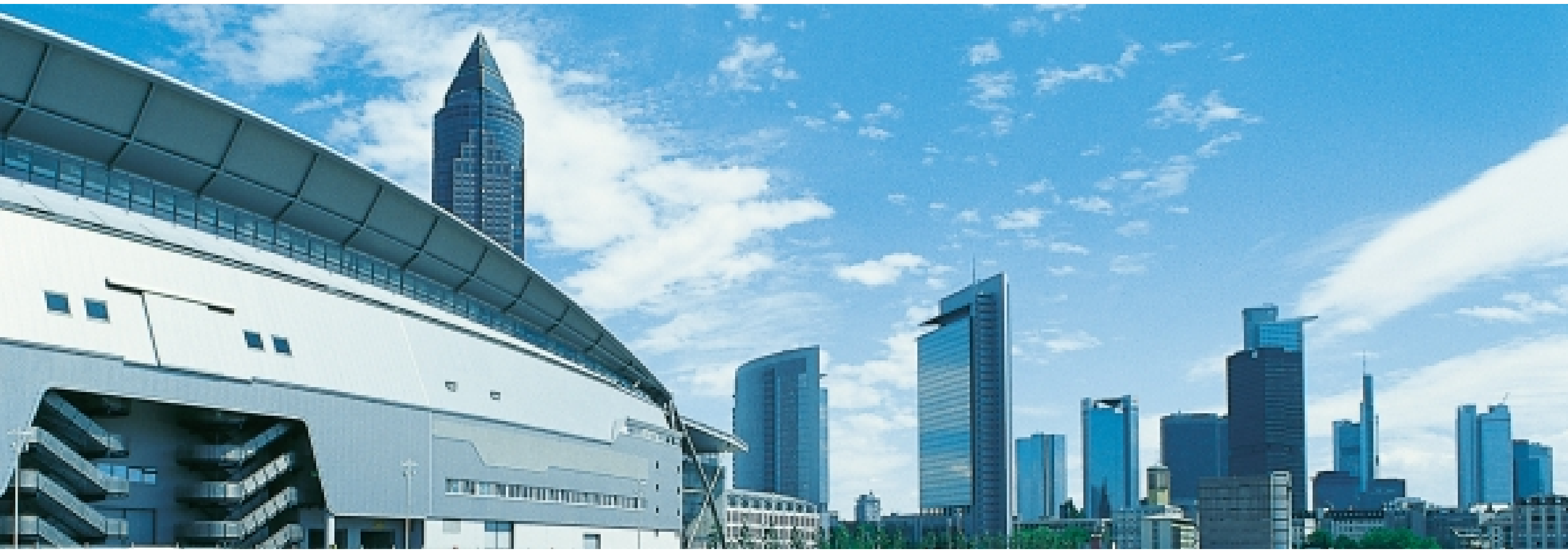
Interim Report
January–September 2002

- Significant rise in operating earnings to EUR 164 million
- New orders three percent higher at EUR 11.1 billion
- 15-percent stake acquired in Sydney Airport



HOCHTIEF

Dear shareholders,

Our performance in the third quarter of 2002 carried on in the same vein as the good results of the first half, and we achieved this despite the persisting adverse environment on Germany's construction market and unexpectedly high impending losses at our associated company in the Netherlands, Ballast Nedam N.V. In the period through September 30, 2002 our **operating earnings** climbed to EUR 164 million (Q1-Q3 2001: EUR –13 million).

This positive performance was generated mainly by the rigorous restructuring measures implemented in the Construction division, which boosted its own operating earnings by EUR 124 million year on year, to EUR –53 million.

The Development division also lifted its operating earnings by EUR 58 million to EUR 88 million. The main contributory factor was the tax-free sale of our stake in Monachia Grundstücks-AG in the first quarter, which earned a book profit of EUR 157 million. About two thirds of this gain was set aside as a general risk provision.

All prior-year figures in the segment reporting have been restated to mirror the new corporate structure.

The International division's results were impacted by the unfavorable performance of our associated company Ballast Nedam N.V. in the Netherlands. We allocated a provision of EUR 36 million in the third quarter to meet HOCHTIEF's anticipated pro rata share of the company's loss for 2002, which we will assume in the next fiscal year.

Consolidated net income grew significantly to EUR 74 million, or EUR 133 million above the prior-year figure.

Consolidated external sales came in slightly lower in the period under review, showing a four-percent decline on the prior-year period at EUR 8.8 billion. This effect was primarily due to the shift in the euro/dollar exchange rate.

New orders won by the Group in the first three quarters showed a 2.9-percent increase over the comparative 2001 period. In Germany, where some major projects were acquired in the third quarter, the year-on-year decline narrowed to 1.4 percent. Meanwhile, the order books in other countries added 3.8 percent even in spite of unfavorable exchange rate movements.

Our **capital expenditure** in the reporting period was EUR 472 million, an increase of EUR 87 million over the prior-year period (EUR 385 million). The proportion devoted to property, plant and equipment, and to intangible assets, was EUR 257 million (compared with EUR 346 million a year earlier). Investments in financial assets increased to EUR 215 million (Q1-Q3 2001: EUR 39 million); the main items were the increase in our stake in Flughafen Hamburg GmbH from 36 to 49 percent and the new investment in Sydney Airport.

HOCHTIEF's stock price proved resilient. In comparison with major stock indices such as the blue chip DAX 30 (-46 percent), the midcap M-DAX (-34 percent) and the European Dow Jones Stoxx Construction (-30 percent), HOCHTIEF stock shed only nine percent in the nine months to September 30, 2002 to close at EUR 14.46.

Looking ahead: Due to exchange rate movements, we expect full-year sales to remain slightly lower than in 2001. However, our growth in new orders means that the year-end order backlog will be substantially higher. We still expect to increase our FY 2002 consolidated net income relative to 2001, even after the charge to provide for anticipated losses at Ballast Nedam.

The HOCHTIEF Group in figures (EUR,000)

	Full year 2001	Q1-Q3 2001	**Q1-Q3 2002**	**Percentage change**
Consolidated external sales	12,170,985	9,166,314	**8,796,649**	**–4.0 %**
Operating earnings	131,237	(12,773)	**163,945**	**1,383.5 %**
EBITDA	322,402	114,535	**392,458**	**242.7 %**
Consolidated net income/(loss)	23,865	(59,138)	**73,954**	**225.1 %**
Earnings per share (EUR)	0.38	(0.94)	**1.17**	**224.5 %**
Cash flow	159,759	84,750	**322,760**	**280.8 %**
Capital expenditure	555,787	384,869	**471,524**	**22.5 %**
New orders	14,664,000	10,741,200	**11,056,000**	**2.9 %**
Work done	13,392,000	9,841,700	**9,462,000**	**–3.9 %**
Order backlog at end of period	13,375,000	13,058,900	**14,921,000**	**14.3 %**
Number of employees (incl. pro rata figure for associated cos.)	36,962 (annual average)	36,680 (as of Sep. 30)	**33,917** (as of Sep. 30)	**–7.5 %**

Airport Division

In July of this year, HOCHTIEF AirPort GmbH invested EUR 175 million to acquire a 15-percent interest in Sydney Airport—the largest Australian airport (the company intends to resell around two thirds of this interest). In association with its equity purchase, HOCHTIEF AirPort also entered into a longer-term consulting contract. The significantly increased external sales and good earnings include fees from structuring the privatization bid and the industrial leadership of the consortium. By acquiring the interest in Sydney Airport, HOCHTIEF AirPort has substantially increased its scope of operations and thus established itself once and for all as one of the world's largest independent airport managers. In addition, HOCHTIEF AirPort has increased its stake in Hamburg Airport. For an outlay of EUR 76 million, the consortium it heads up acquired a further 9 percent in the airport company to bring its total equity holding to 49 percent.

Despite the traffic-related downturn in income, Athens Airport has performed significantly better than forecast. Just two years after opening, the airport will break even in 2003. The first dividend is now scheduled as early as 2004.

Looking ahead
This division will once again close the fiscal year with positive earnings. However, it will fall short of the previous year's earnings which also included retroactive settlements for services in connection with bids submitted.

Airport Division (EUR,000)

	Full year 2001	Q1-Q3 2001	Q1-Q3 2002	Percentage change
External sales	517	728	**21,147**	**2,804.8 %**
Operating earnings	10,764	8,183	**7,810**	**–4.6 %**
EBITDA	(354)	4,048	**5,907**	**45.9 %**
Consolidated net loss	(10,450)	(10,423)	**(8,221)**	**21.1 %**
Capital expenditure	6,567	5,349	**171,782**	**3,111.5 %**
New orders	12,000	10,500	**23,000**	**119.0 %**
Work done	12,000	10,500	**23,000**	**119.0 %**
Number of employees	63	64	**58**	**–9.4 %**

Construction Division

We were very pleased with the growth in HOCHTIEF Construction AG's order backlog against the market trend in the third quarter, reflecting as it does the success of our restructuring program. We generated many new orders in high-income segments. For example, our competence center for shopping malls is to build the City Galerie in Cottbus for the ECE Group. HOCHTIEF Construction will over the course of the next three years build a deep water port at Ngqura, South Africa, together with local HOCHTIEF associate Concor Limited. The contract is valued at EUR 142 million.

HOCHTIEF Construction has developed the PreFair business model. Unique in Germany, this package of services marks a cooperative, sustainable approach to planning right from the early stages as a basis for more cost-effective construction. It allows the company to cover the entire value chain, at the same time making it even more independent of purely price-based competition than was previously possible. For example, the system is being used to build an office complex in Munich for Bayerische Immobilien AG.

Looking ahead
As forecast, the Construction Division will close the current fiscal year with a substantially smaller loss than in the previous year.

Construction Division (EUR,000)

	Full year 2001	Q1-Q3 2001	Q1-Q3 2002	Percentage change
External sales	1,868,711	1,455,380	**1,080,921**	**–25.7 %**
Operating earnings	(160,973)	(176,822)	**(52,997)**	**70.0 %**
EBITDA	(132,602)	(158,430)	**(39,299)**	**75.2 %**
Consolidated net loss	(111,296)	(118,126)	**(30,945)**	**73.8 %**
Capital expenditure	32,435	19,095	**18,108**	**–5.2 %**
New orders	2,039,000	1,399,700	**2,095,000**	**49.7 %**
Work done	2,269,000	1,758,050	**1,436,000**	**–18.3 %**
Order backlog	2,319,000	2,234,800	**2,991,000**	**33.8 %**
Number of employees	11,568	11,232	**8,745**	**–22.1 %**

Development Division

Eleven months after the first sod was cut, the shield-tunneling machine for construction of the Herren Tunnel in Lübeck was formally commissioned and began operation. To be operated by HOCHTIEF Projektentwicklung GmbH together with a partner, this tunnel is being privately financed and will be Germany's first toll road to replace a public transport route.

HOCHTIEF Facility Management GmbH has continued its successful new business strategy. In Hanover, the company is responsible for full technical management on behalf of Continental AG. In Munich, it is in charge of technical building services for the new mathematics and IT faculty complex of some 47,000 m^2 at the city's Technical University.

HOCHTIEF Development's head office in Essen with more than 160 employees moved into the recently completed "Büropark an der Gruga" in July. With a total of around 27,000 m^2, the complex has been fully leased. Additional HOCHTIEF units along with Pilkington Deutschland AG and Tyco International Ltd. now also have their offices in the complex.

Development Division (EUR,000)

	Full year 2001	Q1-Q3 2001	Q1-Q3 2002	Percentage change
External sales	310,430	188,659	**264,511**	**40.2 %**
Operating earnings	73,692	30,626	**88,186**	**187.9 %**
EBITDA	74,718	31,089	**98,049**	**215.4 %**
Consolidated net income	37,292	12,259	**105,671**	**762.0 %**
Capital expenditure	164,995	131,185	**41,036**	**–68.7 %**
New orders	853,000	633,900	**586,000**	**–7.6 %**
Work done	449,000	298,100	**331,000**	**11.0 %**
Order backlog	806,000	737,700	**1,061,000**	**43.8 %**
Number of employees	608	623	**668**	**7.2 %**

Looking ahead

We are confident that this division will continue to make an excellent contribution to our consolidated earnings in 2002—due not only to the earnings in the first nine months of the fiscal year, which were substantially boosted by the sale of Monachia, but also to the year-end business still to come in the fourth quarter.

Americas Division

In terms of sales and orders, our Northern and Latin American companies have performed well despite the difficult market environment.

The education and research segment is becoming increasingly important in the U.S., not least due to its low susceptibility to the general economic climate. In Connecticut, for example, Turner has been tasked with new construction, additions and renovations at several schools, a project worth almost EUR 60 million. In addition, Turner is also increasingly receiving consulting engagements in the education sector. The company will support two school districts in San José and Philadelphia in drawing up their plans for new buildings and improvements. These state programs have a combined value of more than EUR 600 million.

The Canadian Aecon Group Inc. won two record orders in the third quarter: The company is building a hydroelectric power plant in Quebec worth EUR 40 million, and is executing several infrastructure construction and improvement projects for the Ontario Transport Ministry with a total value of EUR 35 million.

Americas Division (EUR,000)

	Full year 2001	Q1-Q3 2001	Q1-Q3 2002	Percentage change
External sales	6,891,457	5,226,127	**4,788,180**	**–8.4 %**
Operating earnings	103,782	68,516	**71,720**	**4.7 %**
EBITDA	123,480	81,716	**85,477**	**4.6 %**
Consolidated net income	28,279	16,510	**21,968**	**33.1 %**
Capital expenditure	46,171	17,966	**29,891**	**66.4 %**
New orders	8,662,000	6,569,150	**5,760,000**	**–12.3 %**
Work done	7,588,000	5,792,650	**5,391,000**	**–6.9 %**
Order backlog	6,411,000	6,337,900	**6,873,000**	**8.4 %**
Number of employees	7,403	7,591	**7,508**	**–1.1 %**

Looking ahead

This division believes it will once again be able to make a healthy contribution to consolidated earnings in 2002. Despite the decline in the dollar exchange rate, volume and earnings in euro terms will remain slightly above 2001 levels.

Asia Pacific Division

The Asia Pacific division's growth is ongoing. Operating earnings were EUR 9 million below those of the previous year through the third quarter—purely because the comparative figure was boosted by extraordinary effects from the initial full consolidation of Leighton Holdings Limited in 2001. Earnings growth was substantial after adjustment for this non-recurring factor.

The order backlog has reached a new all-time high thanks partly to several major orders booked by the Leighton Group during the third quarter. For example, in a 50:50 joint venture with HOCHTIEF Construction AG, the Group company Thiess Pty Ltd. will build a rail route some 13 kilometers long, together with the associated infrastructure, in a suburb of Sydney. The order is valued at around EUR 500 million. Leighton Contractors will redevelop and expand a long-distance rail station with integrated bus station in Melbourne for EUR 175 million.

Looking ahead

The Asia Pacific Division is expected to top last year's figures for new orders and order backlog in 2002. Thanks to continued excellent earnings, this division believes it will once again be able to make a major contribution to consolidated earnings.

Asia Pacific Division (EUR,000)

	Full year 2001	Q1-Q3 2001	Q1-Q3 2002	Percentage change
External sales	2,755,935	2,080,026	**2,297,725**	**10.5 %**
Operating earnings	147,866	116,219	**107,578**	**–7.4 %**
EBITDA	298,512	216,317	**239,114**	**10.5 %**
Consolidated net income	68,028	57,993	**35,893**	**–38.1 %**
Capital expenditure	282,049	201,519	**203,287**	**0.9 %**
New orders	1,424,000	954,900	**1,495,000**	**56.6 %**
Work done	1,355,000	972,100	**1,172,000**	**20.6 %**
Order backlog	2,199,000	2,106,100	**2,517,000**	**19.5 %**
Number of employees	6,362	6,441	**7,637**	**18.6 %**

International Division

The operating earnings totaling EUR –65 million resulted primarily from Ballast Nedam's negative results last year and carrying over into the current fiscal year. High write-downs and restructuring measures will lead to substantially negative earnings for Ballast Nedam as of year end; to what extent will depend primarily on how rapidly the recovery measures take effect which were partly initiated by HOCHTIEF. Given the scale of the problem, we have decided to take precautionary measures during this quarter for the loss absorption to be disclosed next fiscal year. This means that, in total, our Ballast Nedam holding has depressed HOCHTIEF's earnings as of September 30 by EUR 61 million. Without this factor, the operating earnings in the International Division have improved significantly year-on-year. HOCHTIEF Polska's restructuring measures gave a perceptible boost to earnings in what is still a difficult market environment. Our associated company Concor also continued to perform favorably.

Looking ahead

The forecast for this division primarily depends on developments at Ballast Nedam. We have made provision for all recognizable risks from today's perspective in our financial statements. In a joint operation, HOCHTIEF and Ballast Nedam will shortly conduct a review of all strategic options.

International Division (EUR,000)

	Full year 2001	Q1-Q3 2001	Q1-Q3 2002	Percentage change
External sales	274,720	206,105	**276,911**	**34.4 %**
Operating earnings	(24,957)	(21,945)	**(65,040)**	**–196.4 %**
EBITDA	(22,673)	(21,624)	**(769)**	**96.4 %**
Consolidated net loss	(28,167)	(20,372)	**(65,311)**	**–220.6 %**
Capital expenditure	14,250	8,211	**3,888**	**–52.6 %**
New orders	1,617,000	1,173,050	**1,035,000**	**–11.8 %**
Work done	1,665,000	1,010,300	**1,049,000**	**3.8 %**
Order backlog	1,629,000	1,642,400	**1,479,000**	**–9.9 %**
Number of employees	10,504	10,417	**8,987**	**–13.7 %**

Accounting and valuation methods
The Interim Report as of September 30, 2002 has been prepared to conform to the International Accounting Standards (IAS's) currently applicable. 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, 2001.

For further information, readers are referred to the consolidated financial statements as of December 31, 2001, the basis on which these interim financial statements were prepared.

Consolidated Statement of Earnings (EUR,000)

	Q3 2001	Q3 2002	Q1-Q3 2001	Q1-Q3 2002
Sales	3,200,488	2,840,060	9,166,314	8,796,649
Changes in inventories of finished goods	(876)	3,903	497	4,821
Other own work capitalized	8,102	2,500	20,171	12,191
Other operating income	44,083	37,926	99,500	222,759
Materials	2,613,739	2,221,504	7,593,563	6,905,528
Personnel costs	444,964	378,734	1,249,127	1,242,722
Depreciation and amortization	58,685	65,006	187,485	201,316
Other operating expenses	126,042	144,250	384,363	531,580
Earnings from operating activities	**8,367**	**74,895**	**(128,056)**	**155,274**
Net income from participating interests	5,455	(30,827)	42,041	(41,321)
Net investment and interest income	(3,491)	4,493	(2,848)	23,783
Earnings before taxes	**10,331**	**48,561**	**(88,863)**	**137,736**
Income taxes	7,885	43,970	(71,488)	18,282
Earnings after taxes	**2,446**	**4,591**	**(17,375)**	**119,454**
Minority shareholders' interests	8,813	11,396	41,763	45,500
Consolidated net (loss)/income	**(6,367)**	**(6,805)**	**(59,138)**	**73,954**

During the reporting period, HOCHTIEF disposed of its stake in Monachia Grundstücks-AG, formerly an associated company consolidated at equity, and Sydney Airport Investment GmbH & Co. KG (Essen) was consolidated for the first time. Two consolidated companies were also merged. There are now 193 companies fully consolidated, and a further 21 included in the consolidated financial statements using the equity method.

Consolidated Balance Sheet (EUR,000)

	Dec. 31, 2001	Sep. 30, 2002
Assets		
Fixed assets		
Intangible assets	277,715	253,084
Property, plant and equipment	979,029	982,941
Financial assets	961,112	1,081,520
	2,217,856	**2,317,545**
Current assets		
Inventories	33,025	24,589
Receivables and other current assets	2,917,175	2,938,753
Marketable securities	1,516,266	1,395,605
Cash and cash equivalents	859,607	629,009
	5,326,073	**4,987,956**
Deferred tax assets	**460,976**	**520,240**
Prepaid expenses	**10,996**	**6,277**
	8,015,901	**7,832,018**
Liabilities and Shareholders' Equity		
Shareholders' equity/minority interests		
Attributable to the Group	1,810,654	1,619,168
Attributable to minority shareholders	364,881	369,441
	2,175,535	**1,988,609**
Provisions	**1,228,038**	**1,332,094**
Liabilities	**4,298,428**	**4,223,558**
Deferred tax liabilities	**308,787**	**282,177**
Deferred income	**5,113**	**5,580**
	8,015,901	**7,832,018**

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 2001. In addition to amortization of goodwill arising from consolidation, non-operating earnings also include restructuring expenses.

Contingent liabilities

These are mainly contingent liabilities from guarantees and letters of support provided; the figure decreased by EUR 18,875 thousand in the first three quarters, to reach EUR 211,572 thousand on the reporting date.

HOCHTIEF's own stock

As of September 30, 2002, HOCHTIEF held 6,954,780 shares of its own stock, acquired during the period September 1999 through October 2001. They constitute EUR 17,804,237 of the nominal capital stock, or 9.94 percent of the total. Of the shares held, 815,170 were purchased to service the stock options granted in the 1999 and 2000 Long-term Incentive Plans for management 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.

77 shares were readmitted to our holdings of own stock because the employees or officers of the Company or an affiliated company entitled to receive them in the April 2002 issue of stock to such persons had not fulfilled the pre-agreed criteria, ultimately rendering the transfer of the shares impossible.

Following the exercise of 800 stock options, we sold 800 of our own shares to the option holders in August 2002 at a price of EUR 15.32 per share. These shares constitute EUR 2,048 of the nominal capital stock, or 0.001 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 84,670, a further 43,510 options lapsed in the first three quarters of 2002 while 800 were exercised in the third quarter, leaving 745,140 stock options in force as of September 30, 2002.

Consolidated Statement of Cash Flows (EUR,000)

	Q1-Q3 2001	Q1-Q3 2002
Cash flow	**84,750**	**322,760**
Changes in working capital/other items	(259,637)	(9,080)
Net cash (used in)/provided by operating activities	**(174,887)**	**313,680**
Investment in property, plant and equipment or financial assets	(384,869)	(471,524)
Proceeds from disposals of property, plant and equipment or financial assets	67,611	33,123
Changes in securities holdings and liquid investments	145,545	(81,927)
Net cash used in investing activities	**(171,713)**	**(520,328)**
Net cash provided by financing activities	**218,813**	**36,634**
Overall change in cash and cash equivalents	**(127,787)**	**(170,014)**
Cash and cash equivalents at the start of the year	714,055	799,023
Cash and cash equivalents at the end of the reporting period	**586,268**	**629,009**

	Q3 2001 (EUR,000)	Q3 2002 (EUR,000)	Q1-Q3 2001 (EUR,000)	Q1-Q3 2002 (EUR,000)
Earnings from operating activities	**8,367**	**74,895**	**(128,056)**	**155,274**
+ Net income from participating interests	5,455	(30,827)	42,041	(41,321)
– Non-operating earnings	+4,930	+13,552	+49,936	+28,624
+ Interest credited on advance payments received	5,160	5,811	23,306	21,368
Operating earnings	**23,912**	**63,431**	**(12,773)**	**163,945**

Earnings per share	Q3 2001	Q3 2002	Q1-Q3 2001	Q1-Q3 2002
Consolidated net (loss)/income (EUR,000)	**(6,367)**	**(6,805)**	**(59,138)**	**73,954**
Number of shares in circulation (weighted average)	63,141,806	63,045,220	63,125,139	63,024,941
Earnings per share (EUR)	**(0.10)**	**(0.11)**	**(0.94)**	**1.17**

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

	Attributable to the Group	Attributable to minority shareholders	Total
Balance as of Jan. 1, 2002	**1,810,654**	**364,881**	**2,175,535**
Dividends paid	(31,522)	(33,095)	(64,617)
Other comprehensive income/other adjustments	(233,918)	(7,845)	(241,763)
Earnings after taxes	73,954	45,500	119,454
Balance as of Sep. 30, 2002	**1,619,168**	**369,441**	**1,988,609**

Financial Calendar

February 19, 2003
Preliminary information on FY 2002

April 10, 2003
Business Results Press Conference

May 13, 2003
First-Quarter Report 2003

June 4, 2003
General Shareholders' Meeting,
Congress-Center West, Essen,
at 10:30 a.m.

August 22, 2003
Half-Year Report 2003

November 19, 2003
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November 19, 2003
Fall Press Conference

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You will find further information on HOCHTIEF, and the addresses of our branches and business offices plus those of our subsidiaries and associated companies, on our website.

This Interim Report is a translation of the original German version, which remains definitive. Both versions are also published on the Internet.

Bacht 11/02