

HOCHTIEF

Regaining former profitability

Analyst and Investor conference

Half year results 2002

Düsseldorf, 30 August 2002

Dr. Hans-Peter Keitel, CEO

Dr. Hans-Georg Vater, CFO

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Strategy and Outlook

Dr. Hans-Peter Keitel, CEO

2002 headlines until now

Construction

- Extension of Steigenberger Frankfurt Airport hotel
- Rail link project near Sydney, EUR 500m
- Construction Guernsey airport, EUR 28m

Americas

- Turner: University of Chicago contract, EUR 127m
- Turner: two 'health' segment contracts, EUR 350 m
- Aecon: highway construction, EUR 14m

Asia Pacific

- Housing towers and satellite station in Hong Kong, EUR 133m
- Construction Magnesium plant Queensland, EUR 710m
- Sewerage project in Hong Kong, EUR 124m

International

- Concor: infrastructure contracts Zambia, EUR 20m
- Concor consortium preferred bidder for developing marine infrastructure, South Africa
- Polska: construction 'culture center', EUR 20m

AirPort

- Acquisition of 15% stake in Sydney Airport plus advisory mandate
- Increase Hamburg airport stake by 4% up to 40%, EUR 31m
- Increase Hamburg airport stake by further 9% up to 49%, EUR 70m
- Acquisition of British Logistics consultancy

Development

- Operating FM at Tank&Rast stations (190 out of 350) since beg. 2002
- Sale Monachia, EUR 157m tax free book gain
- Foundation concession company, Santiago de Chile ring highway
- Erect headquarter Eurohypo, EUR 130m

EUR 7.2bn strong order intake and further shift to service activities

HOCHTIEF Group 1st half 2002

- Sales stable - profitability increased

EBITDA Group (EUR m)

1H '01	42	+467%
1H '02	238	

- Most decisive factor is success of HTC restructuring program

EBITDA Construction (EUR m)

1H '01	-128	+74%
1H '02	-34	

- Turner and Leighton continue to develop favorably on a high level, supporting the overall progress
- Implementation of strict restructuring measures in critical areas (Ballast Nedam, Polska) are a priority

German construction - on track for profitability

Key aspects of future profitability

- I) Value enhancement**

- II) German Construction business**

- III) Service-related activities**

- IV) Active Portfolio Management**

- V) Ongoing generation of Group synergies and development of new potential**

Concentration on profitability will build our competitiveness

I: Value enhancement

Value enhancement to be achieved by:

- >strong growth in international markets**
- >further diversification into high margin and cash generating service activities**
- >realization of value inherent in the airport and real estate portfolios**

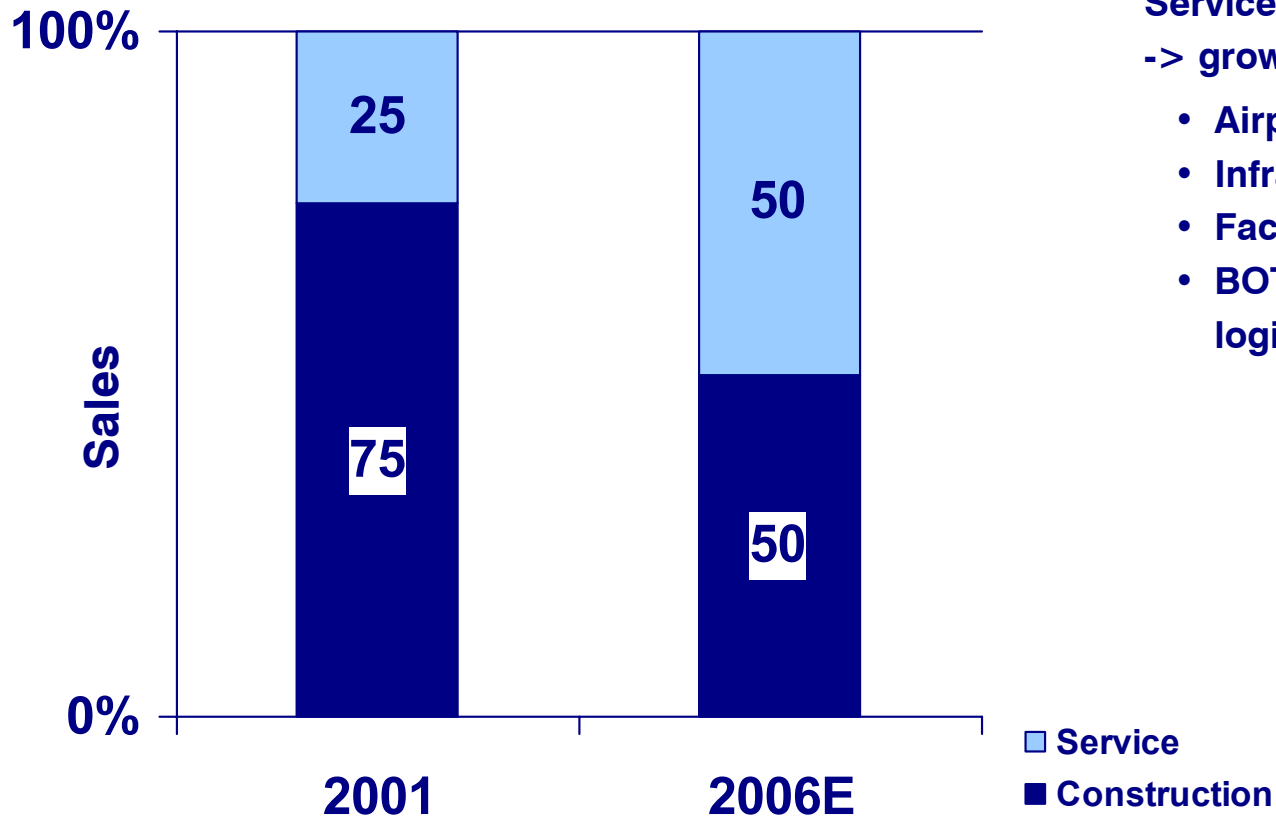
Selected growth and diversification as success factors

II: German Construction business

- **Reduction of capacities**
 - >selective order intake
 - >priority of quality over quantity
 - **Order volume should bottom out in the magnitude of EUR 2.0-2.2bn**
 - **Successful implementation of restructuring program**
 - >10 points restructuring program, e.g. key supplier concept, market segment groups, restructuring of service level and branch network, optimized deployment of labor, contract review committee (volume since implementation EUR 19bn)
- ➡ start in 2001 - basically implemented by end 2002

HTC on track to expected break even in 2003

III: Service-related activities



Service-related businesses:

-> growth into

- Airport Management
- Infrastructure concessions
- Facility Management
- BOT projects (building and logistics related activities)

Service - one of the core activities to drive future profitability

IV: Active portfolio management

Actively review portfolio of assets: maximize shareholder value; redeploy capital into high margin/strong cash flow businesses

•M&A

- >disposal of Monachia (EUR 200m cash)**
- >acquisition of 15% stake in Sydney airport (EUR 183m)**
- >increase stake in Hamburg airport by 4% to 40% (EUR 31m) and further 9% to 49% (EUR 70m)**
- >status of Ballast Nedam, Concor and Ballast Indonesia Construction currently under review**

•Restructuring programs

- >Ballast Nedam**
 - far reaching restructuring measures initiated after loss of EUR 105m in first half 2002**
 - close down of loss-making UK units**
 - downsizing of BNI and focus on a few specialized markets**
- >Polska**
 - improve project running process (with Turner support)**
 - implementation of Contract Review Committee**
 - reduction of workforce by another 80 personnel**

Clear strategy on developing the global footprint

V: Ongoing generation of Group synergies

Generate superior returns through financial, customer and technical synergies

- **Use powerful synergy effects**

- > within the construction business (inter-group customer care, Key account Management)
- > among construction and service units

- **Integration**

- > International committee and Management committee on an inter-group CEO and CFO level
- > global networking
- > mutual support during ongoing construction projects

World-wide Group offers powerful synergies

Corporate Governance

- **HOCHTIEF strongly supports the German Corporate Governance Codex set by the Government Commission**
- **HOCHTIEF has already complied with major recommendations prior to the publication of the Codex**
- **HOCHTIEF has created a project team responsible for reviewing the recommendations that HOCHTIEF does not yet fully comply with**

Already implemented

Financial calendar
Publicly available information on the internet
Broadcasting of CEO's AGM speech on the internet
Proxy voting on the Annual General Meeting (AGM)
Transparent stock option program
Transparent performance related compensation for the SB
Publication of SB compensation
Terms of reference for the Management Board (MB)

To be implemented shortly

Terms of reference for Supervisory Board (SB)
Approval of SB for transactions of fundamental importance
Establishing further committees (audit committee)
Fair compensation for committee members
Broadcasting of full AGM on the internet

Keeping financial market's confidence through improved transparency

Financials first half 2002

Dr. Hans-Georg Vater, CFO

Half year results 2002

EUR m	1H 2001	1H 2002	Change absolut	%
New orders	7,646	7,186	-460	-6
Work done	6,531	6,167	-364	-6
Sales	5,966	5,957	-9	-0.2
Operating earnings	-37	101	+138	+373
Operating earnings margin (%)	-0.6	1.7	+2.3	+383
EBITDA	42	238	+196	+467
EBITDA margin (%)	0.7	4	+3.3	+471
Net income	-53	81	+134	+253
Earnings per share	-0.84	1.28	+2.12	+252
Capex	217	285	+68	+31
Cash flow	57	210	+153	+268
Employees (as of 30 June)	37,289	34,980	-2,309	-6

Improvements in formerly weak areas drive Group results

New orders and work done by region

Jan - June	2001		New orders				2001		Work done			
	absolut	%	2002	Change		2001	%	2002	Change			
EUR m	absolut	%	absolut	%	absolut	%	absolut	%	absolut	%		
Germany	1,044	14	988	14	-56	-5	1,244	19	934	15	-310	-25
Other Europe	941	12	953	13	12	+1	724	11	792	13	68	+9
America	4,780	62	4,099	57	-681	-14	3,821	58	3,550	57	-271	-7
Australia/Asia	848	11	1,122	16	+274	+32	689	11	859	14	+170	+25
Other	33	1	24	0	-9	-27	53	1	32	1	-21	-40
Total	7,646	100	7,186	100	-460	-6	6,531	100	6,167	100	-364	-6

Strong int'l focus - generating 86% of new orders and 85% of work done abroad

Construction

EUR m	1H 2001	1H 2002	% change	
New orders	780	1,289	+65	<ul style="list-style-type: none"> • New orders: strong increase due to healthy development of office/commercial segment and infrastructure • Work done and sales: down because of weak order intake in 1H 2001 • Operating earnings: restructuring measures show results and prove to reach the target to break-even in 2003 • For 2002: <ul style="list-style-type: none"> - strong focus on profitable segments - adaptation of structures to order volume still ongoing - expect significant reductions in losses compared to 2001
Work done	1,197	904	-24	
Sales	891	758	-15	
Operating earnings	-142	-43	+69	
Operating earnings margin (%)	-16	-6	+63	
EBITDA	-128	-34	+74	
EBITDA margin (%)	-14	-4	+71	
Net income	-97	-24	+75	
CAPEX	15	12	-20	
Employees (as of 30 June)	11,678	9,146	-22	

Current development supports the target to break even in 2003

Americas

EUR m	1H 2001	1H 2002	% change	
New orders	4,780	4,007	-16	• New orders: decrease due to change of exchange rates (2001: USD 3.4bn, 2002: USD 4.2bn -> +23%)
Work done	3,809	3,549	-7	• Work done and sales: decrease because of increased portion of Construction Management projects which are only accounted with the 'management fee'
Sales	3,442	3,151	-8	
Operating earnings	43	46	+7	• Operating earnings: ongoing healthy business development
Operating earnings margin (%)	1.2	1.5	+25	
EBITDA	52	54	+4	• For 2002:
EBITDA margin (%)	1.5	1.7	+13	- further concentration on profitable market segments like 'health' and 'education' will drive the order intake
Net income	9	14	+56	- expect stable earnings on the high previous years level
CAPEX	12	13	+8	
Employees (as of 30 June)	7,516	7,318	-3	

Turner's expertise in specific market segments has been recognized and supports the stable development despite weak U.S. construction sector

Asia Pacific

EUR m	1H 2001	1H 2002	% change	
New orders	848	883	+4	<ul style="list-style-type: none"> • New orders: stable on a high level • Work done and sales: ongoing healthy development due to strong order backlog
Work done	654	805	+23	
Sales	1,396	1,643	+18	
Operating earnings	97	82	-15	<ul style="list-style-type: none"> • Operating earnings: on high previous years level after adjustment of one-off earnings of EUR18m in 2001 (change of consolidation)
Operating earnings margin (%)	7	5	-29	
EBITDA	159	169	+6	<ul style="list-style-type: none"> • For 2002: <ul style="list-style-type: none"> - Recovery in engineering and infrastructure market as government and private sector are progressing major projects - First half year figures and high order backlog show earnings on the previous years level
EBITDA margin (%)	11	10	-9	
Net income	51	28	-45	
CAPEX	149	141	-5	
Employees (as of 30 June)	6,270	7,754	+24	

Expecting three major projects during the coming weeks (AUD 1.5 to 2bn)

International

EUR m	1H 2001	1H 2002	% change	
New orders	829	517	-38	<ul style="list-style-type: none"> • New orders: decreased following the overall weak market situation in Eastern Europe and selected order intake
Work done	660	664	+1	
Sales	97	181	+87	<ul style="list-style-type: none"> • Sales: strong increase mainly caused by change in consolidation (VSB subsidiaries in 2002 figures included)
Operating earnings	-17	-29	-70	<ul style="list-style-type: none"> • Operating earnings: include full year 2001 loss of Ballast Nedam (EUR 25m, HT stake)
Operating earnings margin (%)	-18	-16	+11	
EBITDA	-18	-1	+94	<ul style="list-style-type: none"> • For 2002: <ul style="list-style-type: none"> - Restructuring measures at Polska show results - Total operating earnings will be substantially below previous years level due to Ballast Nedam
EBITDA margin (%)	-20	-0.6	+97	
Net income	-15	-29	-93	
CAPEX	5	2	-60	
Employees (as of 30 June)	10,540	9,758	-7	

Measures taken at Ballast Nedam and Polska will eliminate losses

AirPort

EUR m	1H 2001	1H 2002	% change	
New orders	17	4	-76	<ul style="list-style-type: none"> • New orders and work done: down - since last year figures included internal service fees from HOCHTIEF
Work done	17	4	-76	
Sales	0.3	0.8	+167	<ul style="list-style-type: none"> • Sales: increase due to cargo airport project in Malaysia (EUR 0.4m)
Operating earnings	4.6	1.2	-74	<ul style="list-style-type: none"> • Operating earnings: decrease due to a lower level of service fee income
Operating earnings margin (%)	n/a	150	n/a	<ul style="list-style-type: none"> • CAPEX: strong increase since 2002 figures include Sydney acquisition (EUR 61m) and 4% stake increase in Hamburg airport (EUR 31m)
EBITDA	0.6	-0.5	-183	
EBITDA margin (%)	200	-63	-131	<ul style="list-style-type: none"> • For 2002: - Expecting earnings on previous years level
Net income	-8	-7	+13	
CAPEX	2	94	n/a	
Employees (as of 30 June)	61	59	-3	

Further expanding the international footprint

Development

EUR m	1H 2001	1H 2002	% change	
New orders	392	449	+15	<ul style="list-style-type: none"> • Sales: increase due to further expansion of project development activities • Operating earnings : driven by tax-free sale of Monachia (EUR 57m net effect) • For 2002: <ul style="list-style-type: none"> - Focus on profitable product segments will lead to further increase despite market weakness - Operating earnings substantially above previous years level
Work done	194	203	+5	
Sales	132	180	+36	
Operating earnings	14	58	+314	
Operating earnings margin (%)	11	32	+191	
EBITDA	12	65	+442	
EBITDA margin (%)	9	36	+300	
Net income	5	94	n/a	
CAPEX	38	20	-47	
Employees (as of 30 June)	595	641	+8	

Service activities - more than just additional services - generate high margins

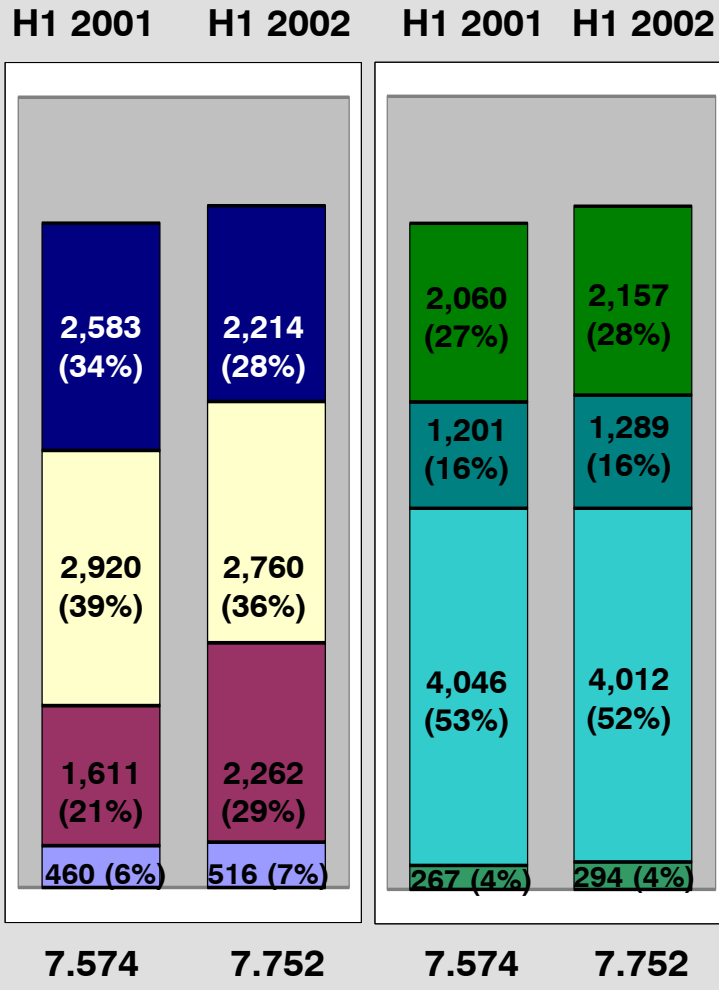
Cash flow

(EUR m)	1H 2001	1H 2002	
Cash flow	57	210	<ul style="list-style-type: none"> • Increase in cash flow driven by: <ul style="list-style-type: none"> - disposal of Monachia (+EUR 157 m) - top up reserves as risk provision (-EUR 100m) - improvements in German construction business (+EUR 78m) • Acquisition of stake in Sydney airport comes up to EUR 183m cash used for investments • Lower net cash provided by financing activities because of reduced losses compared to last years period
Net cash used in/provided by operating activities	-16	249	
Net cash used in investing activities	-113	-308	
Net cash provided by financing activities	57	-7	
Net change in cash and cash equivalents	-72	-66	
Overall change in cash and cash equivalents	207	-125	
Cash and cash equivalents at the beginning of the year	427	860	
Cash and cash equivalents at end of period	634	735	

Consolidated balance sheet

Assets

Liabilities



Shareholders' equity and minority interests

Provisions

Liabilities, deferred income

Def. taxes liabilities

- Compared with previous years period all special purpose investment funds have been transferred from financial to current assets (these funds cover HT's pension obligations)
- Strong financial position
 - >Key ratios:
 - Equity ratio: 28%
 - Net cash: EUR 1.4bn

(EUR m)

Outlook: Group Trends for 2002

(EUR m)	2001	2002
Sales	12,171	Above previous years level
Operating earnings	131	Single digit growth rate
EBITDA	322	Single digit growth rate
EBT	78	Single digit growth rate
Net income (after minorities)	24	Above previous years level

Well on track to regain former profitability

Appendix

Breakdown Construction

EUR m	New orders			Sales			Op. earnings			EBITDA		
	2001	2002	% change	2001	2002	% change	2001	2002	% change	2001	2002	% change
Jan - June												
Building	633	714	13	807	610	-24	-140	-36	+74	-128	-33	+74
Civil	147	534	263	140	112	-20	-26	-13	+50	-24	-13	+46
Streif Baulogistik	-	38	-	-	41	-	2.6	1	-62	10	8	-20
Others	0	3	0	-56	-5	+91	21.4	5	-77	14	4	-71
Total	780	1,289	+65	891	758	-15	-142	-43	+69	-128	-34	+74

Breakdown Americas

EUR m	New orders			External sales			Op. earnings			EBITDA		
	2001	2002	% change	2001	2002	% change	2001	2002	% change	2001	2002	% change
Jan - June												
Turner	4,401	3,751	-15	3,398	3,128	-8	44	44	0	54	56	+4
Aecon	199	130	-35	-	-	-	2	2	0	0	0	0
Kitchell	126	64	-49	-	-	-	1	1	0	0	0	0
Argentina	9	0	-100	26	1	n/a	-2	0	+200	-1	-1	0
Brasil	45	62	+38	18	22	+22	1	1	0	1	1	0
Others	0	0	0	0	0	0	-3	-2	+33	-2	-2	0
Total	4,780	4,007	-16	3,442	3,151	-8	43	46	+7	52	54	+4

Breakdown International

EUR m	New orders			External sales			Op. earnings			EBITDA		
	2001	2002	% change	2001	2002	% change	2001	2002	% change	2001	2002	% change
Jan - June												
Ballast Nedam	561	395	-30	-	-	-	5	-25	n/a	0	0	0
Polska	176	42	-76	66	87	+32	-6	-2	-66	-5	-2	+60
VSB Czech	59	49	-17	21	68	+224	1	2	+100	2	3	+50
Concor	31	24	-23	-	-	-	0	0	0	0	0	0
Other	2	7	+250	10	26	+160	-17	-4	+76	-15	-2	+87
Total	829	517	-38	97	181	+87	-17	-29	-70	-18	-1	+94

Breakdown AirPort

Jan - June	Passengers ('000)			Air traffic movements			Aviation			Revenues (EUR m)			Total		
	2001	2002	% change	2001	2002	% change	2001	2002	% change	2001	2002	% change	2001	2002	% change
Düsseldorf	7,361	6,637	-10	95,531	90,649	-5	103	95	-8	39	43	+10	142	138	-3
Hamburg	4,681	4,181	-11	79,197	73,682	-7	63	58	-8	26	26	0	89	84	-6
Athen	n/a	4,101	n/a	n/a	145,306	n/a	n/a	90	n/a	n/a	32	n/a	n/a	122	n/a
Sydney*		26,436	n/a		317,300	n/a		131	n/a		246	n/a		377	n/a

Jan - June	EBITDA (EUR m)			EBIT (EUR m)		
	2001	2002	% change	2001	2002	% change
Düsseldorf	50	52	+4	25	21	-16
Hamburg	27	25	-7	17	16	-6
Athen	n/a	76	n/a	n/a	38	n/a
Sydney*		246	n/a		131	n/a

*full-year figures for financial year ending 30 June 2002 (in AUD)

Construction: 10 points restructuring program

	2001	1Q '02	1H '02	'02E
1. Communication and motivation	●	●	●	●
2. Analysis of internal forecasts	●	●	●	●
3. Restructuring of service level	●	●	●	●
4. Restructuring and strengthening of branch network	●	●	●	●
5. Increased customer focus	●	●	●	●
6. Determination saving potentials in various areas	●	●	●	●
7. Optimized deployment of labor	●	●	●	●
8. Implementation contract review committee	●	●	●	●
9. Key supplier concept	●	●	●	●
10. Market segment groups	●	●	●	●

Level of achievement: ● <50% ● >50% and <80% ● 100%

Implementing strict measures to realize the expected break even in 2003

Reconciliation earnings from operating activities to EBITDA

EUR m	HOCHTIEF Group		Construction		Americas		Asia Pacific		International		Airport		Development		Headquarter/ Other	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Jan - June																
Earnings from operating activities	-136,4	80.4	-172,0	-54.5	18,3	21.4	70,8	68.8	-22,2	-4.6	0,4	-0.7	11,5	64.9	-43,2	-14.9
Net income from participating interests (+)	36,6	-10.5	0,0	0	2,9	3.3	20,0	7.6	4,2	-25.2	4,0	1.7	4,1	0	1,4	2.1
Non operating earnings (-)	-45,0	-15.1	-25,8	-5.5	-7,6	-7.4	-5,0	-1.8	-0,2	-0.2	-0,2	-0.2	0,0	0	-6,2	0
Interest credited on advance payments received (+)	18,1	15.5	4,5	5.4	14,3	13.5	0,7	3.3	0,9	1	0,0	0	-1,5	-6.7	-0,8	-1
Operating earnings	-36,7	100.5	-141,7	-43.6	43,1	45.6	96,5	81.5	-16,9	-28.6	4,6	1.2	14,1	58.2	-36,4	-13.8
Depreciation adjusted (+)	115,6	126.5	13,7	9.9	11,5	12.1	82,6	95.4	2,6	2	0	0	2,0	6.8	3,2	0.3
Income from participating interests (-)	36,6	-10.5	0,0	0	2,9	3.3	20,0	7.6	4,2	-25.2	4,0	1.7	4,1	0	1,4	2.1
EBITDA	42,3	237.5	-128,0	-33.7	51,7	54.4	159,1	169.3	-18,5	-1.4	0,6	-0.5	12,0	65	-34,6	-15.6

Non operating earnings primarily comprise restructuring expenses and amortization of capitalized goodwill by fully consolidated subsidiaries.

Cash flow

Jan-June EURm	2001	2002
Net income	-52.8	80.8
Minority shareholders' interests	33.0	34.1
Earnings after tax	-19.8	114.9
Depreciation/write ups	177.8	136.3
Changes in long-term provisions	42.3	-3.2
Changes in deferred taxes	-126.8	-67
Other cash income and expenses	-16.7	28.7
Cash flow	56.8	209.7
Changes in short-term provisions	8.4	117.1
Changes in working capital (net current assets)	-126.8	-124.6
Changes in other balance sheet items	46	46.6
Net cash used in/provided by operating activities	-15.6	248.8
Intangible assets/poperty, plant and equipment	43.8	24.9
Acquisitions, participating interests and loans to participating interests	-216.9	-284.8
Changes in securities holdings and liquid investments	60.2	-48.1
Net cash used in investing activities	-112.9	-308
Free Cash flow	-128.5	-59.2
Repurchases of stock	0	0
Dividends/other distributions to HT's and minority shareholders	-53.7	-44.4
Proceeds from new borrowing	378.5	299.4
Service of debt	-268	-262
Net cash provided by financing activities	56.8	-7
Net decrease/increase in cash and cash equivalents	-71.8	-66.2
Effect of changes in exchange rates and other values	39.4	-58.8
Net cash from consolidation changes	239.4	0
Overall change in cash and cash equivalents	207.0	-125.0
Cash and cash equivalents at the beginning of the year	426.6	859.6
Cash and cash equivalents at end of period	633.6	734.6

Financial Calendar 2002/2003

14 November 2002	Interim report Jan-Sept 2002 and Conference call
19 February 2003	Preliminary report for FY 2002
10 April 2003	Full year figures and Analyst- and Investor conference
13 May 2003	Quarterly report Jan-March 2003 and Conference call
4 June 2003	Annual General Meeting