Fall Press Conference

November 29, 2004

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Member of the Executive Board

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CHECK AGAINST DELIVERY.

Ladies and Gentlemen,

I will now explain our Interim Report as of September 30, 2004 in greater detail and give you an overview of the Group's net worth as well as its financial and earnings situation.

I'll start with some information on the **orders situation:**

Nine months into the 2004 fiscal year, we have some impressive order figures to present. All reporting items—**new orders, work done** and the **order backlog**—are well above the prior year comparison figures, both in Germany and internationally. We have once again made good headway despite the depressed market in Germany and the adverse US dollar exchange rate.

New orders in the first nine months were

EUR 10.8 billion.

This represents year-on-year **growth** of

15.8 percent (adjusted for exchange rates, 19.5 percent).

New orders in **Germany**—among other things due to the growth in facility management—increased sharply by

37.6 percent

to a total of

EUR 1.9 billion.

International new orders were

EUR 8.9 billion,

an increase of

12.0 percent

from the prior year. The exchange rate adjusted increase is even higher, at 16.3 percent.

Our **work done** rose by

13.8 percent

to a total of

EUR 9.7 billion.

Adjusting for exchange rate changes, work done grew 16.8 percent.

We currently generate about 83 percent of work done outside Germany.

The **order backlog** further increased to EUR 18.1 billion as of the end of the third quarter, a gain of EUR 3.38 billion or 23 percent compared with the prior year period. This marks a new record in the history of HOCHTIEF.

Turning to the **balance sheet**, which remains very soundly structured with no spectacular changes compared with December 31, 2003:

Fixed assets rose by about 10 percent to EUR 2.2 billion. Within this figure, **intangible assets** grew by EUR 0.1 billion to EUR 0.3 billion as a result of goodwill capitalized for the increased stake in Leighton Holdings and Lufthansa Gebäudemanagement.

Capital expenditure at the Asia Pacific and Development divisions led to an approximate 10 percent increase in **property, plant and equipment**, taking this reporting item to just under EUR 1 billion.

Current assets were EUR 5.1 billion and so remained broadly at the same level as the prior year period, but changed in structure compared with December 31, 2003.

While **trade receivables and inventories** rose with the increase in operating business, marketable securities as well as cash and cash equivalents decreased as a result of financing capital expenditure and reducing loan liabilities.

On the **liabilities** side, **shareholders' equity** was EUR 1.9 billion, a slight decrease on the prior year. The change is the balance of the increase in shareholders' equity from posttax profits, changes in comprehensive income, and paid dividends.

Our equity ratio remains strong, at 25 percent of total assets.

At EUR 1.4 billion, **provisions** are EUR 0.1 billion higher than at December 31, 2003. Most of the increase is in pension provisions, which amount to EUR 0.6 billion after the integration of the facility management companies.

Liabilities, at EUR 4.2 billion, are almost unchanged compared with the prior year.

Turning to the **consolidated statement of earnings** for the period January to September 2004, where I will confine my remarks to the main developments:

Group sales increased by no less than 7.1 percent to EUR 8.7 billion. The growth was focused in three divisions:

Asia Pacific division sales rose by EUR 0.3 billion to EUR 2.5 billion. About a third of the increase was due to exchange rate changes.

In the Americas division, sales rose by EUR 0.1 billion to EUR 4.2 billion. This growth is all the more gratifying for the fact that the sliding dollar had an adverse exchange rate impact at Turner of EUR 0.4 billion compared with the prior year. Measured in US dollars, Turner's sales shot up by about 13 percent.

Sales in the Development division increased by 30.8 percent to EUR 0.4 billion. Within this figure is a total of EUR 0.2 billion from Lufthansa Gebäudemanagement, which features in the consolidated financial statements for the first time, and HOCHTIEF Gebäude Management—the former Siemens Gebäude Management und Services—which has been included in the consolidated group since the second quarter of 2004.

Materials, **personnel costs** and **depreciation and amortization** slightly increased due to the business expansion.

Other operating expenses rose—above all due to increases in insurance cover connected with business expansion at Turner—by EUR 46 million to EUR 471 million.

Profit from operating activities was EUR 91 million in line with our forecast. The shortfall relative to the prior year's EUR 122 million is mostly due to nonrecurring charges at Leighton in the first half, which appear in the consolidated financial statements with a net amount of approximately EUR 50 million. Dr. Keitel will be coming back to this topic.

Net income from participating interests is a comfortably positive EUR 35 million, but is EUR 11 million short of the prior year figure which was swelled by nonrecurring items in the Airport division.

Net investment and interest income has improved from a negative EUR 19 million in the prior year period to just under EUR 1 million in the period under review. This was largely due to the performance of our marketable securities, which required no further risk provisioning.

Profit before taxes, at EUR 127 million, likewise matched our forecast but fell short of the prior year figure of EUR 149 million. Without the risk provisioning at Leighton in the first half year, we would have been well above the prior year.

Income taxes decreased from EUR 86 million in the prior year to EUR 63 million in the reporting period. The reduction largely relates to current taxes and reflects the decreased pretax profit at Leighton. As in the prior year, we are again refraining from capitalizing deferred tax assets for tax loss carryforwards in Germany.

Despite the impact of risk provisioning mentioned earlier, **profit after taxes**, at EUR 64 million, was slightly above the prior year figure of EUR 63 million.

Consolidated net profit for the period rose far more strongly compared with the prior year's EUR 9.5 million. EUR 35.4 million represents more than a threefold increase on the prior year.

I would now like to say a few words on the individual **divisions**.

The **Airport division** reported strongly positive operating earnings of EUR 12 million. As budgeted, this is significantly below the prior year figure of EUR 27 million, which included extraordinary items such as the once-only refund of expenditures in connection with the discontinuation of the Berlin airports privatization project.

The **Development division,** as budgeted, turned in good operating earnings of just under EUR 10 million. As usual, we expect that the Property Development and Asset Management units will make a strong fourth quarter contribution to earnings, as is typical for the season. In view of the weaker economy, we do not expect to quite match the high prior year earnings figure.

The earnings contribution from the **Americas division** reflects the aftermath of last year's unfavorable construction market. This is compounded by adverse exchange rate effects and, at EUR 44 million, operating earnings are consequently down EUR 10 million from the first nine months of the prior year. The noticeable recovery in US and Brazilian construction gives good reason to expect that pretax profit for the year as a whole will nonetheless be above the prior year level.

In the **Asia Pacific division**, operating earnings were brought down by EUR 50 million, as has been announced before, due to the accounting provisions made for certain project risks in the first half year. By the third quarter, Leighton was back on its budgeted earnings trend. Overall divisional operating earnings for the reporting period were EUR 74 million, compared with EUR 124 million in the prior year. We expect a substantial contribution to Group earnings for the year, and a noticeably positive earnings trend in 2005 in view of the sharp gains in sales and work done.

In the **Europe division**, the restructuring of recent years is now largely complete and is paying off. Under the leadership of HOCHTIEF Construction AG, the division generates sustained positive contributions to earnings. HOCHTIEF Europe has made an impressive turnaround in operating earnings from a negative EUR 8 million in the prior year to a positive EUR 12 million in the first three quarters of 2004. We anticipate a further lasting rise in earnings for the year as a whole.

Ladies and gentlemen, despite the fraught economic climate and the project risks at Leighton in the first half, we are able to present a solid interim report for the first nine months of the 2004 fiscal year.

We can confirm in full our published targets for the year as a whole:

- New orders broadly at prior year levels.

- Increases in work done and sales in the upper single digit percentage range.

- An increase in profit before taxes in the upper single digit percentage range compared with 2003.

- Growth in consolidated net profit, to more than double the total for 2003.

This bears out our confidence for the future.

With that, I will hand back to Dr. Keitel. Thank you for your attention.