

# Interim Report

## January to September 2003

**HOCHTIEF Group: Marked rise in operating earnings**

- **HOCHTIEF Airport: Operating earnings continue to increase**
- **HOCHTIEF Development: Stable results buck the industry trend**
- **HOCHTIEF Americas: Forging ahead despite market slowdown**
- **HOCHTIEF Asia Pacific: Excellent order books and earnings**
- **HOCHTIEF Europe: Lasting return to positive figures**



# Dear shareholders,

**Cover photo:**  
HOCHTIEF's part in constructing the St. Gotthard Base Tunnel—the world's longest rail tunnel—is a key success for the Group in the fast-growing tunnel construction market segment (see back page).

Our corporate strategy is succeeding: HOCHTIEF is firmly positioned among the leading providers of construction services worldwide. Operating earnings for the first three quarters are significantly higher than the figure for the equivalent period in 2002. This marks a lasting turnaround in our German and European construction division and sound performance by our other businesses.

**Operating earnings (EBITA)** for the first three quarters of 2003 were EUR 204 million (2002: EUR 164 million), reflecting the positive performance of the international HOCHTIEF network. The two years' earnings figures are impacted in opposite directions by extraordinary items. In the first three quarters of 2002, earnings were augmented by the sale of a stake in Monachia, a real estate group. In the first three quarters of 2003, operating earnings that exceeded or matched the 2002 figures in the Europe, Airport, Asia Pacific and Americas divisions were brought down by the American and Australian dollar exchange rates. As a result, the large increase in operating earnings will not be fully evident from a straight year-on-year comparison.

HOCHTIEF **Airport** achieved a marked improvement in operating earnings over the prior-year period, from EUR 8 million to EUR 27 million. This is largely due to higher earnings from our stakes in Düsseldorf and Athens airports. A further boost came with the close-out settlement following the abandonment of plans to privatize Berlin's airports.

The first three quarters of 2003 again saw the **Development** division generate strong operating earnings, of EUR 21 million. The shortfall compared with the prior-year figure (EUR

88 million) is as budgeted and should be viewed in the light of the Monachia real estate business disposal.

HOCHTIEF **Americas** reported highly respectable operating earnings of EUR 54 million. The main factors in the shortfall compared with the 2002 figure of EUR 72 million were the dollar's slide against the euro and increased pension plan charges.

The **Asia Pacific** division continued its pleasing first-half earnings performance into the third quarter of 2003. At EUR 124 million, operating earnings are significantly higher than in 2002 (EUR 107 million), despite negative exchange rate effects.

The earnings performance of our **Europe** division—essentially our German construction business—was particularly gratifying. In terms of pretax earnings, break-even point was reached at the end of September. After negative figures in the first quarter (EUR -15 million) and second quarter (EUR -2 million), operating earnings for the third quarter were a solidly positive EUR 9 million. This represents a cumulative earnings increase of EUR 46 million (2002: EUR -54 million). Operating earnings in the **Corporate Headquarters/Consolidation** unit, at EUR -14 million, improved significantly compared with 2002 (EUR -57 million). The 2002 figures were negatively impacted by losses at Ballast Nedam, an associate company in the Netherlands. Net investment and interest income for the year 2003 to date includes a EUR 45-million risk provision for our securities holdings.

The EUR 86-million **tax expense** largely results from the good earnings performance of the Asia Pacific and Americas divisions. Recognition of deferred taxes from loss carry-forwards produced a significantly lower tax expense of EUR 18 million in the corresponding period of 2002.

HOCHTIEF generated **net income** of EUR 10 million in the first three quarters of 2003 (2002: EUR 74 million). Eliminating the prior year's extraordinary items, this represents a sharp rise in net income. Earnings growth continues to trend as planned.

**Group sales**, at EUR 8.12 billion, are 7.7 percent below the 2002 period (EUR 8.8 billion). This is largely due to the weak U.S. dollar depressing sales of our U.S. subsidiary Turner after translation into euros. Expressed in local currency, Turner increased sales by almost USD 100 million to USD 4.5 billion; after currency translation, this became a decrease of EUR 800 million.

HOCHTIEF's **capital expenditure** for the first three quarters of 2003 was EUR 248 million (2002: EUR 472 million). This figure comprises EUR 198 million for intangible assets and property, plant and equipment (2002: EUR 257 million), of which EUR 149 million is attributable to Leighton, primarily due to its high level of investment in property, plant and

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)	Q1-3 2003	Q1-3 2002	Percentage change	Full year 2002
Consolidated external sales	8,120,373	8,796,649	-7.7 %	12,007,173
Earnings from operating activities	122,258	155,274	-21.3 %	233,097
EBITDA*)	356,701	351,137	1.6 %	424,824
Operating earnings (EBITA)	204,377	163,945	24.7 %	156,505
Earnings before taxes (EBT)	149,537	137,736	8.6 %	120,921
Net income/(loss)	9,500	73,954	-87.2 %	43,312
Earnings per share (EUR)	0.15	1.17	-87.2 %	0.69
Cash flow	232,857	322,760	-27.9 %	374,215
Capital expenditure	248,270	471,524	-47.3 %	653,982
New orders	9,355,136	12,234,416	-23.5 %	14,430,000
Work done	8,494,228	9,448,073	-10.1 %	12,782,000
Order backlog	14,718,425	15,569,121	-5.5 %	14,075,000
Employees	34,316 (As of Sep. 30)	32,872 (As of Sep. 30)	4.4 %	33,100 (Annual average)

equipment for its contract mining activities. Expenditure on financial assets, at EUR 50 million, is well below the prior-year figure (EUR 215 million), which resulted from an increase in HOCHTIEF's stake in Hamburg Airport from 36 percent to 49 percent and from the purchase of a stake in Sydney Airport.

**New orders** as per the third quarter were 23.5 percent below the prior-year figure. Our international activities (down 23.7 percent) are impacted by the slide of the U.S. dollar compared with the previous year (this is exclusively a currency translation effect). In Germany, new orders were more than 20 percent down as budgeted.

The **HOCHTIEF stock price** rose from EUR 13 at the beginning of the year to over EUR 21 shortly after the close of the third quarter—an increase of some 60 percent. At the end of the third quarter, the stock price stood at EUR 15.57 (up 20 percent since the year began). It thus outperformed both the DAX 30 index (up 13 percent) and our benchmark index, the DJ STOXX Construction (up 6 percent). Exclud-

ing treasury stock, HOCHTIEF had a market capitalization of approximately EUR 1 billion as at September 30, 2003.

#### Group outlook

Based on the information available today, operating earnings and earnings before taxes will exceed the 2002 figures as planned, despite the negative impact of currency movements. This presupposes that there will be no significant negative impacts on our business from financial market or exchange rate developments.

Given the continued weakness of the U.S. dollar and lacking an economic recovery in a number of markets, we anticipate that 2003 new orders and sales as expressed in euros will fall short of the 2002 figures.

## 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

In spite of the difficult economic climate, HOCHTIEF Airport increased operating earnings by EUR 19 million in the first three quarters of 2003 compared with the prior-year period. The increase includes payment for services rendered under now abandoned plans to privatize the Berlin airports and a write-back of special tax-allowable reserves set aside at

Flughafen Düsseldorf GmbH in connection with the disastrous fire of 1996.

The airport holdings performed well in 2003. Passenger numbers at Hamburg Airport were up by an above-average 6.9 percent over the prior-year period. In its Sydney Airport operation, HOCHTIEF Airport has systematically pressed on with its strategy of improving process efficiency, for example with a significant reduction in the number of management hierarchies in the operating company. Cost reduction measures were a focus at Düsseldorf International Airport, too, where planning work also began for a new congress center. Athens Airport is currently preparing for the 2004 Summer Olympics, a major event that is expected to bring 500,000 additional passengers to the Greek capital's air hub.

### HOCHTIEF Airport outlook

The Airport division expects further increases in passenger numbers at each of the four airports in which it has a stake, making for lasting growth long term. The division anticipates further growth in operating earnings.

### Airport Division

(EUR,000)	Q1–3 2003	Q1–3 2002	Percentage change	Full year 2002
External sales	980	21,147	-95.4 %	21,264
Earnings from operating activities	(13,377)	5,554	-340.9 %	8,149
EBITDA	26,666	7,908	237.2 %	12,496
Operating earnings (EBITA)	26,598	7,810	240.6 %	12,395
Earnings before taxes (EBT)	1,533	(5,096)	130.1 %	(16,412)
Net income/(loss)	(1,933)	(8,221)	76.5 %	(15,221)
Capital expenditure	138	171,782	-99.9 %	174,076
New orders	976	21,526	-95.5 %	22,000
Work done	976	21,526	-95.5 %	22,000
Order backlog	0	0	-	0
Employees	59	58	1.7 %	59

### HOCHTIEF Development Division

In spite of continued recession on the real estate markets, the Development division continued its steady growth trend through the first three quarters of 2003.

HOCHTIEF Projektentwicklung sold to investors the partially completed BMW Group Sales/After-sales Training Academy in Unterschleissheim (Munich) and the first construction phase of the MainOffice development in Offenbach. HOCHTIEF Construction AG is the general contractor in both projects. In successful continuation of our expansion drive into east European future EU states, the green light has been given for construction of the prime-site Rondo ONZ office complex in Warsaw.

Construction on one of Germany's first ever privately financed and operated infrastructure projects is running to schedule, with shield driving work on the second tube of Lübeck's

Herren Tunnel completed a few days after the close of the third quarter 2003. HOCHTIEF will operate the Herren Tunnel together with a joint venture partner for 30 years after completion in mid-2005.

A major German insurance company has awarded HOCHTIEF Facility Management the contract to manage a large part of its real estate portfolio. A key feature of the project is the need to integrate asset management and facility management services. A long-term contract has also been signed for management of Luxembourg's Joseph Bech office complex, whose main tenant is the European Union.

### HOCHTIEF Development outlook

Based on the positive earnings trend, the Development division is expected to make a gratifying contribution—albeit budgeted to fall short of the prior-year figure—to Group operating earnings in 2003. When comparing with 2002, it should be borne in mind that last year's earnings figures were augmented by the sale of HOCHTIEF's stake in the Monachia real estate group.

### Development Division

(EUR,000)	Q1–3 2003	Q1–3 2002	Percentage change	Full year 2002
External sales	340,553	264,511	28.7 %	447,498
Earnings from operating activities	28,040	92,201	-69.6 %	174,452
EBITDA	29,777	98,534	-69.8 %	179,674
Operating earnings (EBITA)	20,697	88,186	-76.5 %	153,190
Earnings before taxes (EBT)	11,696	79,302	-85.3 %	147,119
Net income/(loss)	3,094	105,671	-97.1 %	142,932
Capital expenditure	9,607	41,036	-76.6 %	53,086
New orders	257,662	468,627	-45.0 %	700,000
Work done	361,101	309,426	16.7 %	504,000
Order backlog	732,009	790,225	-7.4 %	827,000
Employees	1,180	671	75.9 %	664

### Construction Services Americas Division

(EUR,000)	Q1–3 2003	Q1–3 2002	Percentage change	Full year 2002
External sales	4,067,245	4,788,180	-15.1 %	6,454,083
Earnings from operating activities	30,307	37,301	-18.8 %	54,552
EBITDA	70,599	90,683	-22.1 %	126,855
Operating earnings (EBITA)	54,430	71,720	-24.1 %	102,393
Earnings before taxes (EBT)	33,923	43,677	-22.3 %	66,802
Net income/(loss)	17,121	21,968	-22.1 %	34,309
Capital expenditure	13,954	29,891	-53.3 %	34,375
New orders	4,453,013	6,209,830	-28.3 %	7,436,000
Work done	4,066,154	5,034,689	-19.2 %	6,724,000
Order backlog	5,524,540	6,507,910	-15.1 %	5,770,000
Employees	7,743	5,999	29.1 %	5,960

### HOCHTIEF Construction Services Americas Division

The persistently weak US dollar had a strong negative impact on euro figures for earnings and backlog when compared to the previous year. The average exchange rate for January to September 2003 was about 17 percent below its prior-year level and was the primary cause of the negative year-on-year performance. At Turner alone, the exchange rate effect depressed operating earnings by EUR 11 million. Measured in US dollars, the USD 62 million operating earnings figure almost matched the prior-year period.

Turner continues to report strong order books despite general cutbacks in key segments of its market. In local currency, sales (USD 4.5 billion) and order backlog (USD 6.4 billion) even increased slightly.

Market research predicts that the available market for Turner is shrinking by just over three percent for the current year.

The U.S. budget deficit is already making itself felt, especially in the public administration sector where cutbacks of almost twelve percent are anticipated. However, the education and science segment, in which Turner holds a leading position, continues to prove resilient.

New university contracts secured by Turner in the third quarter include a EUR 25-million award to build new teaching facilities for Eastern Michigan University and a EUR 30-million contract to erect a new residential complex at Temple University, Philadelphia.

**HOCHTIEF Americas outlook**

2003 will see the Americas division once again make a solid contribution to Group operating earnings. After the market slowdown in 2003, business is expected to pick up again moderately and deliver positive stimulus through the order books in the coming year. U.S. construction activity was already buoyant by September.

**HOCHTIEF Construction Services Asia Pacific Division**

The strong sales, orders and earnings performance in the Australia-Pacific region continued and external sales, new orders and work done remained at their established high level in the third quarter of 2003.

The Leighton Group gained several more major projects in September, including two infrastructure contracts in Asia. In Malaysia, Leighton Asia Southern secured the largest contract in its history. Together with two partners, the company

is to construct a highway there under a contract totalling some EUR 327 million. In addition to 26 kilometers of new road, the project includes building eleven bridges, intersections, toll facilities and noise abatement barriers, plus the installation of street lighting.

Leighton Asia also secured a road tunnel project worth some EUR 205 million in a joint venture in Hong Kong, bringing its order backlog up to a new record.

**HOCHTIEF Asia Pacific outlook**

The division plans to further improve its already strong contribution to operating earnings by the year-end.

**HOCHTIEF Construction Services Europe Division**

Construction Services Europe remains on an upward trend with a marked increase in project earnings and positive pre-tax earnings in the period under review. This represents an increase of almost EUR 50 million compared with 2002. External sales increased to plan, although new orders are still impacted by weak demand in Germany. HOCHTIEF Europe's clear strategic focus on high-earnings segments is paying off.

Most new contracts secured by the division are in segments where HOCHTIEF has been stepping up its activities for some time. New awards include a renewable energy power generation project in Iceland, two airport buildings in Prague, and the widening of the Brenner autobahn in Austria. In Dresden, Construction Services Europe is converting the historic Erlwein warehouse building into a luxury hotel.

**HOCHTIEF Construction Services Europe outlook**

The division will achieve its target of positive earnings for 2003.

**Construction Services Asia Pacific Division**

(EUR,000)	Q1-3 2003	Q1-3 2002	Percentage change	Full year 2002
External sales	<b>2,186,765</b>	2,297,725	<b>-4.8 %</b>	3,138,385
Earnings from operating activities	<b>121,563</b>	93,514	<b>30.0 %</b>	154,827
EBITDA	<b>231,022</b>	247,547	<b>-6.7 %</b>	308,087
Operating earnings (EBITA)	<b>123,833</b>	107,337	<b>15.4 %</b>	118,071
Earnings before taxes (EBT)	<b>120,919</b>	104,141	<b>16.1 %</b>	111,932
Net income/(loss)	<b>35,853</b>	35,652	<b>0.6 %</b>	35,121
Capital expenditure	<b>195,042</b>	203,287	<b>-4.1 %</b>	335,541
New orders	<b>2,956,380</b>	3,179,123	<b>-7.0 %</b>	3,554,000
Work done	<b>2,184,742</b>	2,330,367	<b>-6.2 %</b>	3,072,000
Order backlog	<b>5,730,648</b>	5,004,547	<b>14.5 %</b>	4,558,000
Employees	<b>15,242</b>	15,200	<b>0.3 %</b>	15,273

**Construction Services Europe Division**

(EUR,000)	Q1-3 2003	Q1-3 2002	Percentage change	Full year 2002
External sales	<b>1,463,559</b>	1,357,425	<b>7.8 %</b>	1,859,079
Earnings from operating activities	<b>(28,379)</b>	(74,696)	<b>62.0 %</b>	(144,435)
EBITDA	<b>10,972</b>	(36,710)	<b>129.9 %</b>	(86,392)
Operating earnings (EBITA)	<b>(8,178)</b>	(53,818)	<b>84.8 %</b>	(112,998)
Earnings before taxes (EBT)	<b>114</b>	(49,813)	<b>100.2 %</b>	(105,322)
Net income/(loss)	<b>(2,324)</b>	(29,994)	<b>92.3 %</b>	(60,565)
Capital expenditure	<b>22,827</b>	21,996	<b>3.8 %</b>	51,964
New orders	<b>1,629,431</b>	2,294,210	<b>-29.0 %</b>	2,632,000
Work done	<b>1,823,581</b>	1,690,965	<b>7.8 %</b>	2,374,000
Order backlog	<b>2,731,228</b>	3,266,439	<b>-16.4 %</b>	2,920,000
Employees	<b>9,756</b>	10,617	<b>-8.1 %</b>	10,819

## Consolidated Statement of Earnings (EUR,000)

	Q3 2003	Q3 2002	Q1-3 2003	Q1-3 2002
Sales	2,768,005	2,840,060	8,120,373	8,796,649
Changes in inventories of finished goods	1,460	3,903	1,515	4,821
Other own work capitalized	464	2,500	1,473	12,191
Other operating income	26,784	37,926	68,592	222,759
Materials	2,171,613	2,221,504	6,319,858	6,905,528
Personnel costs	367,969	378,734	1,157,296	1,242,722
Depreciation and amortization	55,020	65,006	167,050	201,316
Other operating expenses	147,317	144,250	425,491	531,580
<b>Earnings from operating activities</b>	<b>54,794</b>	<b>74,895</b>	<b>122,258</b>	<b>155,274</b>
Net income from participating interests	16,883	(30,827)	46,012	(41,321)
Net investment and interest income	7,541	4,493	(18,733)	23,783
<b>Earnings before taxes</b>	<b>79,218</b>	<b>48,561</b>	<b>149,537</b>	<b>137,736</b>
Income taxes	47,581	43,970	86,421	18,282
<b>Earnings after taxes</b>	<b>31,637</b>	<b>4,591</b>	<b>63,116</b>	<b>119,454</b>
Minority shareholders' interests	14,778	11,396	53,616	45,500
<b>Consolidated net income</b>	<b>16,859</b>	<b>(6,805)</b>	<b>9,500</b>	<b>73,954</b>

### Accounting and valuation methods

The Interim Report as of September 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 three quarters of 2003, three German and eight foreign companies were included in the consolidated financial statements for the first time. Three domestic companies were merged. In all, 226 companies are fully consolidated and 27 companies accounted for using the equity method.

## Consolidated Balance Sheet (EUR,000)

	Sep. 30, 2003	Dec. 31, 2002
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible assets	209,320	237,079
Property, plant and equipment	989,479	964,973
Financial assets	1,024,122	1,030,466
	<b>2,222,921</b>	<b>2,232,518</b>
<b>Current assets</b>		
Inventories	36,116	28,279
Receivables and other current assets	2,648,751	2,822,236
Marketable securities	1,297,307	1,345,862
Cash and cash equivalents	732,611	704,295
	<b>4,714,785</b>	<b>4,900,672</b>
<b>Deferred tax assets</b>	<b>447,308</b>	<b>460,411</b>
<b>Prepaid expenses</b>	<b>16,066</b>	<b>17,585</b>
	<b>7,401,080</b>	<b>7,611,186</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Shareholders' equity/minority interests</b>		
Attributable to the Group	1,580,189	1,572,461
Attributable to minority shareholders	386,889	367,867
	<b>1,967,078</b>	<b>1,940,328</b>
<b>Provisions</b>	<b>1,250,317</b>	<b>1,279,955</b>
<b>Liabilities</b>	<b>3,982,976</b>	<b>4,183,596</b>
<b>Deferred tax liabilities</b>	<b>196,442</b>	<b>200,981</b>
<b>Deferred income</b>	<b>4,267</b>	<b>6,326</b>
	<b>7,401,080</b>	<b>7,611,186</b>

**Consolidated Statement of Cash Flows (EUR,000)**

	Q1–3 2003	Q1–3 2002
<b>Cash flow</b>	<b>232,857</b>	<b>322,760</b>
Changes in working capital/other balance sheet items	(107,735)	(9,080)
<b>Net cash provided by operating activities</b>	<b>125,122</b>	<b>313,680</b>
Investment in property, plant and equipment or financial assets	(248,270)	(471,524)
Proceeds from disposals of property, plant and equipment or financial assets	115,010	33,123
Changes in securities holdings and liquid investments	107,605	–81,927
<b>Net cash used in investing activities</b>	<b>(25,655)</b>	<b>(520,328)</b>
<b>Net cash (used in)/provided by financing activities</b>	<b>(42,518)</b>	<b>36,634</b>
<b>Overall change in cash and cash equivalents</b>	<b>56,949</b>	<b>(170,014)</b>
Cash and cash equivalents at the start of the year	675,662	799,023
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>732,611</b>	<b>629,009</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 48,019 thousand in FY 2002, to reach EUR 224,683 thousand on the reporting date.

**HOCHTIEF's own stock**

As of September 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 three quarters of 2003 while 3,850 were exercised, leaving 728,070 stock options in force as of September 30, 2003.

(EUR,000)	Q3 2003	Q3 2002	Q1–3 2003	Q1–3 2002
<b>Earnings from operating activities</b>	<b>54,794</b>	<b>74,895</b>	<b>122,258</b>	<b>155,274</b>
+ Net income from participating interests	16,883	(30,827)	46,012	(41,321)
– Non-operating earnings	(+)4,740	(+)9,200	(+)12,250	(+)14,500
– Amortization of goodwill from capital consolidation	(+)4,766	(+)4,352	(+)14,725	(+)14,124
+ Interest credited	3,644	5,811	9,132	21,368
<b>Operating earnings (EBITA)</b>	<b>84,827</b>	<b>63,431</b>	<b>204,377</b>	<b>163,945</b>
<b>Earnings per share</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>Q1–3 2003</b>	<b>Q1–3 2002</b>
<b>Consolidated net income (loss) (EUR,000)</b>	<b>16,859</b>	<b>(6,805)</b>	<b>9,500</b>	<b>73,954</b>
Number of shares in circulation (weighted average)	63,052,070	63,045,005	63,051,214	63,024,869
<b>Earnings per share (EUR)</b>	<b>0.27</b>	<b>(0.11)</b>	<b>0.15</b>	<b>1.17</b>
<b>Earnings per share excluding goodwill amortization (EUR)</b>	<b>0.34</b>	<b>(0.04)</b>	<b>0.38</b>	<b>1.40</b>

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

	Q1–3 2003			Q1–3 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)	(34,706)	(69,385)	(31,522)	(33,095)	(64,617)
Other comprehensive income/other adjustments	32,907	112	33,019	(233,918)	(7,845)	(241,763)
Earnings after taxes	9,500	53,616	63,116	73,954	45,500	119,454
<b>Balance as of Sep. 30</b>	<b>1,580,189</b>	<b>386,889</b>	<b>1,967,078</b>	<b>1,619,168</b>	<b>369,441</b>	<b>1,988,609</b>

### **Tunnel construction in Europe: a growth market with great potential for HOCHTIEF**

HOCHTIEF's involvement in building the St. Gotthard Base Tunnel—the longest rail tunnel in the world—demonstrates the Group's expertise in undertaking megaprojects of this kind. Together with four partners, HOCHTIEF Construction Services Europe is building approximately 30 kilometers of the tunnel's 57-kilometer total length. Due for completion in 2014, the twin-tube tunnel will connect the town of Erstfeld in central Switzerland with Bodio in the south.

This is not the only major project providing tunneling work over coming years. Based on the Prognos European Transport Report 2002, HOCHTIEF forecasts that Germany alone will see a close to 18-percent rise in demand for tunnel construction by 2015. According to recent market analysis by HOCHTIEF, tunnel projects totaling some 1,500 kilometers are currently planned around Europe. Major growth markets besides Germany are Italy, Spain, France, Austria, Switzerland, Poland, Russia, Czech Republic, Bulgaria and Norway. These countries plan to build tunnel links, above all to improve their urban and long-distance rail infrastructures.

Vast expertise accumulated in national and international projects—including the Athens Metro, the Thames Tunnel near London and the Cologne–Frankfurt high-speed rail link—qualifies HOCHTIEF to undertake complex projects of this kind. HOCHTIEF project teams have additional expertise in services such as infrastructure project development and surveying. HOCHTIEF is also highly reputed as a provider of innovative solutions for trailblazing projects in the general civil engineering sector.

## **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 30, 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

### **August 17, 2004**

Half-Year Report as at June 2004  
Analysts' and Investors' Conference

### **November 25, 2004**

Fall Press Conference  
Interim Report at September 30, 2004  
Analysts' and Investors' Conference

## **Publication Details and Credits**

### **Published by:**

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For further information on HOCHTIEF and our addresses, business units, subsidiaries and associates, please visit our website.

**This report is a translation of the original German version, which remains definitive.**

**The report is also available from the HOCHTIEF website.**