

# Half-Year Report

## January–June 2003

HOCHTIEF earnings significantly improved in second quarter

- HOCHTIEF earnings in Germany positive again
- International earnings affected by exchange rates



# Dear shareholders,

**Cover photo:**  
Anticyclic growth: HOCHTIEF's harbor construction business is developing well. HOCHTIEF Construction will complete Container Terminal IIIa at Bremerhaven in October 2003.

HOCHTIEF has reached a key intermediate goal: As planned, and as the figures for the Europe division show, our German construction business generated positive earnings in the second quarter of 2003. Deep restructuring with a two-thirds reduction in the domestic work-force since the German construction crisis first started and, ultimately, the creation of HOCHTIEF Construction AG as a separate entity in 2001 put HOCHTIEF in a position to earn sustained revenue in today's smaller German construction market.

For the first half of 2003, HOCHTIEF reported **operating earnings (EBITA)** of EUR 120 million—a marked rise on the prior-year figure of EUR 101 million. This is largely due to a gratifying second-quarter boost in operating earnings from the Europe and Airport divisions. The current-year earnings figures incorporate extraordinary items of contrary effect to the prior year. Earnings in the first half of 2002 were bolstered by the sale of a stake in the Monachia real estate group. Operating earnings in the first half of 2003, on the other hand, were negatively affected by the American and Australian dollar exchange rates. As a result, a year-on-year comparison fails to show the full extent of the improvement in operating earnings.

At EUR 21 million, operating earnings from the **Airport** division were well up over the prior year (H1 2002: EUR 1 million). This reflects higher earnings from the Düsseldorf and Athens airport holdings. It also includes remuneration for our services in connection with the abandoned privatization of the Berlin airports.

The strong market position of the **Development** division likewise comes out in its earnings. The division generated good half-year earnings of EUR 17 million (H1 2002: EUR 58 million). The prior-year figure includes the once-only effect of the Monachia sale.

HOCHTIEF **Americas** generated good operating earnings of EUR 28 million in the first half of 2003. Operating earnings were prevented from matching the high figure of the previous year (H1 2002: EUR 46 million) by the unfavorable dollar exchange rate and increased pension plan expenditure.

The **Asia Pacific** division increased operating earnings to EUR 87 million (H1 2002: EUR 81 million) despite negative exchange rate effects. The earnings boost from the sale of the stake in Star City Casino was offset by a charge relating to the stake in NextGen Holdings Ltd.

Systematic continuation of restructuring in the **Europe** division caused earnings to rise by a sharp EUR 29 million to EUR –17 million year on year.

The **Corporate Headquarters/Consolidation** unit generated operating earnings of EUR –16 million, a marked improvement on the previous year (H1 2002: EUR –40 million). Net investment and interest income reflects a EUR 15-million risk provision we made in the first and again in the second quarter for our securities holdings with a view to the anticipated performance of the financial markets.

The **tax expense** figure is higher than planned. The EUR 39 million reported in the first half of 2003 is primarily due to the good earnings performance of the Asia Pacific and Americas divisions. The EUR 26-million tax credit in the prior-year period mostly resulted from the recognition of deferred taxes from loss carryforwards.

In the first half of 2003, HOCHTIEF generated **net income** of negative EUR 7 million (H1 2002: EUR 81 million). Second-quarter earnings, at EUR 9 million, were well up over the first quarter (EUR –16 million). Eliminating the prior year's extraordinary items, this represents a sharp rise in net income.

**Group sales**, at EUR 5.35 billion, were 10.1 percent down on the prior-year period (EUR 5.96 billion). The main cause was the reduction at our subsidiaries Turner and Leighton, whose external sales fell due to exchange rate movements by some EUR 700 million. All other parts of HOCHTIEF increased external sales, in some cases significantly.

All previous years' segmental reporting figures have been adjusted for the new corporate structure. This includes the dissolution of the HOCHTIEF International division.

\*) The previous year's figure has been adjusted due to the inclusion in EBITDA of adjusted net income from participating interests.

## The HOCHTIEF Group in figures

(EUR,000)	H1 2003	H2 2002	Percentage change	Full year 2002
Consolidated external sales	<b>5,352,368</b>	5,956,589	<b>-10.1 %</b>	12,007,173
Earnings from operating activities	<b>67,464</b>	80,379	<b>-16.1 %</b>	233,097
EBITDA*	<b>221,620</b>	227,052	<b>-2.4 %</b>	424,824
Operating earnings (EBITA)	<b>119,550</b>	100,514	<b>18.9 %</b>	156,505
Earnings before taxes (EBT)	<b>70,319</b>	89,175	<b>-21.1 %</b>	120,921
Net loss	<b>(7,359)</b>	80,759	<b>-109.1 %</b>	43,312
Earnings per share (EUR)	<b>(0.12)</b>	1.28	<b>-109.4 %</b>	0.69
Cash flow	<b>131,263</b>	209,745	<b>-37.4 %</b>	374,215
Capital expenditure	<b>192,265</b>	284,749	<b>-32.5 %</b>	653,982
New orders	<b>6,678,058</b>	8,283,953	<b>-19.4 %</b>	14,430,000
Work done	<b>5,553,085</b>	6,221,224	<b>-10.7 %</b>	12,782,000
Order backlog	<b>15,094,412</b>	14,904,754	<b>1.3 %</b>	14,075,000
Employees	<b>34,760</b>	33,398	<b>4.1 %</b>	33,100
	(As of June 30)	(As of June 30)		(Annual average)

**Capital expenditure** in the first half of 2003 was EUR 192 million, a reduction of 32.5 percent (H1 2002: EUR 285 million). Intangible assets and property, plant and equipment comprised EUR 145 million (H1 2002: EUR 182 million), including EUR 117 million (H1 2002: EUR 137 million) for Leighton. HOCHTIEF invested an added EUR 47 million in financial assets.

**New orders** for the first half of 2003 were 19.4 percent lower year on year. Our international activities saw a 24.1-percent drop in new orders, mainly due to the sliding dollar. Domestic new orders were up a marked 15.7 from the prior-year period.

**HOCHTIEF's stock** rose slightly to mid-year, from EUR 13 to EUR 13.76 (an increase of 6 percent). This placed it behind the DAX 30 index (which gained 11 percent) but in front of the DJ STOXX Construction Index (up 1 percent). The HOCHTIEF stock price then picked up very strongly, passing the 17-euro mark by early August.

### Group outlook

In local currency figures, HOCHTIEF's key international market segments are seeing a marked increase in business compared with 2002. This positive trend has been offset by shifting euro exchange rates since the year began. The persistently weak U.S. dollar in particular leads us to expect fiscal 2003 new orders and sales as expressed in euros to match the levels of 2002.

Based on the information available today, operating earnings and earnings before taxes will exceed the 2002 figures as planned, despite the effects of the strong euro. These predictions assume our Europe division will break even by the end of the year, as current performance suggests. We are also assuming no significant negative influences on our business from financial market or exchange rate developments.

## Development of HOCHTIEF divisions

As in preceding years, the results from our four airport operating companies have been recognized with a lag of one accounting period.

### HOCHTIEF Airport Division

HOCHTIEF Airport has borne up very well in a difficult economic and geopolitical environment. A marked, EUR 20-million rise in operating earnings partly reflects a write-back of the special tax allowable reserves set aside at Flughafen Düsseldorf GmbH in connection with the disastrous fire of 1996. With negotiations for privatization of Berlin's airports and for construction of Berlin Brandenburg International Air-

port now at an end, the bidding consortium has received a payment for its expenses, some of which accrues to HOCHTIEF.

HOCHTIEF Airport successfully applies its airport management expertise to the benefit of its various airport holdings. Each of these is developing to plan.

Düsseldorf Airport: Work was completed on Terminal C, which opened in May.

Hamburg Airport: Construction work is running both to plan and to budget, with the topping-out ceremony for the new terminal held in June.

Athens Airport: The International Air Transport Association (IATA) voted Athens Airport the world's best in its class (up to 15 million passengers).

Sydney Airport: The operating company ended the fiscal year 2002/03 with a 19-percent increase in EBITDA.

### Airport Division

(EUR,000)	H1 2003	H1 2002	Percentage change	Full year 2002
External sales	970	818	18.6 %	21,264
Earnings from operating activities	(3,946)	(678)	-482.0 %	8,149
EBITDA	21,161	1,236	1,612.1 %	12,496
Operating earnings (EBITA)	21,112	1,204	1,653.5 %	12,395
Earnings before taxes (EBT)	5,428	(9,030)	160.1 %	(16,412)
Net income/(loss)	4,351	(6,948)	162.6 %	(15,221)
Capital expenditure	1,182	94,109	-98.7 %	174,076
New orders	966	3,440	-71.9 %	22,000
Work done	966	3,440	-71.9 %	22,000
Order backlog	0	0	-	0
Employees	58	59	-1.7 %	59

### HOCHTIEF Airport outlook

Passenger numbers are recovering world-wide as SARS and the Iraq war recede. The easier situation will have a positive effect on HOCHTIEF Airport's holdings. The division anticipates further growth in its operating earnings. As in preceding years, the results from our four airport operating companies have been recognized with a lag of one accounting period.

### HOCHTIEF Development Division

HOCHTIEF Projektentwicklung had a successful first half of 2003. The final investors have taken possession of the West-site project in Munich, the Lindenthal district Town Hall and Aachener Strasse office building in Cologne, and the first construction phase of the Moskauer Strasse project in Düsseldorf.

Work also continued successfully on various public-private partnerships.\*\* The 60-kilometer Puentes del Litoral bridge link between Rosario and Victoria in Argentina came into operation in May. Work on the Américo Vespucio project, an urban expressway in Santiago de Chile, began on schedule at the end of April. This toll road will come into use in stages up to 2006. HOCHTIEF and its Spanish partners will operate the road until 2033. Tunneling work was successfully completed on the first bore of the Herrentunnel project, Lübeck.

\*\* See back page.

HOCHTIEF Facility Management has further advanced its position as a provider of integrated facility management services, with a number of projects in banking and industry. As part of its commitment to expanding into Europe, HOCHTIEF Facility Management has established a separate facility management company in Luxembourg.

Deutsche Bau- und Siedlungs-Gesellschaft has likewise performed well in the asset management sector. Some 90 per cent of the Spreepark project in Berlin is already let.

### HOCHTIEF Development outlook

Despite the persistent negative market trend in Germany, HOCHTIEF Development expects to continue its operating earnings growth as planned.

### Development Division

(EUR,000)	H1 2003	H1 2002	Percentage change	Full year 2002
External sales	<b>243,202</b>	179,533	<b>35.5 %</b>	447,498
Earnings from operating activities	<b>21,576</b>	64,895	<b>-66.8 %</b>	174,452
EBITDA	<b>22,495</b>	65,000	<b>-65.4 %</b>	179,674
Operating earnings (EBITA)	<b>16,722</b>	58,203	<b>-71.3 %</b>	153,190
Earnings before taxes (EBT)	<b>11,165</b>	56,038	<b>-80.1 %</b>	147,119
Net income/(loss)	<b>3,650</b>	93,882	<b>-96.1 %</b>	142,932
Capital expenditure	<b>3,499</b>	19,746	<b>-82.3 %</b>	53,086
New orders	<b>198,606</b>	330,632	<b>-39.9 %</b>	700,000
Work done	<b>259,382</b>	193,237	<b>34.2 %</b>	504,000
Order backlog	<b>786,789</b>	768,680	<b>2.4 %</b>	827,000
Employees	<b>1 141</b>	653	<b>74.7 %</b>	664

### Construction Services Americas Division

(EUR,000)	H1 2003	H1 2002	Percentage change	Full year 2002
External sales	<b>2,674,399</b>	3,150,687	<b>-15.1 %</b>	6,454,083
Earnings from operating activities	<b>13,091</b>	21,404	<b>-38.8 %</b>	54,552
EBITDA	<b>36,875</b>	57,714	<b>-36.1 %</b>	126,855
Operating earnings (EBITA)	<b>28,241</b>	45,652	<b>-38.1 %</b>	102,393
Earnings before taxes (EBT)	<b>15,033</b>	26,059	<b>-42.3 %</b>	66,802
Net income/(loss)	<b>7,292</b>	13,507	<b>-46.0 %</b>	34,309
Capital expenditure	<b>6,350</b>	13,331	<b>-52.4 %</b>	34,375
New orders	<b>3,383,792</b>	4,668,197	<b>-27.5 %</b>	7,436,000
Work done	<b>2,726,195</b>	3,313,821	<b>-17.7 %</b>	6,724,000
Order backlog	<b>5,896,804</b>	6,594,461	<b>-10.6 %</b>	5,770,000
Employees	<b>7 683</b>	6 017	<b>27.7 %</b>	5 960

### HOCHTIEF Construction Services Americas Division

The division's operating business performed as planned. Expressed in local currency, Turner's operating earnings remained at their prior-year level due to increased pension plan costs (EUR 10 million). The strong euro brought earnings down by a further EUR 6 million. These two factors together explain most of the drop in operating earnings. The exchange rate is also the main reason for the fall in new orders, from EUR 4.7 billion in the prior-year period to EUR 3.4 billion in the first half of 2003. Factoring out the exchange rate changes leaves a decrease of ten percent, due to the slowdown on the American construction market. The drop in sales to EUR 2.7 billion is solely due to the exchange rate. Expressed in U.S. dollars, sales were four percent up year on year.

Turner is making good progress in growth sectors such as health and research. An example is the EUR 76-million contract to build cancer research facilities at Roswell Park Cancer Institute and the University of Buffalo. A further, EUR 81-million contract has come from Northern California Institute for Research and Education.

### HOCHTIEF Americas outlook

Turner's sales have risen continuously over recent years and remain at a high level despite the weakening market. This is a product of record new orders in past years combined with Turner's successful specialization in growth segments and the further development of construction-related services. The division will again make a pleasing contribution to Group earnings in 2003, although operating earnings will be below the previous year's level, mostly due to exchange rate changes and pension plan costs.

### HOCHTIEF Construction Services Asia Pacific Division

After a strong first quarter with a number of major projects awarded to the Leighton Group, business in the second quarter was somewhat more restrained. The order backlog remains very high at EUR 5.47 billion. The sales and earnings figures were dragged down by the Australian dollar, whose average exchange rate was far lower than a year earlier. The disproportionate rise in earnings from operating activities is partly due to asset disposals in the second quarter. The fall in EBITDA due to lower net income from participating interests and the unfavorable exchange rate was offset by lower depreciation, leaving a slight increase in operating earnings and earnings before taxes. Net income was down due to the exchange rate and the higher tax charges.

In gaining a place on the planning team for supplementary embankment works on Brisbane River, Leighton has taken a major step towards entering the hydrological engineering market. Work is to begin early next year after completion of the feasibility study.

#### HOCHTIEF Asia Pacific outlook

The division anticipates the award of further major public infrastructure projects in Australia for the second half of 2003, primarily in road and rail construction. With strong order books, the division is confident that it can further increase earnings from their already high level

### Construction Services Asia Pacific Division

(EUR,000)	H1 2003	H1 2002	Percentage change	Full year 2002
External sales	<b>1,430,557</b>	1,642,890	<b>-12.9 %</b>	3,138,385
Earnings from operating activities	<b>84,916</b>	68,879	<b>23.3 %</b>	154,827
EBITDA	<b>160,186</b>	176,729	<b>-9.4 %</b>	308,087
Operating earnings (EBITA)	<b>86,546</b>	81,328	<b>6.4 %</b>	118,071
Earnings before taxes (EBT)	<b>83,838</b>	77,467	<b>8.2 %</b>	111,932
Net income/(loss)	<b>25,549</b>	27,517	<b>-7.2 %</b>	35,121
Capital expenditure	<b>162,186</b>	141,041	<b>15.0 %</b>	335,541
New orders	<b>1,857,298</b>	1,840,608	<b>0.9 %</b>	3,554,000
Work done	<b>1,342,586</b>	1,602,132	<b>-16.2 %</b>	3,072,000
Order backlog	<b>5,467,943</b>	4,520,085	<b>21.0 %</b>	4,558,000
Employees	<b>15431</b>	15431	<b>0.0 %</b>	15273

### Construction Services Europe Division

(EUR,000)	H1 2003	H1 2002	Percentage change	Full year 2002
External sales	<b>966,961</b>	939,150	<b>3.0 %</b>	1,859,079
Earnings from operating activities	<b>(29,527)</b>	(58,050)	<b>49.1 %</b>	(144,435)
EBITDA	<b>(3,082)</b>	(33,704)	<b>90.9 %</b>	(86,392)
Operating earnings (EBITA)	<b>(16,743)</b>	(45,624)	<b>63.3 %</b>	(112,998)
Earnings before taxes (EBT)	<b>(10,919)</b>	(42,880)	<b>74.5 %</b>	(105,322)
Net income/(loss)	<b>(8,948)</b>	(26,007)	<b>65.6 %</b>	(60,565)
Capital expenditure	<b>18,252</b>	14,244	<b>28.1 %</b>	51,964
New orders	<b>1,204,896</b>	1,402,856	<b>-14.1 %</b>	2,632,000
Work done	<b>1,191,456</b>	1,070,374	<b>11.3 %</b>	2,374,000
Order backlog	<b>2,942,876</b>	3,021,528	<b>-2.6 %</b>	2,920,000
Employees	<b>10120</b>	10921	<b>-7.3 %</b>	10819

### HOCHTIEF Construction Services Europe Division

This division essentially comprises our German construction business. The second quarter of 2003 saw positive earnings before taxes for the first time since 1999. The earnings figure was reduced, as budgeted, by a residual amount for uncovered fixed costs. The good results demonstrate the success of the restructuring drive. Sales growth remains steady despite the continued weak state of the domestic economy, with the strong order backlog covering a large part of the year's planned work volume.

The division has responded to the difficult overall market environment by stepping up customer relations management. The new PreFair business model was successfully launched. A focus of activity in the first half of 2003 was on expanding the Market Segment Group for the growth segments of health and logistics. Business was strong in the well-established commercial real estate segment, with new contracts including the Hansa-Karree development in Düsseldorf and Garden-Tower in Frankfurt.

#### HOCHTIEF Europe outlook

Based on its performance to date, the division expects to attain its break-even objective in operating earnings by the year-end.

## Consolidated Statement of Earnings (EUR,000)

**Accounting and valuation methods**  
The Half-Year Report as of June 30, 2003 has been prepared to conform to the currently applicable International Accounting Standards (IAS's). We also pay due attention to the statements issued by the Standing Interpretations Committee (SIC) of the International Accounting Standards Board (IASB). All prior-year figures conform to the IAS's in operation at that time.

There have been no changes in the consolidation principles or in the accounting and valuation methods since December 31, 2002.

For further information, readers are referred to the consolidated financial statements as of December 31, 2002, on the basis of which these interim financial statements were prepared.

In the first half of 2003, three German and seven foreign companies were included in the consolidated financial statements for the first time. Two companies were merged. In all, 226 companies are fully consolidated and 27 companies accounted for using the equity method.

	Q2 2003	Q2 2002	H1 2003	H1 2002
Sales	2,696,009	2,928,767	5,352,368	5,956,589
Changes in inventories of finished goods	(673)	586	55	918
Other own work capitalized	611	7,677	1,009	9,691
Other operating income	29,399	14,465	41,808	184,833
Materials	2,094,893	2,303,504	4,148,245	4,684,024
Personnel costs	396,102	426,533	789,327	863,988
Depreciation and amortization	48,558	70,935	112,030	136,310
Other operating expenses	152,446	138,676	278,174	387,330
<b>Earnings from operating activities</b>	<b>33,347</b>	<b>11,847</b>	<b>67,464</b>	<b>80,379</b>
Net income from participating interests	15,174	11,409	29,129	(10,494)
Net investment and interest income	(8,650)	10,337	(26,274)	19,290
<b>Earnings before taxes</b>	<b>39,871</b>	<b>33,593</b>	<b>70,319</b>	<b>89,175</b>
Income taxes	9,362	7,177	38,840	(25,688)
<b>Earnings after taxes</b>	<b>30,509</b>	<b>26,416</b>	<b>31,479</b>	<b>114,863</b>
Minority shareholders' interests	21,728	20,264	38,838	34,104
<b>Consolidated net income</b>	<b>8,781</b>	<b>6,152</b>	<b>(7,359)</b>	<b>80,759</b>

## Consolidated Balance Sheet (EUR,000)

	Jun. 30, 2003	Dec. 31, 2002
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible assets	217,890	237,079
Property, plant and equipment	996,223	964,973
Financial assets	1,028,018	1,030,466
	<b>2,242,131</b>	<b>2,232,518</b>
<b>Current assets</b>		
Inventories	31,173	28,279
Receivables and other current assets	2,744,243	2,822,236
Marketable securities	1,224,295	1,345,862
Cash and cash equivalents	763,633	704,295
	<b>4,763,344</b>	<b>4,900,672</b>
<b>Deferred tax assets</b>	<b>438,872</b>	<b>460,411</b>
<b>Prepaid expenses</b>	<b>15,158</b>	<b>17,585</b>
	<b>7,459,505</b>	<b>7,611,186</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Shareholders' equity/minority interests</b>		
Attributable to the Group	1,536,884	1,572,461
Attributable to minority shareholders	392,449	367,867
	<b>1,929,333</b>	<b>1,940,328</b>
<b>Provisions</b>	<b>1,267,732</b>	<b>1,279,955</b>
<b>Liabilities</b>	<b>4,079,050</b>	<b>4,183,596</b>
<b>Deferred tax liabilities</b>	<b>179,003</b>	<b>200,981</b>
<b>Deferred income</b>	<b>4,387</b>	<b>6,326</b>
	<b>7,459,505</b>	<b>7,611,186</b>

Consolidated Statement of Cash Flows (EUR,000)	H1 2003	H1 2002
<b>Cash flow</b>	<b>131,263</b>	<b>209,745</b>
Changes in working capital/other balance sheet items	(71,818)	39,041
<b>Net cash used in operating activities</b>	<b>59,445</b>	<b>248,786</b>
Investment in property, plant and equipment or financial assets	(192,265)	(284,749)
Proceeds from disposals of property, plant and equipment or financial assets	101,768	24,881
Changes in securities holdings and liquid investments	142,582	(48,076)
<b>Net cash used in investing activities</b>	<b>52,085</b>	<b>(307,944)</b>
<b>Net cash provided by financing activities</b>	<b>(34,342)</b>	<b>(7,054)</b>
<b>Overall change in cash and cash equivalents</b>	<b>77,188</b>	<b>(66,212)</b>
Cash and cash equivalents at the start of the year	686,445	800,764
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>763,633</b>	<b>734,552</b>

#### Derivation of operating earnings

The derivation of "operating earnings" from "earnings from operating activities" follows the principles set out in the consolidated financial statements for FY 2002. Non-operating earnings exclusively include restructuring expenses.

#### Contingent liabilities

These are mainly contingent liabilities from guarantees and letters of support provided; the figure decreased by EUR 47,492 thousand in FY 2002, to reach EUR 225,210 thousand on the reporting date.

#### HOCHTIEF's own stock

As of June 30, 2003, HOCHTIEF held 6,947,930 shares of its own stock, acquired during the period September 1999 through October 2001. They constitute EUR 17,786,701 of the nominal capital stock, or 9.93 percent of the total. Of the shares held, 808,320 were purchased to service the stock options granted in the 1999 and 2000 Long-term Incentive Plans for management and staff. A further 6,139,224 were purchased in order to have stock to offer when acquiring companies or equity interests therein or when entering into mergers, or in order to retire the stock. Finally, 386 own shares were earmarked for sale directly to employees or officers of the Company or an affiliated company.

Following the exercise of 3,850 stock options, we sold 3,850 of our own shares to the option holders in March 2003 at a price of EUR 11.68 per share. These shares constitute EUR 9,856 of the nominal capital stock, or 0.006 percent of the total. The 1999 and 2000 Long-term Incentive Plans led to 874,120 stock purchase options originally being granted, pursuant to Sec. 192 (2) 3 of the German Stock Corporations Act (AktG). The number of options allowed to lapse in earlier fiscal years was 135,250 while 3,800 were exercised. 3,150 options lapsed in the first quarter of 2003 while 3,850 were exercised, leaving 728,070 stock options in force as of June 30, 2003.

(EUR,000)	Q2 2003	Q2 2002	H1 2003	H1 2002
<b>Earnings from operating activities</b>	<b>33,347</b>	<b>11,847</b>	<b>67,464</b>	<b>80,379</b>
+ Net income from participating interests	15,174	11,409	29,129	(10,494)
- Non-operating earnings	(+) 5,644	(+) 1,000	(+) 7,510	(+) 5,300
- Amortization of goodwill from capital consolidation	(+) 4,567	(+) 4,723	(+) 9,959	(+) 9,772
+ Interest credited	1,704	7,612	5,488	15,557
<b>Operating earnings (EBITA)</b>	<b>60,436</b>	<b>36,591</b>	<b>119,550</b>	<b>100,514</b>
<b>Earnings per share</b>	<b>Q2 2003</b>	<b>Q2 2002</b>	<b>H1 2003</b>	<b>H1 2002</b>
<b>Consolidated net income (loss) (EUR,000)</b>	<b>8,781</b>	<b>6,152</b>	<b>(7,359)</b>	<b>80,759</b>
Number of shares in circulation (weighted average) thousands	63 052 070	63 029 565	63 050 787	63 014 801
<b>Earnings per share (EUR)</b>	<b>0.14</b>	<b>0.10</b>	<b>(0.12)</b>	<b>1.28</b>
<b>Earnings per share excluding goodwill amortization (EUR)</b>	<b>0.21</b>	<b>0.17</b>	<b>0.04</b>	<b>1.44</b>

#### Statement of changes in equity and minority interests (EUR,000)

	H1 2003			H1 2002		
	Attributable to the Group	Attributable to minority shareholders	Total	Attributable to the Group	Attributable to minority shareholders	Total
<b>Balance as of Jan. 1</b>	<b>1,572,461</b>	<b>367,867</b>	<b>1,940,328</b>	<b>1,810,654</b>	<b>364,881</b>	<b>2,175,535</b>
Dividends paid	(34,679)	(12,936)	(47,615)	(31,522)	(12,887)	(44,409)
Other comprehensive income/other adjustments	6,461	(1,320)	5,141	(88,089)	(1,232)	(89,321)
Earnings after taxes	(7,359)	38,838	31,479	80,759	34,104	114,863
<b>Balance as of June, 30</b>	<b>1,536,884</b>	<b>392,449</b>	<b>1,929,333</b>	<b>1,771,802</b>	<b>384,866</b>	<b>2,156,668</b>

### **Opening tomorrow's markets with public-private partnership (PPP)**

Urgently needed public infrastructure projects increasingly fail to be realized because of empty state coffers. The alternative is to undertake such projects using private finance, with investors operating the infrastructure for a period of many years after completion. According to a study by business consultants, such projects can yield 17-percent savings on average for the public purse. These improved returns arise from the long-term optimization of capital expenditure and operating costs, in which a holistic approach is taken to reducing costs over a project's entire life cycle. Also, planning and construction is accelerated. Considerable advantages stem from the transfer of risk from the public to the private sector.

HOCHTIEF is currently involved in 17 public-private partnerships around the world, guaranteeing an attractive and dependable flow of revenue. Most are toll roads, tunnels and bridges. The total investment comes to EUR 4.7 billion, of which HOCHTIEF is providing approximately EUR 1 billion. HOCHTIEF Infrastructure Development alone is currently bidding for projects that would involve capital expenditure of more than EUR 1.5 billion for HOCHTIEF worldwide. The Group also sees strongly increasing potential in the operation and maintenance of schools and public buildings.

HOCHTIEF has established a leading position in public-private partnerships worldwide and is No. 1 in this sector in Germany. The Group is also one of the world's largest independent airport operators, with stakes in Athens, Düsseldorf, Hamburg and Sydney airports. HOCHTIEF also markets its internationally acquired expertise on the German market, although as yet Germany has few PPP projects owing to caution on the part of government agencies. This form of constructive dialog and trusting cooperation between policy decision-makers, administrative authorities and business could solve many problems and create many jobs in Germany as it has elsewhere.

## **Financial Calendar**

### **November 19, 2003**

Fall Press Conference  
Interim Report at September 30, 2003  
Conference Call with Analysts and Investors

### **February 18, 2004**

Preliminary Report on FY 2003

### **March 31, 2004**

Business Results Press Conference  
Analysts' and Investors' Conference

### **May 7, 2004**

General Shareholders' Meeting, 10:30 a.m.,  
Congress Center West, Essen  
Quarterly Report at March 31, 2004  
Conference Call with Analysts and Investors

## **Publication Details and Credits**

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**The half-year report is a translation of the original German version, which remains definitive.**