | 114,863            |
| Depreciation/write-ups  | 143,155            | 136,310            |
| Changes in long-term provisions   | -5,488             | -3,177             |
| Changes in deferred taxes   | -639               | -66,951            |
| Other cash income and expenses<br>(primarily valuations at equity, gains/losses on disposals) | -37,244            | 28,700             |
| <b>Cash flow</b>  | <b>131,263</b>     | 209,745            |
| Changes in short-term provisions  | -2,631             | 117,093            |
| Changes in working capital (net current assets)   | -69,174            | -124,688           |
| Changes in other balance sheet items  | -13                | 46,636             |
| <b>Net cash provided by operating activities</b>  | <b>59,445</b>      | 248,786            |
| Intangible assets/property, plant and equipment   |                    |                    |
| Capital expenditure   | -145,492           | -182,291           |
| Proceeds from asset disposals/divestitures  | 61,725             | 8,612              |
| Acquisitions, participating interests and loans to participating interests                    |                    |                    |
| Capital expenditure   | -46,773            | -102,458           |
| Proceeds from asset disposals/divestitures  | 40,043             | 16,269             |
| Changes in securities holdings and liquid investments   | 142,582            | -48,076            |
| <b>Net cash used in investing activities</b>  | <b>52,085</b>      | -307,944           |
| <b>Free Cash flow</b>   | <b>-31,052</b>     | -11,082            |
| Repurchases of stock  | 0,0                | 0,0                |
| Dividends/other distributions to HT's and minority shareholders                               | -47,614            | -44,409            |
| Proceeds from new borrowing   | 135,291            | 299,381            |
| Service of debt   | -122,019           | -262,026           |
| <b>Net cash used in/provided by financing activities</b>                                      | <b>-34,342</b>     | -7,054             |
| <b>Net decrease/increase in cash and cash equivalents</b>                                     | <b>77,188</b>      | -66,212            |
| Effect of changes in exchange rates and other values  | -29,710            | -58,844            |
| Net cash from consolidation changes   | 11,860             | 0,0                |
| <b>Overall change in cash and cash equivalents</b>  | <b>59,338</b>      | -125,056           |
| Cash and cash equivalents at the beginning of the period                                      | 704,295            | 859,607            |
| <b>Cash and cash equivalents at end of period</b>   | <b>763,633</b>     | 734,551            |

## Reconciliation of earnings from operating activities to EBT

| (EUR m)  | HT Group     |              | Airport     |             | Development |             | Americas    |             | Asia Pacific |              | Europe       |              | Headquarter/<br>Other |              |
|--|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|-----------------------|--------------|
|  | 2003         | 2002         | 2003        | 2002        | 2003        | 2002        | 2003        | 2002        | 2003         | 2002         | 2003         | 2002         | 2003                  | 2002         |
| <b>Jan-Jun</b>                                     |              |              |             |             |             |             |             |             |              |              |              |              |                       |              |
| <b>Earnings from operating activities</b>          | <b>67.5</b>  | <b>80.5</b>  | <b>-3.9</b> | <b>-0.7</b> | <b>21.6</b> | <b>64.9</b> | <b>13.1</b> | <b>21.4</b> | <b>84.9</b>  | <b>68.9</b>  | <b>-29.5</b> | <b>-58.0</b> | <b>-18.7</b>          | <b>-16.0</b> |
| Net income from participating interests (+)        | 29.1         | -10.6        | 24.8        | 1.7         | 0.0         | 0.0         | 2.1         | 3.3         | -0.5         | 7.4          | 0.2          | 0.2          | 2.5                   | -23.2        |
| Non operating earnings (-)                         | -7.5         | -5.3         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | -7.5         | -5.3         | 0.0                   | 0.0          |
| Goodwill amortization (-)                          | -10.0        | -9.7         | -0.2        | -0.2        | -2.0        | 0.0         | -6.0        | -7.4        | -1.4         | -1.7         | -0.4         | -0.4         | 0.0                   | 0.0          |
| Interest credited on advance payments received (+) | 5.5          | 15.6         | 0.0         | 0.0         | -6.8        | -6.7        | 7.0         | 13.5        | 0.8          | 3.3          | 4.7          | 6.5          | -0.2                  | -1.0         |
| <b>Operating earnings (=EBITA)</b>                 | <b>119.6</b> | <b>100.5</b> | <b>21.1</b> | <b>1.2</b>  | <b>16.8</b> | <b>58.2</b> | <b>28.2</b> | <b>45.6</b> | <b>86.6</b>  | <b>81.3</b>  | <b>-16.7</b> | <b>-45.6</b> | <b>-16.4</b>          | <b>-40.2</b> |
| Depreciation adjusted (+)                          | 102.0        | 126.5        | 0.0         | 0.0         | 5.7         | 6.8         | 8.6         | 12.1        | 73.6         | 95.4         | 13.7         | 11.9         | 0.4                   | 0.3          |
| <b>EBITDA</b>                                      | <b>221.6</b> | <b>227.0</b> | <b>21.1</b> | <b>1.2</b>  | <b>22.5</b> | <b>65.0</b> | <b>36.8</b> | <b>57.7</b> | <b>160.2</b> | <b>176.7</b> | <b>-3.0</b>  | <b>-33.7</b> | <b>-16.0</b>          | <b>-39.9</b> |
| Depreciation adjusted                              | -102.0       | -126.5       | 0.0         | 0.0         | -5.7        | -6.8        | -8.6        | -12.1       | -73.6        | -95.4        | -13.7        | -11.9        | -0.4                  | -0.3         |
| <b>EBITA</b>                                       | <b>119.6</b> | <b>100.5</b> | <b>21.1</b> | <b>1.2</b>  | <b>16.8</b> | <b>58.2</b> | <b>28.2</b> | <b>45.6</b> | <b>86.6</b>  | <b>81.3</b>  | <b>-16.7</b> | <b>-45.6</b> | <b>-16.4</b>          | <b>-40.2</b> |
| Goodwill amortization                              | -10.0        | -9.7         | -0.2        | -0.2        | -2.0        | 0.0         | -6.0        | -7.4        | -1.4         | -1.7         | -0.4         | -0.4         | 0.0                   | 0.0          |
| <b>EBIT</b>  | <b>109.6</b> | <b>90.8</b>  | <b>20.9</b> | <b>1.0</b>  | <b>14.8</b> | <b>58.2</b> | <b>22.2</b> | <b>38.2</b> | <b>85.2</b>  | <b>79.6</b>  | <b>-17.1</b> | <b>-46.0</b> | <b>-16.4</b>          | <b>-40.2</b> |
| Net investment and interest income adjusted        | -31.8        | 3.7          | -15.5       | -10.0       | -3.6        | -2.2        | -7.2        | -12.1       | -1.4         | -2.1         | 13.7         | 8.4          | -17.8                 | 21.7         |
| <b>EBT (before non op. earnings)</b>               | <b>77.8</b>  | <b>94.5</b>  | <b>5.4</b>  | <b>-9.0</b> | <b>11.2</b> | <b>56.0</b> | <b>15.0</b> | <b>26.1</b> | <b>83.8</b>  | <b>77.5</b>  | <b>-3.4</b>  | <b>-37.6</b> | <b>-34.2</b>          | <b>-18.5</b> |
| Non operating earnings (+)                         | -7.5         | -5.3         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | -7.5         | -5.3         | 0.0                   | 0.0          |
| <b>Earnings before tax</b>                         | <b>70.3</b>  | <b>89.2</b>  | <b>5.4</b>  | <b>-9.0</b> | <b>11.2</b> | <b>56.0</b> | <b>15.0</b> | <b>26.1</b> | <b>83.8</b>  | <b>77.5</b>  | <b>-10.9</b> | <b>-42.9</b> | <b>-34.2</b>          | <b>-18.5</b> |
| Income taxes                                       | -38.8        | 25.7         | 4.2         | 3.9         | -7.1        | 37.9        | -7.8        | -12.5       | -26.6        | -17.9        | 3.4          | 17.0         | -4.9                  | -2.7         |
| <b>EAT</b>   | <b>31.5</b>  | <b>114.9</b> | <b>9.6</b>  | <b>-5.1</b> | <b>4.1</b>  | <b>93.9</b> | <b>7.2</b>  | <b>13.6</b> | <b>57.2</b>  | <b>59.6</b>  | <b>-7.5</b>  | <b>-25.9</b> | <b>-39.1</b>          | <b>-21.2</b> |
| Minority shareholders' interests                   | -38.8        | -34.1        | -5.2        | -1.8        | -0.5        | 0.0         | 0.1         | -0.1        | -31.7        | -32.1        | -1.5         | -0.1         | 0.0                   | 0.0          |
| <b>Net income</b>                                  | <b>-7.3</b>  | <b>80.8</b>  | <b>4.4</b>  | <b>-6.9</b> | <b>3.6</b>  | <b>93.9</b> | <b>7.3</b>  | <b>13.5</b> | <b>25.5</b>  | <b>27.5</b>  | <b>-9.0</b>  | <b>-26.0</b> | <b>-39.1</b>          | <b>-21.2</b> |

## Profit and loss account by division

| (EUR m)  | HT Group       |                | Airport     |             | Development  |              | Americas       |                | Asia Pacific   |                | Europe         |                | Headqu./Other |              |
|--|----------------|----------------|-------------|-------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|--------------|
| Jan-Jun  | 2003           | 2002           | 2003        | 2002        | 2003         | 2002         | 2003           | 2002           | 2003           | 2002           | 2003           | 2002           | 2003          | 2002         |
| <b>Sales*</b>  | <b>5,352.3</b> | <b>5,956.6</b> | <b>1.0</b>  | <b>3.4</b>  | <b>250.3</b> | <b>185.4</b> | <b>2,674.5</b> | <b>3,150.7</b> | <b>1,430.6</b> | <b>1,642.9</b> | <b>1,063.2</b> | <b>1,009.2</b> | <b>-67.3</b>  | <b>-35.0</b> |
| Changes in invent. of fin. goods/other own work cap. | 1.1            | 10.6           | 0.0         | 0.0         | 0.0          | 9.9          | 0.0            | 0.0            | 0.0            | 0.0            | 1.1            | 0.7            | 0.0           | 0.0          |
| Interest credited on adv. payments received          | 5.5            | 15.6           | 0.0         | 0.0         | -6.8         | -6.7         | 7.0            | 13.5           | 0.8            | 3.3            | 4.7            | 6.5            | -0.2          | -1.0         |
| <b>Total sales adjusted</b>                          | <b>5,358.9</b> | <b>5,982.8</b> | <b>1.0</b>  | <b>3.4</b>  | <b>243.5</b> | <b>188.6</b> | <b>2,681.5</b> | <b>3,164.2</b> | <b>1,431.4</b> | <b>1,646.2</b> | <b>1,069.0</b> | <b>1,016.4</b> | <b>-67.5</b>  | <b>-36.0</b> |
| Materials  | -4,148.2       | -4,684.0       | -0.8        | -0.6        | -183.9       | -140.6       | -2,309.9       | -2,724.9       | -949.4         | -1,125.5       | -797.4         | -753.9         | 93.2          | 61.5         |
| Personnel costs                                      | -789.3         | -864.0         | -1.9        | -2.0        | -21.8        | -18.2        | -244.4         | -281.8         | -276.2         | -304.1         | -228.2         | -241.2         | -16.8         | -16.7        |
| Other operating income                               | 41.8           | 184.8          | 0.4         | 0.1         | 8.5          | 162.1        | 0.1            | 0.5            | 15.3           | 1.2            | 19.3           | 16.8           | -1.8          | 4.1          |
| Other operating expenses                             | -278.2         | -387.3         | -2.4        | -1.4        | -23.8        | -126.9       | -92.6          | -103.6         | -60.4          | -48.5          | -73.4          | -77.3          | -25.6         | -29.6        |
| Adjustments  | 7.5            | 5.3            | 0.0         | 0.0         | 0.0          | 0.0          | 0.0            | 0.0            | 0.0            | 0.0            | 7.5            | 5.3            | 0.0           | 0.0          |
| Net income from participating interests              | 29.1           | -10.6          | 24.8        | 1.7         | 0.0          | 0.0          | 2.1            | 3.3            | -0.5           | 7.4            | 0.2            | 0.2            | 2.5           | -23.2        |
| <b>EBITDA</b>  | <b>221.6</b>   | <b>227.0</b>   | <b>21.1</b> | <b>1.2</b>  | <b>22.5</b>  | <b>65.0</b>  | <b>36.8</b>    | <b>57.7</b>    | <b>160.2</b>   | <b>176.7</b>   | <b>-3.0</b>    | <b>-33.7</b>   | <b>-16.0</b>  | <b>-39.9</b> |
| Depreciation adjusted (-)                            | -102.0         | -126.5         | 0.0         | 0.0         | -5.7         | -6.8         | -8.6           | -12.1          | -73.6          | -95.4          | -13.7          | -11.9          | -0.4          | -0.3         |
| <b>EBITA</b>   | <b>119.6</b>   | <b>100.5</b>   | <b>21.1</b> | <b>1.2</b>  | <b>16.8</b>  | <b>58.2</b>  | <b>28.2</b>    | <b>45.6</b>    | <b>86.6</b>    | <b>81.3</b>    | <b>-16.7</b>   | <b>-45.6</b>   | <b>-16.4</b>  | <b>-40.2</b> |
| Goodwill amortization                                | -10.0          | -9.7           | -0.2        | -0.2        | -2.0         | 0.0          | -6.0           | -7.4           | -1.4           | -1.7           | -0.4           | -0.4           | 0.0           | 0.0          |
| <b>EBIT</b>  | <b>109.6</b>   | <b>90.8</b>    | <b>20.9</b> | <b>1.0</b>  | <b>14.8</b>  | <b>58.2</b>  | <b>22.2</b>    | <b>38.2</b>    | <b>85.2</b>    | <b>79.6</b>    | <b>-17.1</b>   | <b>-46.0</b>   | <b>-16.4</b>  | <b>-40.2</b> |
| Net investment and interest income                   | -31.8          | 3.7            | -15.5       | -10.0       | -3.6         | -2.2         | -7.2           | -12.1          | -1.4           | -2.1           | 13.7           | 8.4            | -17.8         | 21.7         |
| <b>EBT (before non op. earnings)</b>                 | <b>77.8</b>    | <b>94.5</b>    | <b>5.4</b>  | <b>-9.0</b> | <b>11.2</b>  | <b>56.0</b>  | <b>15.0</b>    | <b>26.1</b>    | <b>83.8</b>    | <b>77.5</b>    | <b>-3.4</b>    | <b>-37.6</b>   | <b>-34.2</b>  | <b>-18.5</b> |
| Non operating earnings                               | -7.5           | -5.3           | 0.0         | 0.0         | 0.0          | 0.0          | 0.0            | 0.0            | 0.0            | 0.0            | -7.5           | -5.3           | 0.0           | 0.0          |
| <b>Earnings before tax</b>                           | <b>70.3</b>    | <b>89.2</b>    | <b>5.4</b>  | <b>-9.0</b> | <b>11.2</b>  | <b>56.0</b>  | <b>15.0</b>    | <b>26.1</b>    | <b>83.8</b>    | <b>77.5</b>    | <b>-10.9</b>   | <b>-42.9</b>   | <b>-34.2</b>  | <b>-18.5</b> |
| Income taxes   | -38.8          | 25.7           | 4.2         | 3.9         | -7.1         | 37.9         | -7.8           | -12.5          | -26.6          | -17.9          | 3.4            | 17.0           | -4.9          | -2.7         |
| <b>EAT</b>   | <b>31.5</b>    | <b>114.9</b>   | <b>9.6</b>  | <b>-5.1</b> | <b>4.1</b>   | <b>93.9</b>  | <b>7.2</b>     | <b>13.6</b>    | <b>57.2</b>    | <b>59.6</b>    | <b>-7.5</b>    | <b>-25.9</b>   | <b>-39.1</b>  | <b>-21.2</b> |
| Minority shareholders' interests                     | -38.8          | -34.1          | -5.2        | -1.8        | -0.5         | 0.0          | 0.1            | -0.1           | -31.7          | -32.1          | -1.5           | -0.1           | 0.0           | 0.0          |
| <b>Net income</b>                                    | <b>-7.3</b>    | <b>80.8</b>    | <b>4.4</b>  | <b>-6.9</b> | <b>3.6</b>   | <b>93.9</b>  | <b>7.3</b>     | <b>13.5</b>    | <b>25.5</b>    | <b>27.5</b>    | <b>-9.0</b>    | <b>-26.0</b>   | <b>-39.1</b>  | <b>-21.2</b> |

\*Sales figures represent total sales by division (external plus intersegment sales)

## Financial calendar

|                  |  |
|------------------|--|
| 19 November 2003 | Third quarter results 2003 and conference call                 |
| 16 February 2004 | Preliminary results 2003                                       |
| 31 March 2004    | Full year results 2003 and Analysts' and Investors' Conference |
| 07 May 2004      | General Shareholders' Meeting                                  |

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