



**German Corporate Conference, Deutsche Bank
26 February 2003**

HOCHTIEF – Our world: Airport



Top left:
Athens airport

Top right:
Düsseldorf airport

Bottom left:
Hamburg airport

Bottom right:
Sydney airport

HTA - world-wide #2 independent airport manager

HOCHTIEF – Our world: Development



Top left:
Office park
Gruga, Essen

Top right:
Prisma building,
Frankfurt

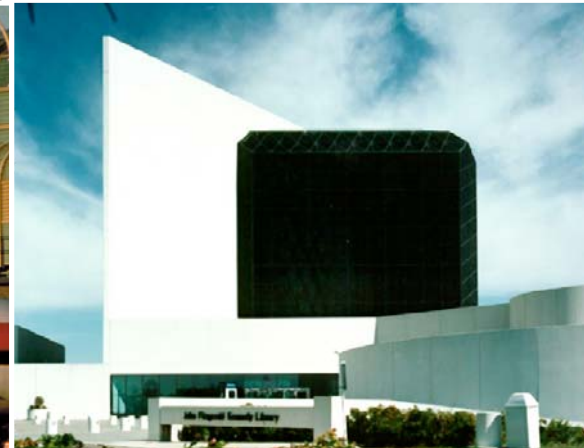


Bottom left:
Herrentunnel,
Lübeck

Bottom right:
VW Car City,
Wolfsburg

HTD - leading German developer for inner city projects

HOCHTIEF – Our world: Americas



Top left:
Lincoln Center, New
York

Top right:
Rock'n'Roll of Fame,
Cincinnati

Bottom left:
United Airlines
Terminal, Chicago

Bottom right:
JFK Library,
Dorchester, MA

Turner - #1 general builder in the U.S. - world's largest construction market

HOCHTIEF – Our world: Asia Pacific



Top left:
Gold mine, Australia

Top right:
**Awoonga Dam,
Australia**



Bottom left:
Power station Vietnam



Bottom right:
**Inner City Bypass,
Queensland**

Leighton - #1 in Australia and leading position in Asian markets

HOCHTIEF – Our world: Construction



Top left:
St. Gotthard
tunnel

Top right:
Skyline Frankfurt

Bottom left:
Great Belt East
bridge, Denmark

Bottom right:
High speed
railway Cologne-
Frankfurt

HTC - #1 in Germany

HOCHTIEF excellent position

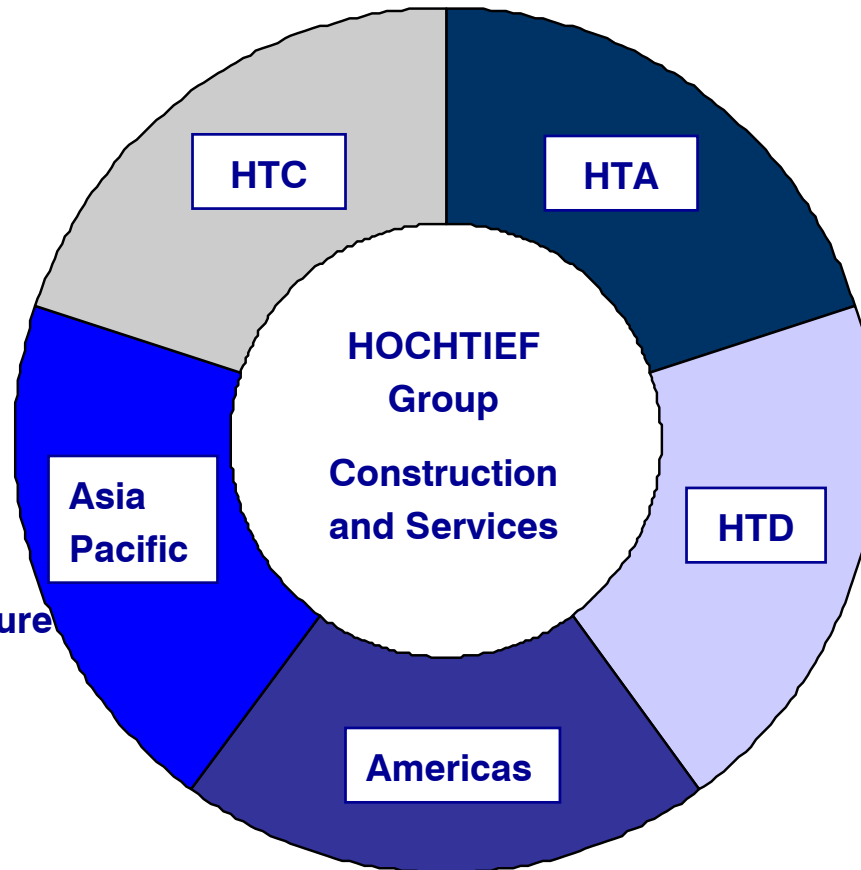
- **International construction services provider**
-> design, financing, building and operating of complex projects
- **Outstanding global network (% of total work done 2002)**
-> **America 53%** **Asia Pacific 25%** **Germany 16%**
- **Top player in all major markets - sole German Constructor in the global top league**

	Company	Total sales 2001 (USD bn)
1	Vinci, France	15.378
2	Skanska AB, Sweden	14.342
3	Bouygues, France	12.830
4	Kajima Corp., Japan	12.171
5	Hochtief, Germany	11.682
6	Bechtel Group Inc., U.S.A	11.299
7	Taisei Corp., Japan	11.279
8	Obayashi Corp., Japan	9.972
9	Shimizu Corp., Japan	9.894
10	Takenaka Corp., Japan	8.803

HOCHTIEF – five strong divisions

HT Construction
 -> Construction
 (civil and building)
 -> Europe (mainly
 Germany)

Asia Pacific
 -> Project development,
 construction, contract
 mining and infrastructure
 services
 -> Australia, Asia Pacific



Americas
 -> General building, construction mgmt.,
 construction related services
 -> U.S.A., Canada, Brazil

HT Airport
 -> Consulting and
 management of airports
 and airport concessions
 -> Germany, Greece,
 Australia

HT Development
 -> Real estate and
 infrastructure project
 development, facility
 management and
 asset management
 -> Germany, Poland,
 Luxembourg, Hungary,
 Greece

Key strategies for further value enhancement

- I) Strengthening of international orientation
- II) German Construction restructuring
- III) Expansion into service-related activities
- IV) Portfolio optimization
- V) Ongoing generation of Group synergies



ROCE medium-term target: >14% 2001=8% 2002E=9%

I) Strengthening of international orientation

- **Strong growth in international markets**
 - > **Group work done outside Germany:**
1992: 28% 1997: 48% 2002: 84%
- **2nd most international construction group globally**
- **Advantage from global experience**
 - > **fast turn-around of German construction business also based on Turner's experience**
 - > **specialized knowledge through HOCHTIEF global network communication**
 - > **International Committee**

Competitive advantage through world-wide presence

II) German Construction restructuring

- **2001: development of 10-point restructuring program**
 - > **contract review committee**
 - > **efficient branch network**
 - > **building in partnership (PreFair concept)**
- **2002: successful implementation of program measures**
 - > **significant reduction of capacities**
 - > **focus on profitable market segments**
 - > **selective order intake**
 - > **priority of quality over quantity**
- **2003: expected break-even at HTC**
 - > **reduced volume but higher quality**
 - > **project earnings already positive**

HTC on track to reach former profitability

III) Expansion into service-related activities

- **Airport Management**
 - > sound platform with Athens, Düsseldorf, Hamburg and Sydney
 - **Infrastructure concessions**
 - > already managing 700 km toll roads world-wide
 - > Herrentunnel Lübeck, Américo Vespucio Norte Chile
 - **BOT (build operate transfer) and PPP (private public partnership) projects**
 - **Facility Management**
 - > motor industry (car.e), trade fairs, airports, petrol stations
- > Average operating margin expected 8% vs. 3% in construction business

Services - from 25% (2001) to 50% (2006) (of Group sales)

IV) Portfolio optimization

- **M&A 2002**
 - > acquisition of 15% stake in Sydney airport (EUR 183m)
 - > increase stake in Hamburg airport to 49% (EUR 101m)
 - > disposal of Monachia real estate (EUR 200m cash)
- **Restructuring programs**
 - > German construction business
 - > Ballast Nedam
 - > HT Polska

Redeploy capital into high margin/strong cash flow businesses

V) Ongoing generation of Group synergies

- Use synergy effects through strong integration

- > International Committee
- > Management Committee
- > daily mutual support during projects
- > 'one-stop-shopping' for global clients
- > know-how transfer

- Examples:

- | | | |
|-----------------------------------|-----------------|-----------|
| -> Athens Airport | HTC, HTA, HTD | EUR 2.1bn |
| -> Parramatta raillink, Australia | HTC, Leighton | EUR 500m |
| -> Thames Tunnel | HT UK, HTC, HTI | EUR 190m |
- > partnership projects in 2001/2002 of more than EUR 2bn

Financial, customer and technical synergies through global networking

Corporate Governance

- **The German Corporate Governance Code as a basis**
 - > for our decision making and control processes
 - > to further optimize responsibility and transparency
- **Implementation at HOCHTIEF already dating back to mid 90ies:**
 - > business ethics (ethics hotline)
 - > code of conduct (employee rights)
 - > member of Transparency International
 - > comprehensive risk management as an integral part of the overall planning, steering and reporting process
 - > integration of the three sustainability pillars in our daily work: ecology, social responsibility, economy

Business moral and integrity secure our credibility and therefore the basis for sustainable success

Project milestones in 2002/2003

- | | | |
|---------------------------------|----------|--------------------------|
| • Western Sydney Orbital | EUR 825m | Sydney |
| • Land reclamation project | EUR 470m | Hong Kong |
| • Airport project | EUR 430m | Indianapolis, U.S. |
| • U.S. airport security systems | | U.S. wide (447 airports) |
| • Deep-water harbor | EUR 142m | South Africa |
| • Parramatta rail link | EUR 500m | Sydney |
| • 'Health' segment contracts | EUR 350m | Oregon/Virgina (U.S.) |
| • Magnesium plant | EUR 710m | Queensland, Australia |
| • Channel Tunnel Rail Link | EUR 200m | UK |
| • Américo Vespucio Norte | EUR 575m | Santiago de Chile |

Projects underpin the excellent market position

HOCHTIEF – Key figures 1998 – 2002

(EUR m)	1998	1999	2000	2001	2002
New orders	6,311	12,708	14,073	14,179	14,430
Work done	6,274	8,424	13,025	12,978	12,782
Sales	3,304	5,085	9,586	12,171	➔
Earnings after tax	187	205	127	78	➔
Total assets	4,444	5,983	6,569	8,016	➔
Marketable securities/ Cash, cash equivalents	1,503	1,718	1,524	2,376	➔
Equity ratio (%)	42,4	34,0	29,0	27,1	➔
Cash flow	190	303	220	160	➔
Capex	139	455	493	556	655
Employees (year av.)	37,229	37,345	41,004	33,442	33,185

New orders, work done and employees figures for 2001 and 2002 comprise only those activities in which HOCHTIEF holds more than 50%.

HOCHTIEF work done 2002

(EUR m)	2001	2002	Change %
AirPort	12	22	+84
Construction	2,372	2,004	-16
Development	401	504	+26
Americas	7,197	6,724	-7
Asia Pacific	2,705	3,072	+14
International	291	370	+27
Other	0	86	n.a.
Total	12,978	12,782	-2

HOCHTIEF

- We will strengthen our international orientation.
 - We will grow our profitable businesses, particularly the services sector.
 - We will continue to spearhead innovation in our industry.
 - We will enhance the benefits of our global network.
 - Construction AG expects to break even in 2003 following the turnaround in the German market.
- > We will significantly increase the value of our company.

HOCHTIEF - building value on sound foundations

HOCHTIEF City

For a comprehensive Group presentation including detailed data for each division, please have a look on our homepage: www.hochtief.de under IR/pdf's and videos.

For further information, please contact:

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