

Press information

HOCHTIEF: FY 2004 surpasses expectations

**CORPORATE
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- Profit before taxes up 17.4 percent
- Consolidated net profit more than doubled
- Proposed further rise in dividend to EUR 0.75
- Strategic targets attained for 2004

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HOCHTIEF turned in operationally and strategically respectable results for fiscal 2004. Consolidated profit before taxes increased 17.4 percent to EUR 187.3 million (2003: EUR 159.5 million). This includes a positive effect from the changeover in accounting for goodwill amortization. Consolidated net profit for the period more than doubled, gaining 154.3 percent to EUR 41.2 million (2003: EUR 16.2 million).

New orders rose by 8.6 percent to EUR 15.59 billion (2003: EUR 14.35 billion). This even topped the very high level attained in the prior year. Work done increased by 14.0 percent to EUR 13.11 billion (2003: EUR 11.50 billion). Notably, significant growth was achieved in service activities and major international projects. The order backlog swelled by around 13.7 percent to EUR 18.72 billion (2003: EUR 16.47 billion). This is a new record and represents a forward order book of nearly a year-and-a-half's work. Return on capital employed (ROCE) of 14.2 percent yields a positive figure for value created in excess of the cost of capital.

Dr. Hans-Peter Keitel, Chairman of HOCHTIEF's Executive Board: "Our strategy of covering the entire construction value chain with our products and services is successful: We have shown particularly strong growth in construction-related activities. And we are generating healthy returns in our core construction business throughout the Group."

HOCHTIEF attained all key strategic goals in fiscal 2004:

- HOCHTIEF streamlined its business portfolio by selling minority stakes in Ballast Nedam N.V. (Netherlands) and Kitchell Corporation (USA).
- The Group substantially expanded its construction-related service activities, especially in the facility management sector. Bolstered by the Siemens and Lufthansa facility management businesses acquired, HOCHTIEF has worked its way up to become market leader in the integrated facility management services segment in Germany.

- HOCHTIEF is firmly on track for further growth, having considerably expanded its concessions business, above all in the PPP sector. The Group made the breakthrough in Germany with a contract to refurbish and operate 49 schools in the Offenbach district. Internationally, HOCHTIEF has a leading position - not least through recent successes in Chile - and is therefore supremely placed to profit from the global PPP boom.
- HOCHTIEF also innovates in market development: Offerings like PreFair, after sales service, building diagnosis or procurement and logistics services create new market openings and hold vast potential.

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HOCHTIEF's stockholders share in the Company's success: The Executive Board and Supervisory Board will propose a dividend of EUR 0.75 per no-par-value share to the General Shareholders' Meeting on May 18, 2005. The renewed dividend increase compared with the prior year (EUR 0.65) reflects the marked improvement in earnings.

After the close of the reporting period, HOCHTIEF executed a previously announced sale of selected airport interests: Approximately one-third of HOCHTIEF's stakes in the three European airports Athens, Düsseldorf and Hamburg and 49 percent of its interest in Sydney airport were transferred to an investment partnership with international financial investors. The transaction is worth some EUR 343 million, affirming the total value of HOCHTIEF's airport holdings at over EUR 1 billion. The released liquidity is to be used to reduce liabilities and to invest in further highly profitable infrastructure and service projects.

HOCHTIEF has once again set itself ambitious targets for 2005. Assuming the global economy and exchange rates remain within the scope of current forecasts and there is no unforeseeable turbulence on the international financial markets, the Group's expectations for fiscal 2005 include:

A continuation of the high level of new orders, though not quite matching the prior-year record given the 2004 once-only item at Leighton (Mitcham Frankston Freeway) and the strong euro.

- An order backlog at the record level attained in 2004.
- Group sales at the high prior-year level.
- Profit before taxes showing a marked increase in the upper single-digit percentage range compared with the previous year.
- Higher growth in consolidated net profit for the period relative to profit before taxes.

This forecast does not include the exceptional EUR 63 million approximate book gain on the airport interests due to the investment partnership. HOCHTIEF will make appropriate adjustments following closure of this transaction.

**2004 fiscal year
HOCHTIEF (Group) figures**

HOCHTIEF Group	2004	2003	Change	
			absolute	%
New orders (EUR billion)	15.59	14.35	1.24	8.6
- Germany	2.76	2.18	0.58	26.6
- International	12.83	12.17	0.66	5.4
Work done (EUR billion)	13.11	11.50	1.61	14.0
- Germany	2.39	2.05	0.34	16.6
- International	10.72	9.45	1.27	13.4
Order backlog (EUR billion)	18.72	16.47	2.25	13.7
- Germany	3.21	2.40	0.81	33.8
- International	15.51	14.07	1.44	10.2
Employees, annual average	36,409	34,039	2,370	
- Germany	9,423	7,751	1,672	
- International	26,986	26,288	698	
Profit before taxes (EUR million)	187.3	159.5	27.8	17.4
Consolidated net profit for the period (EUR million)	41.2	16.2	25.0	154.3
ROCE (%)	14.2	13.7		
Capital expenditure	440.3	263.8	176.5	66.9
- Property, plant and equipment and intangible assets (EUR million)				
- Financial assets (EUR million)	237.8	106.0	131.8	124.3

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