Annual Press Conference of Bilfinger Berger AG in Mannheim on Thursday, March 31, 2005, at 10.00 a.m.

Speech by Herbert Bodner,
Chairman of the Executive Board

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Check against delivery!

Welcome Ladies and Gentlemen,

Bilfinger Berger can look back on a generally successful year. Output volume and orders received both increased significantly, while net profit was at the level of the prior year.

(Chart: Output volume 2002-2005)

Output volume increased by 9% in 2004 to reach €6.1 billion – a new record in the history of our company.

(Chart: Orders received 2002-2004)

The level of orders received was also higher than ever before, they increased by 10% compared with 2003, also to €6.1 billion. All of our business segments contributed to this result. And the trend has continued since then. Above-average levels of orders received were recorded in the first few weeks of 2005.

(Chart: Order backlog 2002-2004)

The order backlog totaled €6.3 billion at the end of the year, thus equaling the strong result of 2003.

(Chart: Net profit 2003-2004)

Ladies and Gentlemen,

Despite high charges from the Maumee River Crossing project in the United States, our net profit was slightly higher than in the prior year. A serious accident occurred on this construction site in February 2004. Following a further technical setback in October, together with the client we made changes to the construction method and schedule. But despite the temporary standstill on the site, we assume that we will complete the project within the contractually agreed period by October 2006. As previously reported, we already included the resulting charges in our figures for the third quarter of 2004. From today's perspective, the provision of €50 million is sufficient to cover all additional costs and risks until project completion.

Despite the Maumee River Crossing project, due to a significant increase in earnings in the services business and good profit contributions from other civil-engineering projects, EBITA only decreased by €20 million to €81 million.

As a result of applying IFRS 3, starting with the 2004 financial year there is no more scheduled goodwill amortization. Instead, regular impairment tests are carried out to assess the value of goodwill. These tests did not result in any impairments being recognized in 2004.

Due to the sale of our Buderus shareholding in the middle of 2003, there is no longer any income from equity investments, which had made a substantial contribution of €13 million to net profit in the prior year.

The significant improvement in net interest income to €10 million was primarily a result of lower interest expenses following the repayment of bank loans. Furthermore, the prior-year figure was affected by book losses on the transfer of securities to our contractual trust arrangement.

EBT of €91 million was €5 million higher than the prior-year figure, after adjusting to exclude exceptional items.

Taxes on income and earnings amounted to €34 million, while minority interests accounted for €6 million of after-tax earnings.

Our net profit of €51 million was slightly higher than the adjusted figure for the prior year.

(Chart: Dividend 2002-2004)

The Executive Board and the Supervisory Board will propose at the Annual General Meeting that an increased dividend of €1.00 per share is distributed. The dividend distribution will amount to €37 million. Last year, a dividend of 65 cents was distributed, plus a one-time bonus, also of 65 cents, from the capital gain realized on the sale of our shareholding in Buderus AG.

(Chart: Consolidated balance sheet)

Our consolidated balance sheet shows a very sound structure of assets and capital. The balance-sheet total increased to a good €3.7 billion as a result of acquisitions, the expansion of our concessions activities and the general increase in the volume of business.

The main change on the assets side was a strong increase of €240 million in fixed assets. So-called investment properties boosted financial assets by €163 million. In order to achieve better transparency, real estate which we do not intend to sell in the short term was reclassified from the position of “available-for-sale real estate” to the position of “real estate held as financial investments”. An additional factor was that the acquisitions led to higher goodwill with a resulting increase in intangible assets.

Securities and cash once again reached a high level of €914 million.

On the liabilities side, liabilities to banks decreased only slightly overall. However, bank liabilities for which the Group is liable were reduced from €181 million to €134 million. On the other hand, non-recourse credit – without any liability for us – increased from €162 million to €205 million.

Shareholders’ equity was almost unchanged at €1.1 billion, which is equivalent to an equity ratio of 30%.

Ladies and Gentlemen,

All four of Bilfinger Berger’s business segments developed positively last year. Our operative business has good prospects in all segments, so that we can look to the future with optimism.

(Chart: Key figures for Civil 2003-2004)

Output volume for the Civil business segment increased last year by 12% to €2.4 billion. Orders received rose by 13%, also to €2.4 billion, and the order backlog of €3.1 billion at the end of 2004 was at the high level of the prior year. This segment’s growth was partially the result of consolidating our new Australian subsidiary, Abigroup, which we acquired at the end of 2003.

Civil’s EBITA was impacted by the Maumee River Crossing project in the United States. Otherwise, 2004 was a successful year for our civil-engineering activities. Due to strong earnings from other projects, an EBITA of €22 million was achieved despite the charge in the U.S.

In our selected European markets, output volume will increase again due to new major orders this year. In Australia, we are participating to an above-average degree in the growing market for major transport projects. No upturn of demand can be expected for the German market this year though. In the United States, our Civil business segment still has good opportunities with challenging infrastructure projects. In Portland, Oregon, for example, we recently received an order to construct a tunnel more than nine kilometers long. This project has a volume of €250 million. Our decisive competitive advantage was not the price we offered, but our expertise and the sound financial standing of our bidder group.

For the year 2005, Bilfinger Berger plans for the Civil business segment to increase its output volume to €2.5 billion, while EBITA will rise again significantly.

(Chart: Key figures for Building and Industrial 2003-2004)

The Building and Industrial business segment developed positively in 2004. Output volume increased by 4% to €2 billion.

Although we have a policy of bidding very selectively, particularly in the German market, orders received increased compared with the prior-year level by 9% to €2.1 billion. The order backlog surpassed the prior-year level by 7% to reach €2 billion. EBITA improved to €9 million, despite additional costs related to the discontinuation of our building-construction activities in Great Britain.

(Chart: i.volution I)

We are increasingly presenting ourselves to our building-construction customers as a full-range service provider for real estate. In the German market, we are pushing ahead with this business model with our new services brand entitled i.volution.

(Chart: i.volution II)

i.volution is the comprehensive provision of advice and services for each phase in a property’s lifecycle. It covers design, planning, construction and operation, as well as modernization. Among other things, it enables us to optimize future operating costs already in the planning stage. The basis for this attractive serve for clients is the close cooperation within the Bilfinger Berger Group. As a multi-service group, Bilfinger Berger

provides its customers with individual or complete service packages, depending on their situations, in order to optimize the economy of buildings in each phase of their lifecycles.
In its Building and Industrial business segment, Bilfinger Berger plans to generate an output volume of €2 billion and a further improvement in EBITA in 2005.

(Chart: Key figures for Concessions 2003-2004)

Bilfinger Berger's investment portfolio in the Concessions business segment expanded sharply in 2004. At the end of the year, it included 16 projects, and committed equity had increased to €171 million. Of this total, €112 million had been paid into project companies by the end of the year.

We will continue to expand our portfolio with projects that fulfill our return criteria, concentrating on markets with good general conditions for the successful realization of public-private partnerships. In addition to our existing focus on Great Britain and Australia, such markets are also North America, some of the new states of the European Union, and other selected European countries. In Germany, restricted public finances and the need for more efficiency give reason to hope that PPP models will become more popular, also in the field of transport infrastructure. In the field of public-sector building construction, competence centers are being set up at a federal and a state level to promote private-sector solutions. Thus the chances are improving that a market will develop with a substantial investment volume in Germany in the coming years.

In the concessions business, EBITA alone is unsuitable as a measure of financial success. We therefore also monitor annual changes in the present value of future cash flows from our concessions projects. This is calculated with the use of various discounting rates depending on the risk category and degree of maturity of each project. In this way, we give due consideration to the dynamic development of the value of the paid-in equity during the lifecycle of the projects. In the year 2004, the present value of future cash flows from our portfolio increased from €120 million to €152 million. The valuation methods and the growth in value over time are explained in detail in the Annual Report.

For 2005, we expect further growth in our concession portfolio and another positive contribution to value added.

(Chart: Key figures for Services 2003-2004)

The Services business segment, which comprises our activities in the field of facility management and industrial services, continued its dynamic development in 2004. Output volume increased by 17% to €1.6 billion. €550 million of this total was accounted for by facility management and more than €1 billion by industrial services. Orders received increased by 8% to €1.6 billion. The strong growth rates are primarily due to the consolidation of the companies acquired at the end of 2003: Centennial in the United States and Abigroup in Australia. The order backlog was of a similar magnitude as at the end of the prior year. The segment reported an EBITA of €62 million – once again earnings increased at a higher rate than output volume.

For the year 2005, we expect the Services business segment to increase its output volume to €1.9 billion and to post a renewed significant increase in EBITA.

Ladies and Gentlemen,

We are working hard on the further development of Bilfinger Berger as an internationally active Multi Service Group. We are still focusing on the expansion of facility management and industrial services, as well as our international construction business. This will continue by means of organic growth as well as through the acquisition of carefully selected companies.

(Chart: Babcock Borsig Service)

In the services business, the takeover of the Babcock Borsig Service Group in March 2005 will enable us to considerably expand our industrial services into the power-plant sector and will give us an excellent position also in this market. With this acquisition, our industrial-services business is entering a new dimension.

Babcock Borsig Service is one of the market leaders in the provision of lifecycle services for fossil-fuel power plants. Its wide range of services includes regular repair and maintenance and the spare-parts business, as well as the modernization, efficiency enhancement and lifetime extension of existing power plants. Its good customer relations are based on having a permanent presence at the clients' locations. Babcock Borsig Service's 2,700 employees generated an output volume of €350 million last year, which will increase to €400 million. More than half of the output volume is accounted for by international business. This new member of the Group strengthens our position in the Middle East and Eastern Europe, and also gives us a presence in South Africa.

The company has a sound balance-sheet structure without any liabilities to banks, and a sustained level of high liquidity – currently in an amount of some €80 million. This profitable company will make a positive contribution to Bilfinger Berger's net profit right from the start.

(Chart: Strategic corporate development I)

Babcock Borsig Service has outstanding development prospects, because with the rising need for energy, the demand for the repair and maintenance of power plants is steadily growing. For Bilfinger Berger, this new involvement in power-plant services is an ideal supplement to its existing industrial services.

Rheinhold & Mahla has a leading position as a service provider for the process industry in a number of European countries. Within the framework of integrated services, it bundles various activities such as scaffolding, pipe-laying, corrosion protection and insulation into tailored service packages. Full-service concepts comprise the complete maintenance of production equipment including maintenance management. These services will enable the company to continue its growth, also in the rather sluggish markets of Western Europe. Rheinhold & Mahla also profits from the growing trend towards shifting production facilities to the countries of Eastern Europe and from companies' increasing interest, also in Germany, in outsourcing various services.

Since we took over Rheinhold & Mahla, we have carefully expanded its range of services by making acquisitions in the field of pipe-laying and industrial scaffolding. Rheinhold & Mahla has also strengthened its activities in the repair and maintenance of gas-supply networks through acquisitions. On the other hand, the company's construction activities have either been sold off or transferred to the Bilfinger Berger Building division.

In the United States, our American subsidiary, Fru-Con, is a service partner for renowned industrial customers. And in the Australian market last year, Abigroup extended its services to the maintenance of electricity networks through the takeover of Skilled Power Services. This acquisition opens up considerable synergy potential with Abigroup's existing services business with gas and water suppliers. Furthermore, Abigroup recently took over Simon Engineering, which is a provider of industrial services mainly in the sectors of mining, paper, steel and energy. With a volume of €160 million, we have now attained a significant magnitude in the business of industrial services also in Australia.

(Chart: Strategic corporate development II)

Ladies and Gentlemen,

The second area of our services business is the demanding activity of technical and commercial facility management. Within a short time, we have become one of the market leaders in Germany in this sector.

Last year, we combined all of our facility-management activities in Germany at HSG. This concentration created a services group that is one of the biggest in the sector. The operative business is still based on the two strong brands, Wolfferts and HSG. With this positioning, we aim to achieve long-term growth in the field of facility management in Germany and a further improvement in our profitability. To supplement the business, in 2004 we took over DiPro Professional Property Services from ThyssenKrupp and integrated it into the HSG group. DiPro specializes in commercial facility management and mainly looks after complete real-estate portfolios.

The importance of the American market for our facility-management business has grown substantially. Centennial, which we acquired in the United States at the end of 2003, is one of the country's leading suppliers of repair, maintenance and extension services for building construction, carried out on the basis of long-term framework agreements. Its most important customers include the U.S. armed forces, organizations such as the World Bank, and increasingly universities and schools as well.

(Chart: Strategic corporate development II - end)

Ladies and Gentlemen,

The internationalization of our business is an additional focus of our strategic corporate development. The international business is traditionally very important for Bilfinger Berger, and this importance will continue to grow in the future.

The success of our international strategy is shown for example by the development of our business in Australia, where we have become one of the market leaders following the acquisition of Abigroup.

With our two Australian subsidiaries, Baulderstone Hornibrook and Abigroup, we are participating in the growth of the market for major transport projects to a greater degree than the competition.

Another important aspect is the excellent position of Bilfinger Berger in the market for PPP concessions in Australia. With the top-class references of Abigroup and Baulderstone Hornibrook and the financial strength of the Bilfinger Berger Group, we are ideally placed to profit significantly from the strong demand for public-private-partnership solutions. For example, we are currently involved in exclusive negotiations on a new building-construction project in Melbourne. Our equity input is €14 million; the project volume amounts to €190 million.

Transport infrastructures are being expanded rapidly in several European countries. In this context, our strategy of growing on the basis of our expertise in selected European markets has proven its worth. Last year, we took on major projects in Austria, Hungary and Sweden in this business.

Together with an Austrian partner, we have been awarded the contract to construct the 13-kilometer Wienerwald Tunnel with a total contract value of €340 million. This tunnel is a part of the high-speed rail link between Vienna and Salzburg, and is one of the biggest infrastructure projects in Europe at present.

In Switzerland, work on the 57-kilometer Gotthard Base Tunnel is proceeding according to plan. Together with partner firms from Switzerland and Italy, Bilfinger Berger is responsible for the challenging, seven-kilometer center section near Sedrun worth a total of €740 million. Meanwhile, we have successfully completed the most difficult part of the entire tunnel in terms of geological and construction conditions.

As the leader of a consortium with several Scandinavian companies, we have been awarded a contract in Sweden to construct a five-kilometer railway tunnel in Malmo. The Malmo City Tunnel will improve the city's links with the long-distance route via the Oresund. This project has a total volume of €260 million.

In addition, our European business in the field of transport infrastructures also gains impetus from our concessions activities. In Hungary, Bilfinger Berger is the consortium leader for the realization of the M6 motorway between Budapest and Dunaujvaros. Our consortium will design, finance and construct the 58-kilometer toll route, and will then operate it for a period of 22 years. We will guarantee the availability of the motorway during the operating phase in return for a fixed monthly payment from the Hungarian government. The project volume amounts to €480 million.

(Chart: Strategic corporate development III)

Ladies and Gentlemen,

Let me summarize: Our strategy aims to achieve a long-term increase in the quality of earnings and shareholder value.

- The expansion of the service business in the areas of facility-management and industrial services is still the core of our corporate development.

- We also intend to grow further in the international construction business.

- The Group’s concessions portfolio will be expanded, but we will only get involved in projects that meet our expectations in terms of a high return on the committed equity.

Ladies and Gentlemen,

For the year 2005, Bilfinger Berger anticipates growth in output volume to €6.5 billion, although this figure does not include any possible further acquisitions.

(Chart: Financial goals)

Our financial goals are also as ambitious as ever:

- We plan for a substantial increase in EBITA and net profit in 2005. This will take us closer to our goal of doubling our net profit to at least €100 million by 2007.

- Beginning with the current financial year, we intend for the Group to earn a return of at least 11% on the capital employed.

(Chart: Relative share-price developments)

Bilfinger Berger's positive development has been recognized by the equity market. The increase in our share price is a sign of our company's attractiveness for investors in Germany and abroad. We believe that our transformation into a Multi Service Group and the related process of reevaluation by the equity market have not yet been completed. A sound capital structure and finances, the consistent implementation of our corporate strategy, good earnings prospects and an attractive dividend yield give Bilfinger Berger shares the potential for further price rises.

(Chart: Three roots – one company)

Ladies and Gentlemen,

2005 is a special year for Bilfinger Berger. Our 125th anniversary is an occasion to look back self-confidently at the history of our company. In the middle of 2005, an academic publication will appear on the historical development of Bilfinger Berger, and will be available in book shops.

Nonetheless, our view is still firmly fixed to the future so that we can continue our successful development. Bilfinger Berger has repeatedly adapted to changes in the economic environment with timely proactive entrepreneurial actions. In this way, the construction company founded by August Bernatz in Lothringen in 1880 has grown into a group with a global presence, offering its customers complete solutions as a Multi Service Group in the fields of facility management, industrial services and infrastructure. A high degree of flexibility and a positive attitude to change have made us strong. And these features are still the guarantee for our continuing successful corporate development.

Thank you for your attention.