

Press Release

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Please contact:
Christian Gerhardus

Opernplatz 2
45128 Essen, Germany
Tel.: +49 201 824-2642
Fax: +49 201 824-2585
presse@hochtief.de

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Successful start to 2004 fiscal year

- **Consolidated net profit up again despite risk provision in Australia**
- **HOCHTIEF Europe further boosts earning power**
- **Facility management activities substantially expanded**
- **Interest among international investors boosted by increased free float**
- **HOCHTIEF confirms forecast for financial year 2004**

HOCHTIEF made a successful start to the 2004 fiscal year: Group **new orders** in the first quarter of 2004 were EUR 3.92 billion, an increase of 0.6 percent. Adjusted for exchange rates the increase was even higher, at 4.8 percent. Group **work done**, at EUR 2.71 billion, was down 4.1 percent (exchange rate adjusted down 1.7 percent) from the prior-year figure, tracking the slight dip in new orders seen in the first half of 2003. The **order backlog**, at EUR 18.34 billion, broke the year-end 2003 record by nearly EUR 2 billion and was up 22.4 percent from the prior-year figure. HOCHTIEF Group **external sales** for the reporting period were EUR 2.51 billion, a decrease of 5.4 percent from the prior-year period. As 83 percent of this figure consisted of foreign sales, the decrease was due to the drop in the US dollar against the euro. **Operating earnings** in the first three months of 2004 were EUR 28.7 million. Boosted by HOCHTIEF Construction Services Europe and net investment and interest income, **profit before taxes** was EUR 31.5 million, exceeding the prior-year figure of EUR 30.4 million.

The first quarter performance is fully on target with one exception. This relates to the Australian subsidiary Leighton Holdings, which earmarked its entire first quarter profit for risk provision.

The **HOCHTIEF Construction Services Europe** division performed outstandingly. Packed with new strength, HOCHTIEF's core division recorded the highest growth figures anywhere in the Group, with pretax profit executing a

swing of almost EUR 12 million from a negative EUR 11.3 million in the first quarter of 2003 to a positive EUR 0.6 million in the first quarter of 2004. This represents growth of 105 percent. The division has thus further boosted its earning power.

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HOCHTIEF stock likewise did well in the first quarter. Opening the year at EUR 22.83, the stock price topped EUR 26 mid-February, an increase of over 14 percent. At the end of March 2004, HOCHTIEF's stock stood at EUR 22.95, up one percent from the beginning of the year and beating the DAX 30, which was three percent down. The sale of RWE's stake significantly increased the freely traded portion of HOCHTIEF stock and raised its international appeal. This is borne out by far heavier trading on the stock markets since February 25, 2004.

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On the **strategy** front, the first quarter of 2004 saw HOCHTIEF expand the Group's service activities and forge ahead with its transformation into an innovative construction services provider with sustained stable earnings. The acquisition and integration of Siemens Gebäudemanagement und Services GmbH & Co. OHG on January 1, 2004 was another major step in this direction. The takeover of Lufthansa Gebäudemanagement Holding GmbH effective June 1, 2004 (subject to regulatory approval) seamlessly continues this strategy. HOCHTIEF is focusing without exception on segments with high margins, good growth prospects, lower risk and steady cash flows.

Looking ahead to the **full year**, the strong start in nearly all business areas must be viewed in the light of uncertain economic forecasts, notably in Germany, and the operating challenges facing our Australian subsidiary, Leighton, due to major contracts in the Asia-Pacific region. Against this backdrop—assuming no economic crises or extreme currency movements—HOCHTIEF expects now it has made provision for risks in the first quarter that it will hold its stable business trend and fully achieve its Group-level targets.