

General Shareholders' Meeting on June 4, 2003

Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel
Chairman of the Executive Board

Valid only as spoken.

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HOCHTIEF – Successful through dialog and transparency

Dear Shareholders,
Ladies and Gentlemen,

There was a reference at the end of our film to “constant, intensive dialog” – and I am looking forward to this dialog with you at today’s General Shareholders’ Meeting. First, though, on behalf of my Executive Board colleagues and myself, I should like to welcome you all here most cordially.

My welcome also extends to the shareholders’ representatives, analysts and ladies and gentlemen of the media, many of whom have been following our company’s development for a considerable time. And I would like to express a particularly hearty welcome to the HOCHTIEF employees present here today, most of whom are also shareholders in this company. We are delighted at the interest that your presence here documents.

I would like to initiate our dialog with some remarks on the past business year, the current year, and HOCHTIEF’s strategy.

Our strategy can be summed up succinctly in five statements:

- We will consolidate our international positioning.
- We will expand in our profitable business areas, especially in the field of services.
- We will continue to extend our leadership in innovation.
- We will make increased use of our global network.
- We will, from today's viewpoint, achieve the breakeven at HOCHTIEF Construction in 2003.

We are convinced that in this way, we will substantially increase the value of our company.

Ladies and Gentlemen,

For HOCHTIEF, 2002 was a successful year. All divisions continued to develop positively, the only exception was our Dutch associated company Ballast Nedam.

We want to enable you, our shareholders, to participate in this success. At today's General Shareholders' Meeting, the Executive Board and the Supervisory Board are therefore jointly proposing to **increase the dividend to 55 cents per share**, a rise of ten percent compared with the business year 2001. We are distributing EUR 38.5 million in dividends, and thus more than all the other listed German construction companies together.

I would like first to review the most important facts about the financial year 2002:

- Our **consolidated earnings after taxes** rose last year by more than 15 percent to **EUR 90 million**. **Consolidated net income**, after minority interests, rose by over 80 percent to **EUR 43 million**.
- It is important to note that this improvement was **earned operationally**. Our **operating earnings** grew by 19 percent to **EUR 157 million**.
- **New orders and order backlog** rose again in 2002, **by 1.8 percent in each case**. This creates a good basis for the current business year.
- The restructuring program at **HOCHTIEF Construction** is bearing fruit. This division's **losses were significantly reduced compared with the previous year** and the order backlog was stepped up. And this was achieved despite the adverse impact of an old project towards the end of the period under review. From today's viewpoint, we will, as planned and previously announced, achieve the breakeven this year.
- HOCHTIEF has **further extended its position in airport management** and strengthened its competitive stature. Last year, HOCHTIEF AirPort GmbH acquired 15 percent of the stock capital of Sydney Airport and also expanded its stake in Hamburg Airport to 49 percent.
- In the field of privately financed public-sector infrastructure, HOCHTIEF has once again expanded its market position, putting us ahead of all our German competitors. **Worldwide, we are involved in 17 public-private partnership projects**, including nine toll-based routes with a total length of around 700 kilometers.
- In 2002, HOCHTIEF **generated 84 percent of its work-done volume outside its difficult home market**. This is a level that no other German construction company gets anywhere near. This degree of internationalism enables us to offset regional economic fluctuations.
- Our American subsidiary **Turner** last year posted the **best operating earning in its over 100 year long history**.

- HOCHTIEF's Australian subsidiary **Leighton** Holdings Limited is not only producing good earnings but also currently has a **record order backlog** of almost EUR 5.6 billion.
- Compared with the marked stock market slump, the price of the **HOCHTIEF share exhibited stable development**. In 2002 it outperformed the CDAX-Construction index by 18 percentage points.
- This positive picture has one black spot, though, and that is the performance of our Dutch associated company **Ballast Nedam**, which concluded the 2002 business year with a loss of EUR 143 million. We have been able to absorb this substantial burden in our 2002 balance sheet.

This good overall development is reflected in our market position:

HOCHTIEF is the largest German construction company. In the USA – the world's biggest construction market – and in Australia, we are **market leaders**, and we also have a leading position in Southeast Asia. In Europe, our company comes in fourth place, **worldwide it is the number five**. This is evidence that our strategy is paying off. And the prerequisite for doing even better during the present year. And **HOCHTIEF stays solid**. Our advertising campaign sums this up in a single line: "HOCHTIEF – building value on sound foundations".

Dialog with investors and shareholders

Ladies and Gentlemen,

For us, dialog has a long and, I believe, good tradition. The central forum for conducting the dialog with you is of course the General Shareholders' Meeting. Speaking for myself, this is the eleventh time that I am addressing you here and answering your questions. During the past twelve months, we have also remained in contact with you through our continuous **work in the field of investor relations**, which last year we **expanded quite significantly**. In addition to our regular quarterly reports, we invite analysts and investors to face-to-face meetings, conference calls and larger gatherings, and have also presented HOCHTIEF and its major international holdings at numerous roadshows and special Capital Market Days at important international stock market locations in Europe and the USA. Since our last General Shareholders' Meeting, for example, there have been almost 140 events of this kind.

The way our share has developed in recent weeks indicates that these efforts are bearing fruit. Currently, the HOCHTIEF share stands at around EUR 14 and has thus risen by almost eight percent since the beginning of this year. In comparison, the Prime Construction Performance Index has risen by a mere 1.7 percent. Just in the period since this year's Business Results Press Conference, our share has outperformed the index by 15 percentage points. All the same, we are not satisfied with the price of our share, which is still some 50 percent below our equity capital as posted in the balance sheet. It seems that despite the high level of our international alignment, the stock market still penalizes us for the desolate situation on the German construction market. But there are also other, structural, factors which impinge on our share price. Rest assured, however, that we are doing everything we can to tap our share's actual potential.

One decisive factor in this respect is the transparency of our entrepreneurial decisions and work processes, which plays a key role in a constructive dialog with our shareholders. For us as an international company, it is self-evident that our domestic and foreign clients, business partners, stockholders and investors have a legitimate interest in gaining a full and precise picture of HOCHTIEF, the quality of its management, its earnings power and its solvency. This brings me on to the subject of **Corporate Governance**.

HOCHTIEF has always taken matters such as transparency and ethical conduct very seriously. For some considerable time now, we comply in almost every respect with the recommendations of the Government Commission on the German Corporate Governance Code. The Executive Board and the Supervisory Board signed the declaration of compliance with the Code in December last year.

One task which has become increasingly important for a business company within the framework of Corporate Governance is controlling risks. Our highly advanced **risk management system** employs proactive risk control to minimize the potential for danger. It is thus a key factor in HOCHTIEF's successful further development, in increasing earnings power and creating new jobs.

In 2001, we already thoroughly extended and tightened up our risk management system and have now optimized this further by combining it with the risk management procedures that have been in place successfully at Turner for some years. We have, for instance, created a central Contract Review Committee, which has to approve every sizeable project prior to every stage in the process of prequalification, bid preparation, the bid itself and the conclusion of the contract. This Committee comprises some of our most experienced employees from the operational and the service sides of our business and two members of the Executive Board of HOCHTIEF Construction AG. In this way, we ensure that we do not take on new projects which could lead to uncontrollable risks.

Dialog with our subsidiaries and associated companies

Ladies and Gentlemen,

My reference to our cooperation with Turner in the field of risk management takes me on to our subsidiaries and associated companies. With them, too, we conduct an intensive dialog, one which creates genuine partnership and cooperation characterized by mutual give-and-take, and which steadily strengthens the ties between our companies.

The ties on both the personnel side and at the project level are already many and varied. Young German civil engineers, for instance, are spending time in the USA to learn from their colleagues there, and when they return to Germany, they bring fresh experience with them. Our Corporate Center for global supply management is run by a former Turner employee. And, vice-versa, Turner benefits for example from the many contacts of the international HOCHTIEF Group, from the world-leading technical expertise we have here in Germany, and HOCHTIEF's experience in the field of information technology.

Group-wide, there are at present almost 30 projects, with a total volume of **EUR 2.3 billion**, which have come about thanks to the **cooperation** between two or more HOCHTIEF companies. And this figure is set to grow.

One outstanding example of the numerous projects being realized on the basis of cooperation between different parts of our Group is the **Parramatta Rail Link** in Sydney. From 2010, this will connect several of the city's suburbs. Here, HOCHTIEF Construction AG and the Leighton subsidiary Thiess are working together. The contract, with a volume of almost EUR 500 million, concerns a 13-kilometer stretch of the link, two tunnels and four underground stations.

In **South Africa**, HOCHTIEF is cooperating with Concor, our associated company there, in building a **deep-water harbor** northeast of Port Elizabeth. HOCHTIEF has the technical leadership in this EUR 140 million project. Just a few days ago, the foundation stone for it was laid in the presence of President Mbeki of South Africa.

Our most important holdings, Turner and Leighton, have continued to develop well and last year contributed the lion's share to our consolidated earnings.

For **Turner**, 2002 was another **record-breaking year**. Its operating earnings of almost USD 97 million were the best in the company's history. New orders, at close on USD seven billion, were on the same high level as the year before, while the order backlog was up by almost USD 700 million. After conversion into euros, though, this handsome growth is transformed into a drop compared with the year before.

Turner's good business performance is due above all to its greater concentration on growth segments and its resultant larger market share.

Turner remains optimistic about the future. Its confidence is based chiefly on its long years of market leadership in general building in the USA, but also on the ability it demonstrated so impressively in 2002 to respond rapidly to changing market requirements and new demands on the part of clients. We therefore expect Turner to make another gratifying contribution to our consolidated earnings in 2003. However, if the euro maintains its current strength vis-à-vis the US dollar, the actual figure will be watered down by the currency exchange element.

At the beginning of 2002, in order to strengthen our partnership with the **Australian Leighton Group**, we created the Asia Pacific division and transferred all our Asian activities to that. For years now, Leighton has been by far the foremost construction services group on the Australian continent, and it also has an outstanding position in Asia. Leighton now generates around half of its work-done volume in the services sector, for instance with its mining activities.

One of Leighton's important new projects is the **Western Sydney Orbital**, a 40 kilometer long toll route through the very busy parts of Australia's biggest city, due to be opened in 2007. Together with partners, Leighton is planning, financing and building this route and will subsequently operate it for a period of 30 years. The investment volume totals over EUR 1.2 billion. The Western Sydney Orbital is the ninth toll-based highway in which HOCHTIEF is involved.

As I already mentioned, Leighton currently has an order backlog worth almost EUR 5.6 billion. This makes us optimistic about the future: Leighton is confident that it will continue to make a substantial contribution to HOCHTIEF's consolidated earnings in the years to come. Among the chief factors that ensure bright prospects are the plans for a massive modernization of the rail network in Australia, including the construction of new lines.

The Asia Pacific division once again posted very good earnings. Any consideration of the fact that these were, though, below last year's level needs to take into account that they have been affected by precautionary write-downs of EUR 53 million undertaken by Leighton in connection with its interest in telecommunications service-provider NextGen Networks.

Our presence in the different local markets around the world – above all in the USA and Australia – brings HOCHTIEF two key benefits. On the one hand, it enables us to offer our international clients services from a single source. And on the other, we can limit our risk by offsetting regional fluctuations in economic development. HOCHTIEF has a genuine global Key Account Management system of a kind which no other company in this industry can offer in this form.

The only drop of bitterness, although admittedly bitter indeed, comes from **Ballast Nedam**. Our associated company in the Netherlands ended the 2002 business year with marked losses, caused by its export business, the costs of restructuring measures above all in the United Kingdom, and contributions to its pension fund. In our financial statements, we have taken all identifiable risks from this financial participation into account.

When I say that we intend to strengthen our international orientation even further, I do not mean making HOCHTIEF even more international – which is virtually impossible anyway, given that we already generate 84 percent of our work-done volume abroad. No, our focus is on enhancing the quality of this international alignment, by making even greater and more intelligent use of our existing global network. And in this venture, we are already making good progress, as highlighted by the close ties between HOCHTIEF, Turner and Leighton.

Ladies and Gentlemen,

Strong international business needs to be backed by sound and healthy domestic activities. Our restructuring program at HOCHTIEF Construction is impacting in every respect. We have cut back our geographical presence and are concentrating on high-earnings markets and segments. In this process, reducing the **number of employees in Germany** to around **a third** of the 1995 total was unavoidable. The fact is that we responded earlier than all our competitors to the challenges of a completely changed marketplace and in this way have created **assured jobs for more than 8,000 people**. In the future too, as we continue to refine our situation, there will be downsizing in some few places. But this is already being offset in others by a structural increase in the number of jobs.

HOCHTIEF Construction is increasingly involved in major international infrastructure projects. One totally outstanding example is the **Gotthard Base Tunnel in Switzerland**. This is an enterprise that is gigantic in every respect and a testimony to HOCHTIEF's leadership in innovation. What is involved is the building of the world's longest rail tunnel, all of 57 kilometers in length. The technical challenges require optimum performance on the part of man and machine. The tunnel boring machine biting its way through the Alpine rock is more than 400 meters long and the most modern of its kind anywhere in the world. HOCHTIEF and its four partners are building some 30 kilometers of the tunnel, in a contract worth over EUR 1 billion.

In view of the good orders situation, we view the present business year for HOCHTIEF Construction with optimism, despite the still weak situation of the market as a whole. We will be returning to working at full capacity at our new level. The growing markets in Central and Eastern Europe will also utilize part of our domestic capacities.

Dialog with or clients

I have talked about dialog with our shareholders and investors, and with our subsidiaries and associated companies. At least equally important is dialog with our clients and business partners. This is manifested in HOCHTIEF Construction's new **PreFair** business model. At its core is initiating cooperation with the client in a spirit of true partnership as early as the planning phase. This enables the expertise and the innovative potential of all those involved in a project to be bundled and utilized. A number of contracts have already been concluded on the basis of this approach, most recently for a shopping center in Karlsruhe.

One of our most important clients is the public sector. Here, constructive dialog has already resulted in several closely cooperative ventures, leading to what are called **public-private partnership** projects. One outstanding example with which you all are familiar is Athens International Airport.

Without the involvement of private enterprise, many public-sector projects would be doomed to failure before they begin, for the simple reason that it would be impossible to finance them. Moreover, a study by Arthur Andersen has impressively shown that placing public-sector infrastructure projects in the hands of private companies can generate efficiency gains of around 17 percent.

HOCHTIEF is now involved in a total of **17 PPP projects**, including nine **toll routes with an aggregate length of some 700 kilometers**, and an investment volume in excess of EUR 4.7 billion. Our share of this is EUR 1.2 billion, thus giving us a leading position in this field worldwide. **In Germany, we are Number 1.** Here, too, we benefit from expertise acquired abroad.

As you will have gathered from the newspapers in the past few weeks, the German government is now taking a step backward in the field of PPP projects. The Strelasund crossing to the island of Rügen, for instance, is suddenly no longer to be financed on this basis, and the invitations to tender for privately financed highway sections are to be postponed. I am sure that I do not have to emphasize what a severe setback that represents in this important field. At our Business Results Press Conference just under two months ago, I called on policy-makers to make a clear statement in favor of PPP projects. Now the opposite has happened. Policy-makers have allowed the bureaucrats to hold them back. We can only hope that ultimately, success will go to those who advocate early privatization. In the German government, there are plenty enough people who champion PPP projects because they are well aware that there can be no better short-term investment and economic development program. After all, this approach creates jobs.

One important PPP field in which HOCHTIEF has long been an established force are **airports**. Here, last year we consolidated our position as one of the world's leading independent airport operators by acquiring 15 percent of the stock of **Sydney Airport** and increasing our interest in **Hamburg Airport**.

Sydney represents the start of a new development, because what was in demand in this case was not just our money and our substantial participation but above all our knowhow in operating airports.

In the future, consultancy will evolve more and more strongly. As a consequence of this, we have expanded our wide range of services to include air cargo and passenger baggage logistics by acquiring a 49 percent stake in **Transport and Logistics Consultancy, TLC, of London**. Among TLC's clients are BAA, the British airports authority, and British Airways.

For **Senai Airport** in Malaysia, HOCHTIEF last year developed a comprehensive cargo and passenger concept. This consultancy assignment has since been expanded: the airport owner has invited us to operate the project as well. A letter of intent to this effect has already been signed.

You have probably been following with interest the media reports on the privatization of Berlin's airports and the planned construction of **Berlin Brandenburg International** in Schönefeld. We and our partners in a consortium have fought hard for this project for years. But the extent of the risks which the public-sector owner-partners wanted us to shoulder would have made bank financing of the project impossible; it created a risk profile that we were objectively unable to bear. In view of this, it became necessary to bring the contract awarding proceedings to an end on conditions acceptable to both sides. The winding-up agreement on which we reached consensus with the relevant authorities two weeks ago takes our preliminary costs into account.

Just how the aviation market will develop in the future depends in the short term on the repercussions of SARS and in the medium term on the global economy. These factors will also impact on HOCHTIEF Airport. Nevertheless, we expect that this division will post 2003 earnings at least on a par with those last year. Since the beginning of 2002, the contribution to earnings made by all four airport holdings has improved steadily, since the cost-reduction measures taken in the wake of September 11, 2001 are impacting.

HOCHTIEF **Project Development** has established itself as Germany's leading inner-city property developer. Not even the difficult situation in the property sector, triggered above all by the discussion on new tax stipulations, has been able to halt its progress. In all, the company is at present planning and implementing 45 office and hotel projects with a total investment volume of almost EUR 2 billion. Leases have already been signed for 82 percent of the rental premises under construction, and as of March 31 this year, 66 percent of the total space involved had already been sold.

One of the division's most encouraging projects is the Helfmann Park near Frankfurt, where a former brickworks complex dating back to the time when HOCHTIEF was founded provides a site with an area of more than 100,000 square meters. By 2005, we will erect seven office properties and a hotel here. The first two construction phases have already been completed, and the new head office of Eurohypo is at the shell structure stage. All three construction phases – and this is the striking feature – have already been marketed in their entirety, i.e. they are fully let and have been sold to final investors. For this reason, we are optimistic that despite the tough situation in the property sector, we will also be able to finish and substantially market this complete quarter by 2005.

One field in which we conduct a particularly intensive, direct dialog with our clients is **Facility Management**. This area also remains on a growth trajectory; for some years now, it has posted the highest growth rates within the Group. In 2002, it stepped up its sales revenues by more than 25 percent.

When it comes to outsourcing facility management services, potential clients increasingly realize the advantages of a complete package deal. To a growing extent, business companies are placing not merely individual projects but entire locations or indeed their whole property portfolio into the hands of a single supplier. This trend will become even more marked in the future. Our Facility Management arm will continue to expand strongly in 2003 and will steadily establish itself as one of the largest European service-providers in this field.

The earnings at the Development division, which includes Project Development and Facility Management, will remain gratifying in 2003 and continue on from the good results of the prior years.

As you can see, Ladies and Gentlemen, services are playing an increasingly significant role within the HOCHTIEF Group. **29 percent** of our consolidated output now comes from the **services sector**, including for example project development, facility management, airport management and contract mining. By 2007, we intend to increase this proportion to around 50 percent.

Dialog with our employees

It may sound trite but it is nonetheless definitely true to say that a company's success depends on motivated employees. Especially for a project-oriented company like HOCHTIEF, which has to fight for its contracts anew every day in a world market where nothing ages faster than yesterday's successes, it would be exceptionally dangerous to gamble with the motivation and the commitment of our employees. For this reason, particular attention has to be given to the dialog with our employees. Extensive programs for further professional education and for personnel exchange, preventive healthcare at the company's expense, the prompt provision of information via the HOCHTIEF intranet and extensive communication through our two employee periodicals – all these are necessary measures but by themselves they are not enough. The more dedication our employees show, the more qualified they are, the more loyally they represent the company's interests, the greater their right to know where HOCHTIEF's future lies.

I should like to thank all our employees for the energy that they have invested in our company in the past year. I know how difficult it is to have to work in the face of an increasingly desolate market, to cope with constantly new restructuring processes and at the same time to acknowledge without envy the business successes of colleagues in other units. Together, every day, we have set out anew to convince our clients of the advantages of innovative business models and of the quality which we as HOCHTIEF can offer. I personally am delighted that almost everyone within our company has accepted these challenges, has regarded them as an opportunity and mastered them successfully.

Further improvement in earnings situation in FY 2002

Ladies and Gentlemen, at this point please allow me to make a few comments on our financial statements for 2002. As always, you will find all the relevant facts and figures together with extensive explanations in our Annual Report.

As I said at the beginning, the **HOCHTIEF Group** has stood up well in the face of a business environment made extremely difficult by the worldwide economic situation. Our earnings after taxes (EUR 90 million; + 15 percent) and our net income after minorities (EUR 43 million; + 81 percent) are proof of this.

HOCHTIEF Aktiengesellschaft continues to draw up its annual financial statements in line with the German Commercial Code, and for the business year 2002, these statements post **net income** of EUR 55 million. This figure is influenced by several special factors:

- A book gain from the transfer of parts of the fixed assets of subsidiaries to implement a new structural concept in the Development division,
- the profits from the sale of our stake in Monachia,
- additional provision for risk in the field of project business,
- the revaluing of our securities in the special-purpose funds in view of the negative development of the stock market
- and the write-down of our participation in Ballast Nedam.

Taking into account the earnings for the year, net income brought forward from the previous year and changes in reserves, HOCHTIEF Aktiengesellschaft is posting unappropriated net income of EUR 38.5 million.

At today's General Shareholders' Meeting, the Supervisory Board and the Executive Board are jointly proposing a dividend of EUR 0.55 per no-par share. Last year the dividend was EUR 0.50.

For details of the balance sheet and the statement of earnings, please refer to the Annual Report.

At this point I would though like to emphasize the following points:

- In the financial statements, we have taken all identifiable risks into appropriate account.
- Our balance-sheet structure remains sound.
- Our equity ratio, at just under 26 percent, remains high.

Under Item 7 of the agenda, the Executive Board and the Supervisory Board are proposing resolutions regarding several amendments to the Articles of Association. These amendments are intended to enable us to take advantage of possibilities newly created in the German Stock Corporations Act. These concern, for instance, transmitting the entire General Shareholders' Meeting via the Internet. At the same time, we wish to bring our Articles of Association into line with the recommendations of the German Corporate Governance Code. This recommends, for example, that the members of Supervisory Board committees should receive additional remuneration.

Now I would like to turn to the four **profit/loss transfer agreements** which we would ask today's General Shareholders' Meeting to approve. These agreements provide for the transfer of profits to HOCHTIEF Aktiengesellschaft by the subsidiary concerned. Correspondingly, they regulate the assumption by HOCHTIEF Aktiengesellschaft of losses by the subsidiary concerned. By concluding these agreements, we will avoid the negative repercussions of the German tax reform resulting from the law on tax reduction. The agreements enable profits and losses by subsidiaries to be taken into account at the level of HOCHTIEF Aktiengesellschaft in respect of both trade tax and corporate income tax.

Under the stipulations of the German Stock Corporations Act, the profit/loss transfer agreement concluded with Prüm-Türenwerk GmbH also had to include provisions regarding appropriate compensation for that company's minority shareholders. The law lays this down because once the profit/loss transfer agreement comes into force, the minority shareholders lose their claim to participating in the profits of Prüm-Türenwerk GmbH.

Against this background, the profit/loss transfer agreement provides for the minority shareholders to receive an annual compensatory payment of EUR 93.23 for each EUR 100.00 share of the business. After prudent commercial appraisal, this is the amount deemed as reasonable on the basis of the earnings to be achieved and distributed in the long term. The starting point was the medium-term planning of Prüm-Türenwerk GmbH for 2003-2005. The HOCHTIEF Executive Board and Supervisory Board recommend approving the four profit/loss transfer agreements referred to under Item 8 of today's agenda.

The reasons behind **the repurchase of our own shares** and the purpose this serves are explained thoroughly on pages 149 and 150 of the Annual Report, to which we would like to draw your attention. At the present time, we hold 6,947,930 of our own shares as defined by Section 160 (1) 2 of the German Stock Corporations Act (AktG). These shares represent EUR 17,786,701 of the basic share capital. This corresponds to 9.93 percent of the basic share capital. The current stock market value of the bought-back shares as of June 2, 2003 is EUR 97,409,979.

Up to now, under the provisions of the Long-term Incentive Plans of 1999 and 2000, 7,650 option rights to acquire HOCHTIEF Aktiengesellschaft shares have been exercised. Details regarding this are also to be found in our Annual Report. As a means of retaining the loyalty of our managerial staff and high potentials, the HOCHTIEF Supervisory Board and HOCHTIEF Executive Board have this year instituted a new Long-term Incentive Plan. Unlike previous ones, it is what is called a phantom plan – phantom because the shares are allocated virtually. The earnings from the plan are paid out in cash.

Under Item 9 of the agenda, the Executive Board and the Supervisory Board are proposing a resolution regarding the utilization of own shares acquired by HOCHTIEF Aktiengesellschaft in the past. Authorization for this was already granted by the General Shareholders' Meeting on June 28, 2000. The new authorization resolution provides in part for new stipulations concerning the possibilities for the application of own shares and partly extends these possibilities in the interests of the company.

Outlook: Higher net income planned for 2003

Ladies and Gentlemen,

At the beginning of this year, we concluded the restructuring of our company as planned. In the past, HOCHTIEF International, serving as an intermediate holding, had the task of structuring international subsidiaries and associated companies in such a way that they could be integrated into existing divisions. By the end of 2002, this objective was achieved. The HOCHTIEF companies in Poland and the Czech Republic and the business unit HOCHTIEF Russia have been assigned to the new division **HOCHTIEF Construction Services Europe**. Managed by HOCHTIEF Construction AG, this division bundles our long years of competence in building construction and civil engineering at the European level to create a powerful unit. Our South African associated company Concor, which up to now also formed part of HOCHTIEF International, has been integrated into the Asia Pacific division. Ballast Nedam will in future be run from Corporate Headquarters as a financial participation.

And now a few words on how our business has been developing in the current year: in the first three months of 2003, HOCHTIEF has been on track to achieve its goals of further increasing earnings and volume. A comparison with last year does not reflect this thoroughly, since the figures for the corresponding period in 2002 and those for the first three months of this year were subject to special – and contrary – factors.

Last year, the sale of our stake in real estate company Monachia impacted positively. Our operational successes in the present year, on the other hand, are watered down by currency rate and tax effects. In the first quarter, HOCHTIEF achieved operating earnings of EUR 59 million. This means that after excluding the special factors referred to, we were able to substantially increase our year-on-year operating results.

Our first-quarter net income of EUR -16 million is due almost entirely to risk provision relating to our securities portfolio. So after adjustment for special effects, our net income was also considerably up on last year's result. This means that we are in line with our plan for the business year 2003.

We expect 2003 to bring an **increase in new orders, order backlog and sales in the upper single-digit percentage range**. If currency exchange rates remain comparable, this is something we can achieve without reservations; however, if the euro maintains its current high value, some mark-downs on these objectives may occur. We anticipate that our **net income will also rise compared with last year, and do so more strongly than the increase in business volume**. Once again this is subject to the proviso that special factors, such as the development of the financial markets and of currency parities, do not impose any further out-of-the-ordinary burdens.

I would like to conclude by reiterating our strategy for 2003 and beyond:

- We will consolidate our international positioning.
- We will expand in our profitable business areas, especially in the field of services.
- We will continue to extend our leadership in innovation.
- We will make increased use of our global network.
- We will, from today's viewpoint, achieve the breakeven at HOCHTIEF Construction in 2003.

Our company is well primed and thus able to achieve these ambitious goals. We hope and expect that the stock exchange – you yourselves as shareholders – will acknowledge and reward this strong positioning and that with this strategy, we will be able to significantly increase the value of our company. I would be very pleased if you continue to accompany us along this path, regardless of our future shareholding structure. Just what changes in the circle of shareholders the future will bring is still unclear. But please rest assured that HOCHTIEF will face up to this challenge too, in a way that reflects awareness of its responsibilities.

Thank you for your attention. I now welcome any questions or comments you may have.